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# Supplier Guideline Manual

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# SA Automotive Supplier Guideline Manual

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## GENERAL INFORMATION AND SUPPLIER REQUIREMENTS

SA Automotive's Supplier Guideline Manual is based upon recognized automotive standards and the requirements defined in manuals published on behalf of the automotive industry by the Automotive Industry Action Group (AIAG). It also recognizes all additional customer-specific OEM requirements. SA Automotive performs Supplier Quality Management System development in conformance with ISO 14001, ISO 9001/IATF 16949 and MMOG/LE.

This Guideline Manual is intended to assist suppliers in their understanding of SA Automotive's requirements regarding specific management, communication and reporting processes. This Guideline Manual clarifies and supplements AIAG requirements. This Guideline Manual does not change or eliminate any requirements contained in the AIAG manuals, other automotive industry requirements or SA Automotive Purchase Orders. Purchased products/services are defined as all products and services that affect customer requirements such as sub-assembly, sequencing, sorting, rework and calibration services.

In addition to quality, it is our responsibility to keep the environment clean as well. To do this, suppliers are required to conform to the requirements detailed within this document.

### Supplier General Requirements

1. All sections of this manual must be read and understood. Any exceptions to this guideline manual must be acknowledged and agreed upon by the SA Automotive Purchasing Department
2. All suppliers are required to: be aware of Federal laws, state regulation, and county standards; avoid the use of identified hazardous materials and/or chemicals; encourage the use of materials which are environmentally friendly.  
Assistance in defining applicable requirements is available through SA Automotive.
3. All suppliers are required to have a sound quality system with a goal of third party certification to meet IATF 16949 or at a minimum ISO 9001.
4. All suppliers provide materials, services and processes that are 100% within specification and delivered 100% within the prescribed schedule. Suppliers are monitored in accordance with IATF 16949 requirements.
5. **By accepting a Purchase Order (PO), a supplier agrees to all requirements included in this SA Supplier Guideline Manual, including quality standards, as well as the terms and conditions listed on the SA Automotive website. Suppliers are further obligated to adhere to all flow-down, customer-specific requirements established by the end customer, ensuring full compliance throughout the supply chain. Acceptance of the PO constitutes the supplier's acknowledgment and commitment to comply fully with these guidelines, ensuring that all goods and services provided meet SA Automotive's expectations for quality, delivery, and regulatory compliance. Also, by making shipments under this order, the supplier automatically certifies that all goods provided conform to the specifications, quality standards, and contractual requirements outlined by the buyer. This certification includes compliance with applicable laws, regulations, and industry standards, as well as assurance that the products are free from defects and sourced responsibly. The act of shipment constitutes the supplier's formal acknowledgment that the order has been reviewed, accepted, and fulfilled in accordance with the agreed terms and conditions.**

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## 1. Quality Requirement for Suppliers

### 1.1 Objective

It is the intent of SA Automotive to do business with suppliers who are able to provide parts, materials, processes and services consistently to specification, at a competitive price, in accordance with the defined delivery schedule. The language to be used for all forms of communication, including corporate and day-to-day operations is English.

### 1.2 Requirements for Supplier Quality System

Unless otherwise specified by the OEM customer, ALL production part suppliers to SA Automotive must be registered to the current version of IATF 16949 or at minimum ISO 9001. ISO 14001 will be required only if applicable as determined by SA Automotive Purchasing.

### 1.3 Advanced Product Quality Planning (APQP)

#### 1.3.1 Purpose

SA Automotive seeks to facilitate and promote effective compliance to established standard automotive APQP requirements.

#### 1.3.2 Requirements

SA Automotive's APQP requirements are identical to established automotive standards and requirements contained in the latest publication of the Automotive Industry Action Group's (AIAG) manual, Advanced Product and Quality Planning and Control Plan (APQP).

Suppliers are required to fully comply with all customer-specific requirements as defined by contractual agreements, technical specifications, quality standards, and regulatory obligations. This includes strict adherence to product design criteria, documentation protocols, labeling and packaging instructions, delivery schedules, and any additional requirements communicated by the customer. Suppliers must ensure that these requirements are implemented consistently across all processes, materials, and services provided, and must notify the customer immediately of any deviations, changes, or potential risks that could impact compliance. Ongoing monitoring, audits, and performance reviews will be conducted to verify conformity, and failure to meet customer-specific requirements may result in corrective actions, probation, or removal from the approved supplier list.

If the supplier does not have access to Customer Specific Requirements, they can request the most current version by contacting an SA Automotive supplier quality team member.

### 1.4 Production Part Approval Process (PPAP)

#### 1.4.1 Purpose

SA Automotive seeks to facilitate and promote effective compliance with standard automotive PPAP requirements.

#### 1.4.2 Requirements

All suppliers of production parts, materials and processes are required to submit a PPAP to SA Automotive and receive approval prior to beginning shipments.

SA Automotive's PPAP requirements are identical to established automotive standards and requirements contained in the latest publication of the Automotive Industry Action Group's (AIAG) manual, Product Part Approval Process (PPAP). Additional customer-specific requirements may also be required.

An SA Automotive PPAP checklist will be provided upon request for PPAP. Each supplier is required to prepare the PPAP electronically using the SAA Supplier Submission Form (PDF format), or an equivalent format, provided that all required elements from the SA Automotive checklist are fully addressed and included. The completed PPAP, with all required elements, must be submitted to Supplier Quality by the agreed-upon due date.

