

**Bondtex Inc.**

**BONDTEX INC.  
SUPPLIER MANUAL**

Rev. 2 – July 2019

# Bondtex Inc.

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## 1. GENERAL INFORMATION

Bondtex is committed to excellence in lamination and manufacturing of all interior trim for Industrial and Automotive Industries. We realize that our objectives for quality can only be achieved through the collaborative efforts of everyone involved from design realization to the end product. Suppliers to Bondtex are a key variable in our formula for success. All Bondtex suppliers will be requested to join our APQP teams during the design process of projects as well as work with us during the launch and production processes on each program. Suppliers to Bondtex shall not enlist forced or child labor and must eliminate all forms of discrimination within their facilities.

### A. Supplier Requirements

1. It is the intent of this manual to assist you with complete understanding of the Bondtex system. Every supplier, internal or external, must comply with our policies and procedures.
2. All sections of this manual must be read and understood. Any exceptions to this manual must be acknowledged and agreed to in writing by the Bondtex Quality department.
3. All Purchase Orders should be acknowledged and signed within 24 hours. Once product has been shipped, all conditions within this manual will apply.
4. This document is an extension of our Purchase