Suppliers should plan on a Level 3 Submission but be available for a Level 5 Submission if requested by SA Automotive. SA Automotive requires annual revalidation of PPAP, even if no changes have been made, as a quality check.

In the event of a new program launch, parts must have a completed 100% dimensional layout submitted unless you have written approval by the responsible QE or QM not to do so. SA Automotive also reserves the right to evaluate manufacturing process through a process capability study.

The following items shall be considered when preparing the sub-supplier's control plan:

- Past problems
- Knowledge of past manufacturing process design (Including results of manufacturing process design at sub-supplier's other sites)

Suppliers are required to implement a "proactive containment" (safe launch) in the launch period to make the control plan robust and prevent non-conforming parts at the beginning of the serial production.

Suppliers must have controls for the Critical/Safety Characteristics identified in their PPAP submission.

#### Test Labs:

All testing laboratories engaged in the evaluation, verification, or certification of materials, components, or finished products for our organization must hold current accreditation to ISO/IEC 17025, General Requirements for the Competence of Testing and Calibration Laboratories. This accreditation ensures that laboratories operate with recognized technical competence, maintain robust quality management systems, and produce reliable, traceable results. Suppliers are responsible for confirming that any laboratory they utilize maintains valid 17025 certification and must provide documentation of accreditation upon request.

#### 1.4.3 International Material Data Systems (IMDS) Requirements

Automotive OEMs require suppliers to use the International Material Data System (IMDS) to disclose and quantify:

- Chemical composition of materials
- Recycled content
- Hazardous substances contained in purchased products incorporated into finished goods

#### **IMDS Reporting**

All suppliers must use IMDS to report and disclose 100% of substances and recycled content prior to or in conjunction with their PPAP submission. IMDS information and registration are available at: [www.mdsystem.com](http://www.mdsystem.com)

SA Automotive location number is 67282.

#### **IMDS - Part Submission Warrant (PSW)**

The PPAP PSW must include the SA Automotive part number, part description, IMDS ID number(s) and version(s) in the designated section, as outlined in the AIAG PPAP Manual. The supplier's IMDS number must be reported in the appropriate section of the PPAP warrant.

**Note:** Failure to submit acceptable IMDS data with acceptance may result in PPAP rejection.

#### **1.4.4 Part Approval**

When a supplier's PPAP package is **approved**, the Part Submission Warrant (CFG-1001) PSW will be sent to the supplier.

If the PPAP package is **not approved**, the supplier will be contacted, and it is the supplier's responsibility to promptly make necessary corrections and resubmit.

Late or non-compliant submissions may be subject to the Material Concern Report (MCR) procedure as outlined in section 1.5 (Material Concern Report (MCR) Process).

SA Automotive reserves the right to charge a **\$500.00** administrative fee for suppliers not complying with SA Automotive PPAP requirements and for PPAP submissions that are late.

#### **1.4.5 Authorization to ship**

Upon receipt of a signed approved Part Submission Warrant (PSW), the supplier is authorized to make shipments according to the specified SA Automotive Purchase Order and Releases. **Under no circumstances is a supplier allowed to ship without written approval from SA Automotive Quality Department representative.**

#### **1.4.6 Changes**

**ALL** changes are subject to the PPAP process. It is the supplier's responsibility to notify SA Automotive in the event of a change (planned or unplanned, product or process). This applies throughout the life of the part, including service.

#### 1.4.7 SA Automotive Specific Requirement(s) Order of Precedence

Any SA Automotive specific requirements will supersede the OEM requirements as long as the SA Automotive requirement is more stringent than the OEM.

### 1.5 Material Concern Report (MCR) Process

#### 1.5.1 Expectation

SA Automotive expects suppliers to ensure that all materials, services and processes are in conformance to all specifications and requirements delivered within the prescribed delivery schedule. **In the event that established expectations, standards, or requirements are not met, a Material Concern report may be generated. This report serves as an official record of the deviation, outlining the nature of the concern, its potential impact, and any contributing factors. The purpose of the Material Concern report is to ensure transparency, accountability, and timely resolution of issues. All reports will be reviewed by the appropriate authority to determine corrective actions, implement preventive measures, and safeguard the integrity of operations.**

#### 1.5.2 Requirements

SA Automotive adheres to established automotive standards and requires an Interim Corrective Action, including containment, clean-point information and material certification identification method, within 24 hours. **Supplier Sort Marks used as an indication that an inspection process has been performed, shall be applied and evident on the parts as directed by SA Supplier Quality.**

Authorization for non-conforming material disposition must be provided within 5 Business Days after MCR notification. SA Automotive reserves the right to scrap or return non-conforming material at the supplier's cost if disposition direction is not received from the supplier within the allowed time frame.

**It is the responsibility of the supplier to implement Irreversible Corrective Actions.**

The corrective action report must be verified by the Supplier, and the MCR must be signed to indicate that the verification was complete. The signed MCR must be provided to SA Supplier Quality Representative upon completion.

All supporting documentation must be maintained at the supplier's location. SA Automotive reserves the right to request any and all supporting documentation. SA Automotive reserves the right to perform an on-site verification audit.

Irreversible Corrective Action including Verification, Control and Prevention is due within 15 calendar days after MCR **notification**. All costs associated with non-conforming material, including an MCR Administration Fee will be debited from the supplier's account.

All correspondence related to a specific MCR must include the MCR number.

### 1.5.3 MCR Dispute Process

In the event of a quality spill, the supplier will receive a fully costed SA Automotive Material Concern Report (MCR), which will include internal costs only and any external charges received to date. Suppliers are required to remit payment within fifteen (15) days of receipt of the MCR or, alternatively, submit a written dispute to the SA Supplier Quality Representative within seven (7) calendar days. If no dispute is received within this timeframe, all costs identified in the MCR will be debited directly from the supplier's account. Any additional customer charges assessed as a result of the quality spill will be incorporated into an amended MCR, with the extension reflecting these additional charges.

### 1.5.4 Material Concern Report (MCR) Criteria

An MCR may be initiated under any of the following conditions, including but not limited to:

- 1.) Single Quality Incident - Supplier Quality or Management identifies a product quality non-conformance directly attributed to the supplier.
- 2.) Recurring Quality Issues - Supplier Quality or Management observes repeated non-conformance occurring over an extended multi-month period.
- 3.) Customer Request - A formal request for an MCR is submitted by the customer
- 4.) Consistently Low Performance – The supplier receives an overall scorecard rating below required percentage for two consecutive quarters or for any two quarters within a calendar year.

## 1.6 Escalation Process for Supplier Non-Conforming Material

### 1.6.1 Expectation

SA Automotive requires suppliers to ensure that all materials, services, and processes are in conformance to all specifications and requirements and delivered within the defined delivery schedule. Repeated shipment of non-conforming material may invoke an escalation process designed to elevate to Management for review and involvement in order to identify and resolve the cause of the problem.

### 1.6.2 Supplier Escalation Process

When supplier quality issues are identified, they will be addressed through a structured escalation process to ensure timely resolution and prevention of recurrence.

Initially, the supplier will be notified of the non-conformance and required to submit a corrective action plan within a defined timeframe. (see section 1.5 Material Concern Report (MCR) Process). Additional controls including containment and sort of all materials within the supplier's facility, at the subcontractors, in transit and at SA Automotive, shall be implemented.

If the issue persists or corrective actions are not effective, the matter will escalate to internal meetings that will first be held with SA Supplier Management to review the

situation, performance data, and root cause analysis. In parallel, meetings may also take place between SA Automotive and representatives of the supplier to ensure alignment and transparency.

Continued non-compliance will trigger probationary status, during which the supplier will be required to provide an Action Plan with a timeline for resolution. The supplier must demonstrate measurable improvement through enhanced monitoring. Possible assessments and/or second party audits may be required if deemed necessary by SA Management.

If escalation increases beyond probationary measures, the customer reserves the right to implement third-party sorting and inspection at the supplier's expense to protect production continuity and ensure product quality. SA Automotive's Chief Procurement Officer, Supplier Quality and Quality Manager are actively involved in the decision to implement third-party sort and inspection. An SA Automotive supplier quality representative will assign a third-party sort and inspection company. The supplier's input on the company used will be considered in the decision-making process. The third party will be responsible for performing the sort function per the established inspection criteria and recording the results. The third party will provide documentation to both the supplier and SA Automotive Supplier Quality on the progress of containment activity. Third-party sort and inspection will not be removed until a review of the data indicates that all significant issues show problem closure as evidenced through no issues found.

If issues persist due to failure to achieve satisfactory results within the escalation process, SA Automotive Management may elect to suspend new orders, re-source the business and/or remove the supplier from the Approved Suppliers List. In the case of a customer "directed buy," a request to re-source will be made to the appropriate OEM.

The customer also reserves the right to escalate directly to a higher level at any point, depending on the severity of the issue or the risk posed to the customer, and may perform an on-site supplier audit at any time to verify compliance.

During the escalation process, through to its resolution, communication will remain transparent—providing clear expectations, defined deadlines, and documented follow-up to ensure accountability and alignment with customer requirements.

### **Level 1 – Initial Notification**

- Suppliers are informed of the non-conformance.
- Required to submit a corrective action plan within a defined timeframe.
- Issue tracked in supplier performance records.

### **Level 2 – Formal Review**

- Escalation to structured internal meetings with SA supplier management
- In parallel, meetings may also take place between SA Automotive and representatives
- Root cause analysis and corrective actions reviewed.
- Increased monitoring of shipments and processes.

### **Level 3 – Probationary Status**

- Supplier placed on probation with heightened oversight.
- Suppliers will be required to provide an Action Plan with a timeline for resolution.
- A self-assessment may be required and/or on-site audit may be scheduled.
- Suppliers must demonstrate measurable improvement within the probation period.

### **Level 4 – Third-Party Sort & Inspection**

- Customers may require third-party sorting, inspection, or containment at the supplier's expense.
- Implemented to protect production continuity and ensure product quality.
- Suppliers remain responsible for corrective actions and long-term resolution.

### **Level 5 – Suspension or Removal**

- If issues persist, supplier may face suspension of new orders.
- Continued failure may result in removal from the approved supplier list and/or current job re-sourcing.

## **1.7 Chargeback Policy**

In the event of a Quality non-conformance, SA Automotive reserves the right to debit a supplier for the cost of SA Automotive resources which are required above and beyond that of normal production to assist in containing the non-conformance. Charge back will be identified in the MCR process and will contain an Administrative Fee of **\$500.00**. Other charges include, but are not limited to:

- SA Automotive labor
- Quality Technician Support
- Engineering or Supervisory support
- Management support
- Disposal of customer parts
- Administration fee, material handling, documentation
- Overseas Duty/Tariffs applicable
- Debits or penalties levied by the OEM or Tier 1 customer
- Downtime and overtime incurred due to non-conforming material
- Cost of scrap production produced due to non-conformance material

## **1.8 Supplier Performance Monitoring**

**Purchase Orders (Blanket)** Supplier monitoring is a vital component of effective supply chain management. All suppliers are expected to consistently meet established standards for quality, compliance, and performance. To support this process, supplier performance scorecards will be prepared and shared upon request, providing transparent visibility into performance levels and areas for improvement. When performance falls below expectations, actions such as corrective

measures, supplier assessments, second party audits, and—where necessary—job resourcing adjustments or new business holds may be implemented.

SA Automotive suppliers are evaluated against a defined set of performance criteria, including but not limited to:

- **Quality:** Consistency of product or service quality, defect rates, and compliance with all specifications.
- **Delivery:** On-time delivery performance, shipment accuracy, and responsiveness to urgent requirements.
- **Responsiveness:** Speed and effectiveness in addressing issues, communication clarity, and overall customer service.
- **Customer Disruption:** The extent to which supplier performance impacts on customer operations, including delays or interruptions.
- **Warranty and Field Failures:** Frequency and severity of warranty claims and product failures occurring in the field.
- **Supplier Premium Freight:** Use of expedited or premium freight resulting from supplier-related issues.
- **Special Status Customer Notification:** Timely and accurate communication regarding issues affecting customers with special status or priority.

\*\*Please contact SA Supplier Quality via email to request a monthly scorecard.

#### 1.9 Supplier Development

The prioritization of suppliers for development depends upon the supplier's quality performance and the importance of the product supplied. Based on an evaluation, clear goals and performance expectations are established, aligned with our company's standards and strategic priorities.

Progress is monitored through reviews of scorecards and supplier 2<sup>nd</sup> party audits when applicable. Constructive feedback is provided throughout the process, and achievements are recognized to encourage continuous improvement, with the goal of long-term partnerships that create mutual value.

#### 1.10 Supplier On-Site Audit (2<sup>nd</sup> Party Audit)

There are two primary reasons for conducting a Supplier Quality System Self-Audit:

- (1) To evaluate potential suppliers and determine their ability to meet SA requirements.
- (2) To evaluate current suppliers having recurring non-conforming materials and/or unsatisfactory performance history rating.

New supplier on-site audits may be completed by SA Automotive with a primary focus on evaluating quality management systems, production processes, workplace safety, and compliance with customer requirements. These audits are designed to verify that suppliers can consistently meet SA Automotive's standards for product quality, delivery performance, and ethical practices.

Current supplier audits will be conducted, if applicable, to review the suppliers' Quality Management System (QMS) and ensure that it aligns with SA Automotive's standards and applicable customer specific requirements. The QMS must demonstrate effective controls over production processes, documentation, corrective actions, and continuous improvement initiatives.

Suppliers are expected to provide evidence of certification (such as ISO 9001 or IATF 16949, where applicable) and ensure that their system remains up to date.

Suppliers who have audit results that are initially unacceptable may be allowed to develop action plans and timelines to correct any deficiencies and then request an additional audit to verify implementation of these actions.

Any single audit finding rated as red will require an action plan even though the overall rating is green.

All suppliers not meeting the required score may be subject to a re-audit unless substantiated documentation of corrective action(s) is provided.

All suppliers may be subject to an on-site audit.

**Distribution of Audit Results -** Audit results will be communicated between SA and supplier. All information shared during the audit process is considered confidential.

#### 1.10.1 **Criteria for 2<sup>nd</sup> Party Audit**

2<sup>nd</sup> Party Supplier Audits may be initiated under any of the following conditions, including but not limited to:

- 1.) Onboarding New Suppliers – (if applicable)
- 2.) Supplier Monitoring - Quarterly Supplier Scorecard below acceptable percentage - 3 Quarters in calendar year or 3 consecutive Quarters in any year.
- 3.) SA Automotive Determination – When deemed necessary by Management Team.
- 4.) Customer Request - A formal request for a Supplier Audit is submitted by the customer.
- 5.) Escalation – When deemed necessary during the escalation process.

#### 1.10.2 **Distribution of Audit Results**

Audit results will be communicated between SA Automotive and the supplier. All information shared during the audit process is considered confidential.

### 1.11 **Environmental, Recycling & Corporate Responsibility**

#### 1.11.1 **Environmental Impact:**

Suppliers are expected to operate in full compliance with all applicable environmental laws, regulations, and standards, and to actively minimize the environmental impact of their operations. This includes implementing sustainable practices such as reducing waste, conserving energy and water, controlling emissions, and responsibly managing hazardous materials. Suppliers must also ensure that their sourcing of raw materials does not contribute to deforestation, biodiversity loss, or other ecological harm. We encourage continuous improvement in environmental performance, including the adoption of

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innovative technologies and processes that support a low-carbon, circular economy. By meeting these requirements, suppliers help us achieve our shared commitment to environmental stewardship and long-term sustainability.

#### 1.11.2 **Working Conditions:**

Suppliers must ensure that working conditions at their facility comply with local labor laws.

#### 1.11.3 **Code of Conduct:**

The suppliers must have a code of conduct to address Basic Human rights, Forced/Compulsory Labor, Child Labor, Discrimination & Harassment, Freedom of Association, Health & Safety, Compensation & working hours including overtime.

#### 1.11.4 **Ethics:**

The supplier is required to have a written code of ethics or policy in place to prevent corruption, including bribery, excessive gift-giving, extortion or embezzlement and conflict of interest.

The supplier is required to sign the SA Automotive Visitor/Contractor Confidentiality Covenant policy statement of non-disclosure of information, systems or trade secrets, etc. to any other party.

#### 1.11.5 **Carbon Disclosure Project (CDP):**

The supplier must comply with any requests to evaluate and report greenhouse gas emissions on the C.D.P. website.

### 1.12 **Statutory and Regulatory**

#### 1.12.1 **Statutory and Regulatory Requirements**

All suppliers must adhere to all applicable statutory and regulatory requirements governing their products, services, and operations. This includes, but is not limited to, compliance with local, state, federal, and international laws related to safety, environmental protection, labor practices, trade, and product conformity. Suppliers are responsible for maintaining up-to-date knowledge of all relevant regulations, implementing the necessary controls to ensure compliance, and providing documentation upon request. Any failure to meet applicable statutory or regulatory requirements may result in corrective actions, suspension of sourcing, or termination of the supplier relationship.

#### 1.12.2 **Conflict Minerals and Regulatory Compliance**

Our All suppliers are required to ensure full compliance with applicable regulations regarding conflict minerals and chemical restrictions. Suppliers must provide accurate documentation confirming that materials supplied do not contain conflict minerals sourced from non-responsible origins, in accordance with OEM customer requirements and global standards. Additionally, suppliers must comply with the European Union's Registration, Evaluation, and Restriction of Chemicals (REACH) regulation by ensuring that all substances of very high concern (SVHCs) are identified, disclosed, and managed appropriately. It is the

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supplier's responsibility to maintain transparent supply chains, proactively monitor updates to REACH and conflict mineral legislation, and provide timely declarations or certifications upon request.

If required, suppliers must also provide documentation demonstrating compliance with other applicable regulations, which may include the Persistent Organic Pollutants (POPs) Regulation, Restriction of Hazardous Substances (RoHS), California Proposition 65, and emerging restrictions on per- and polyfluoroalkyl substances (PFAS). Noncompliance may result in corrective actions, up to and including removal from the approved supplier list.

#### 1.12.3 CQI Compliance Requirements

Compliance with applicable Continuous Quality Improvement (CQI) requirements is vital to ensuring product quality, process capability, and alignment with customer expectations. All suppliers must adhere to CQI assessments as defined by customer-specific requirements. This includes completing relevant CQI audits—such as CQI-9, CQI-11, CQI-12, CQI-15, or others as specified—at the required frequency and implementing timely corrective actions for any findings. Suppliers are responsible for determining whether their parts fall within the scope of required assessment, maintaining documented evidence of completed assessment, and submitting the completed assessment results to SA Automotive Supplier Quality. The organization shall maintain the 3-prior annual CQI-9 assessment reports and related information at the organization's site.

### 1.13 Supplier Contact Information

#### 1.13.1 Supplier Contacts

The supplier must maintain an up-to-date organization chart and contact list which may be requested at any time.

Suppliers are required to submit by e-mail all relevant personnel changes (i.e. Top Management or Key Contacts) to SA Automotive Quality and Materials contacts.

Key contacts list must include after-hours contacts for quality and shipping departments.

## 2. Purchasing Requirement for Suppliers

### 2.1 E-Business

The supplier must maintain the minimum e-Business capability, which must include fax, e-mail, internet access and browser.

### 2.2 IRS Form W-9

The supplier must complete and submit to SA Automotive Purchasing a Department of the Treasury Internal Revenue Service (IRS) form W-9, Request for Taxpayer Identification Number and Certification.

## 2.3 Approved Supplier List

### 2.3.1 Expectations

Production parts/materials/processes and services will only be purchased from SA Automotive's "Approved Supplier" List. SA Automotive evaluates and selects suppliers based upon their ability to supply products/services in accordance with the specified requirements.

### 2.3.2 New Suppliers or New Supplier Locations

New suppliers or approved suppliers with new or additional locations requesting addition to the SA Automotive approved supplier list must meet the following criteria:

Suppliers must demonstrate compliance with ISO 9001 and/or ISO/IATF 16949. ISO 14001 will be required only if applicable as determined by SA Automotive Purchasing.

## 2.4 Purchase Orders (Blanket)

Purchase orders will be issued to all approved suppliers.

Suppliers must be prepared to provide any information required by SA Automotive to substantiate the capacity to provide the necessary products, commodities and services.

All requirements of the purchase order will be enforced, including all requirements of the purchase order terms and conditions. OEM dictated Service Parts, required by all automotive OEM's and their Tier suppliers for new business awards will be called out in the purchase order and/or quality agreement upon business award. Current Suppliers providing production parts for active SA Automotive programs will be required to provide production pricing for service requirements per the OEM requirements (this can be provided to you) as part of the implied agreement for automotive requirements. Additionally, it is expected that service tooling be available for production per the OEM requirements unless other purchasing arrangements have been made. Any additional requirements and anything above and beyond the standard will be stated in the body of the purchase order.

## 2.5 Purchase Orders (Spot Buy)

All suppliers receiving Spot Buy purchase orders must comply with the quantity ordered and date required on the order. If there is any deviation whatsoever to this order, it must be communicated in writing immediately to your SA Automotive Buyer or Purchasing Agent where approval may or may not be granted.

## 2.6 Cost Savings

When SA Automotive carries out a Cost Savings initiative resulting in cost savings at the Supplier, the Supplier shall give back to SA Automotive 100% of such cost savings.

Customer/Supplier VAVE initiatives will be managed under a separate cost savings agreement per the VAVE project and will be excluded from the 100% ruling.

## 2.7 Price Increases

The Supplier must communicate to SA Automotive in writing any price increase for a specific product. This communication must take place a minimum of 2 months prior to the effective date of the increase.

In the case of a raw material increase, the Supplier commits to working with SA Automotive, in good faith, to obtain customer acceptance prior to increasing prices to SA Automotive.

## 2.8 Cost Approval

Any change of piece price for any reason must be submitted in writing to an SA Automotive Purchasing representative and must include a detailed Cost Card. If the change in piece price is driven by a design change, the Cost Card must also be accompanied by a detailed Data Overlay. This information must be reviewed and approved by SA Automotive's Purchasing Representative prior to initiating the change.

## 2.9 Obsolescence Claims

SA Automotive will notify each supplier when a program end has been announced or when a design change has been initiated, which results in the obsolescence of existing material.

The Supplier will be responsible to control their raw materials, Work In Progress (WIP) and finished goods to minimize obsolescence exposure.

All obsolescence claims must be filed within two weeks of the obsolescence event. All claims will be reviewed, and acceptance will be issued only when the SA Automotive customer has approved all findings.

SA Automotive will provide each supplier with an approved form for initiating claims. If a supplier chooses to use their own form, it must show SA Automotive part numbers, high FAB and high RAW authorizations. Planning numbers are not a claimable number.

SA Automotive and its customers reserve the right to audit all claims of obsolete material which may include inspection of physical inventory. **All material subject to an obsolescence claim must be maintained until the Supplier is authorized in writing from SA Automotive or its customer of how and when to dispose of the subject material. Supplier must return completed form including how much material was dispositioned, how it was dispositioned, and where it was dispositioned.**

Payment of claims will be issued 30 days after SA Automotive has received payment from its customer.

## 2.10 Disaster Recovery

Suppliers shall develop a Disaster Recovery Plan for potential catastrophes/work interruption that would interrupt the supply of their product to SA Automotive. This Disaster Recovery Plan shall include at a minimum: material contingency plan, transportation contingency plan, computer contingency plan and sub-supplier contingency plan. Suppliers must immediately notify SA Automotive of the course of action during this period as well as the chain of command contacts.

SA Automotive requires suppliers to establish contingency plans to prevent failure of the supplier to deliver contracted goods within the terms of the Contract/Purchase Order/Release in the event of an emergency such as utility interruptions, labor shortages, key equipment failure and field returns. SA Automotive reserves the right to review the supplier's contingency plan and the supplier must review their contingency plan annually at a minimum.

If SA Automotive and/or its Customer's production is interrupted by the failure of the supplier to deliver scheduled goods within agreed totems, all costs and/or penalties that are incurred by SA Automotive and or/its customers will be the sole responsibility of the supplier.

## 2.11 USMCA

All suppliers providing goods to our company must ensure full compliance with the United States–Mexico–Canada Agreement (USMCA). This includes accurately determining and documenting the origin of materials, maintaining required records to support preferential tariff claims, and completing valid USMCA Certificates of Origin when applicable. Suppliers are responsible for ensuring that all information provided is truthful, complete, and supported by internal documentation. Failure to comply with USMCA requirements may result in delays, financial penalties, or removal from our approved supplier list. We expect suppliers to remain informed of any updates to USMCA regulations and to implement internal processes that ensure ongoing compliance

USMCA documentation is required at submission of supplier PPAP. USMCA documentation is also required annually upon SAA request.

## 2.12 SDS (Safety Data Sheet)

All suppliers are required to provide current Safety Data Sheets (SDS) for any chemical, hazardous material, or product containing regulated substances delivered to our facilities. SDS must be supplied in English, comply with OSHA's Hazard Communication Standard (29 CFR 1910.1200), and be updated whenever product formulations change, or new hazard information becomes available.

## 2.13 IATF 16949 / IOS Certifications

Suppliers must maintain current ISO 9001 and/or IATF 16949 certifications as a condition of doing business with SA Automotive. Copies of valid certificates must be submitted to SA Automotive and always kept on file. It is the supplier's responsibility to ensure certifications remain up to date, and to promptly provide updated documentation upon renewal or during annual PPAP requests. Failure to maintain current certification or to provide proof of compliance may result in suspension of shipments, removal from the approved supplier list, or termination of the supplier relationship.

# 3. MP & L Requirements for Suppliers

## 3.1 Consigned Material

It is the supplier's responsibility to notify SA Automotive if any material on consignment is rejected or spoiled. Material and Purchasing Departments shall be informed of all details of the shipment so a decision can be made for the disposition and re-ordering of such material.

### 3.2 Shipment and Traceability

All shipments to SA Automotive are required to have proper labels for identification and traceability. Additionally, the supplier is required to keep SA Automotive informed of shipment status in advance of each shipment; advanced shipping notices (ASNs) sent using the ASN tab within Supply Chain Portal (iConnect). Each shipment must be accompanied by a packing slip and have bar codes which conform to the AIAG labeling standard unless waived by SA Automotive for a defined period of time. At a minimum each label must contain:

- Supplier Identification
- Production Identification Number
- Lot Number
- Quantity
- Date of Manufacturing/process
- SA AUTOMOTIVE PART NUMBER MATCHING (PER PO & PPAP)
- 4 labels per box (one on each side)
- Numeric-only sequencing limited to 18 characters, FIFO-based numbering control, and a barcode suitable for automated scanning

### 3.3 Product Packaging, Identification, and Delivery / Containers

The supplier is responsible for providing adequate packaging of all supplied materials to prevent potential shipping and handling damage. All packaged products are required to be identified with proper labels on the containers for identification and traceability.

It is the responsibility of the supplier to obtain all packaging and container requirements from the Material and Purchasing Departments of SA Automotive. Standard pack, packing method, container type and number of containers shall be finalized during APQP activities and included in the part Control Plan.

Containers provided to the suppliers are the property of SA Automotive or its customers. The containers are to be used for their intended purpose only. All container counts and shortages must be available and able to be provided upon SA Automotive's request.

### 3.4 Certification of Analysis (COA)

It is the responsibility of the supplier to provide, upon request, certification of product conformance (COA /COC) to SA Automotive for each lot of products shipped. The supplier is required to retain a copy of all certifications for traceability through the lot numbers on the shipping labels.

Certification may include information such as chemical composition, physical properties, dimensional measurements, statistical data, test results, etc... Detailed requirements of certification will be determined and agreed upon during APQP activities. Other information, such as Engineering Change Level, Raw Material Certification, etc...is to be retained by the supplier and made available upon SA Automotive's request.

### 3.5 Annual Certifications:

The supplier must comply with OEM requirements for annual dimensional layouts and annual flammability testing. Results of these certifications must be reviewed by the supplier with all

appropriate actions taken. Records of these certificates must be maintained by the supplier and available for recall by SA Automotive upon request.

### 3.6 **Delivery**

The acceptable criterion for all shipments of products to any division of SA Automotive is 100% on time delivery.

Upon discovery of a delivery complaint SA Automotive will contact the supplier by telephone or email followed within 24 hours by a formal rejection notice through a Material Concern Report (MCR)

Should a supplier encounter any issues in meeting releases provided by the SA Automotive materials office, they should immediately notify their SA Automotive materials contact. Such communication must occur no later than 48 hours before day of shipment.

Suppliers are to work with SA Automotive's materials office to set up Delivery Window times that are suitable for both parties.

Suppliers are responsible for all detention fees that are accrued due to suppliers detaining the trucks beyond their scheduled Delivery Windows.

Suppliers are responsible for trucking costs if additional trucks are needed due to short shipments.

### 3.7 **Inventory Control**

The supplier shall maintain an inventory control system to track the quantities of raw material, in-process material, on-hand finished goods, and shipments to SA Automotive. Requirements handed down from our OEM customers to support their fluctuating schedules, requires our Suppliers to maintain inventory 15% over released quantities. Over shipments will be refused and sent back at the Supplier's expense.

When SA Automotive conducts physical inventory counts, the supplier is expected to assist and physically verify the count of their in-house inventory. The supplier should contact the MP & L contact for details on inventory procedures, reporting instructions, identification tags, logistics arrangements and other requirements. Obsolete products will be controlled in an equivalent manner to non-conforming products.

### 3.8 **MMOG Requirements**

All suppliers are required to meet MMOGLE, V4 Supplier Criteria.

## 4. Change Management Requirement for Suppliers

### 4.1 **Change Notification**

All product or process changes affecting a part with an approved PPAP from SA Automotive must receive prior written approval from SA Automotive before implementation.

Suppliers are required to notify SA Automotive and obtain written authorization for any proposed product or process changes. Examples include, but are not limited to:

- Tool relocation

- Sub-supplier resourcing
- Product design modifications
- Material substitutions
- Process changes at either the supplier or sub-supplier

Any change implemented without written approval will be considered a violation of Supplier Guidelines. Material shipped with unapproved changes will be classified as non-conforming and subject to the MCR process, including containment, escalation, and chargebacks. Suppliers may also be held liable for damages, losses, or liabilities resulting from customer rejections, line stoppages, field failures, or warranty claims. Unauthorized changes may further result in placement on new business hold.

Suppliers are responsible for demonstrating a complete understanding of all engineering changes, whether initiated by the supplier, SA Automotive, or the customer.

Before any change can proceed, suppliers must:

- Overlay the current and revised 3D CAD math data or 2D drawings
- Review and confirm the changes with their SA Automotive Engineering representative in writing
- Obtain written authorization from SA Automotive Engineering

Supplier change summaries may be submitted in formats such as email, MS Word, or PowerPoint. However, they must include images of the CAD or drawing overlays.

The overlay review must assess and confirm the following:

- The part and/or tooling changes are accurately represented in the CAD or drawing
- No inadvertent, unintended, or unexpected changes are present
- Dimensional, material, volume, and weight changes are correctly reflected
- Design changes impacting part cost or tooling modifications are clearly identifiable
- Proposed changes are feasible within existing tool design plans

## 5. Visitor Core Awareness (SA Automotive Policy 41)

Only visitors who are properly authorized may be on SA Automotive premises. This helps to maintain safety standards, safeguard employee and customer welfare, protect our property and facilities, guard confidential information against theft, and reduce potential distraction and disturbances. For safety and accountability, employees are required to register guests and visitors upon arrival and departure at the front/reception desk located in the lobby. Guests and visitors should enter SA Automotive through the front entrance only and must be escorted within the building.

### Minimum Requirements for ALL visitors to SA Automotive:

- Must wear eye protection while on shop floor and in all designated areas
- No open toe shoes. If performing work on the floor, steel-toed shoes are required
- Report ALL accidents to management immediately
- Report ALL spills to management immediately
- Report on ALL chemicals brought on premises to Receiving Department upon arrival
- Be prepared to evacuate the building immediately upon warning

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It is the user's responsibility to verify latest revision!  
For SA Automotive Internal Use Only!

- Report ALL materials and belongings upon arrival
- Take ALL personal belongings when leaving
- Deliver SDS for all products or substances brought on premises to Receiving
- Remove all scrap and waste materials generated while on-site
- Are liable for any spill created while on-site including physical and legal damages
- Signed Visitor/Contractor Confidentiality Covenant & Corporate Weapons Policy (when required by Purchasing)

## 6. Supplier Manual Contact List

### Purchasing

- Title: Chief Procurement Officer
- Contact Person: Sammy Beydoun
- Email: sammy.beydoun@saautomotive.com

### Quality Assurance

- Title: Supplier Quality
- Contact Person: Jerlyn Benjamin
- Email: jerlyn.benjamin@saautomotive.com

### MP&L

- Title: Regional Materials Manager
- Contact Person: Shawn Perakovic
- Email: shawn.perakovic@saautomotive.com

### Corporate Responsibility / Safety

- Title: HR and Safety Manager
- Contact Person: Melissa Pfeiffer
- Email: melissa.pfeiffer@saautomotive.com

Rev. Level	Rev. Date	Revision History Update Description	Revised By
A	7/25/09	RELEASE	
B	2/5/10	REMOVED STEP 4 – EXECUTIVE REVIEW FROM ESCALATION PROCESS REMOVED REFERENCES TO SA AUTOMOTIVE PPAP CHECK-LIST REVISED MCR PROCESS TO INCLUDE GUIDE FOR DISPOSITION OF MTL. ADDED NOTE UNDER PPAP REGARDING CHANGES TO FULFILL CHRYSLER FOREVER REQUIREMENT ADDED REF. TO IMDS UNDER PPAP REQUIREMENTS ADDED NOTE REGARDING RESOURCING AT ANY TIME BASED ON PERFORMANCE UNDER ESCALATION PROCESS <i>(NOT EXTERNALLY PUBLISHED)</i>	
C	10/13/10	ADDED REQUIREMENT FOR SA AUTOMOTIVE PART NUMBERS ON THE LABELS (REMOVED SHIP DATE FROM LABEL REQUIREMENT) REVISED MCR REQUIREMENTS TO INCLUDE DETAIL ON RESPONSE TIME REQUIREMENTS ADDED SECTION FOR REQUIREMENTS OF INITIAL SHIPMENTS 7.8 REMOVED COPY OF MCR FORM – TO BE INTERNALLY CONTROLLED AT SA AUTOMOTIVE.	
D	6/3/13	Added 7 day dispute clause, ASN requirement through Supply Chain Portal, 15% over released inventory, revised submission of supplier contact form with personnel change.	
E	4/9/14	1.6.3.3 & 1.6.3.4: UPDATED CONTAINMENT LEVEL 1 & LEVEL 2 REQUIREMENTS 6.2 & 6.4: UPDATED LEVEL 1 & LEVEL 2 CONTAINMENT LETTER EXAMPLE(S) 6.6: ADDED EXIT CONTROLLED SHIPMENT LETTER	
F	8/15/14	Removed supplier ECN form sample. 1.8.2.1 updated delivery rating. 1.8.2.2 removed recycling blurb. 1.8.2.4 updated scorecard review. 1.8.2.3 removed additional containment day points. Removed additional irreversible action day points. 4.1 removed ref to ECN sample, added request form.	
G	8/3/15	Updated 1.2 to change ISO 14001 as non-required only if applicable as determined by S Group Automotive Purchasing.	
H	7/27/16	Adding non-disclosure statement. Supplier Portal removed in 3.2 and Index.	
I	8/6/21	Updated titles of Global Purchasing Director, Supplier Quality Representative and IATF. Added index's 2.10, 2.11, 2.12 and 3.8. Section updates 1.2, 1.3.3, 1.4.2, 1.4.3, 1.7, 1.10.1, 2.3.2, 2.12, 2.13, 2.14, 3.4	
J	4/1/25	Updated page 6-7. Added 100% dimensional inspection required at first shipment of parts.	Rick Pavlica
K	11/21/25	Control revision level has been increased following the comprehensive review and update of the full document	Sammy Beydoun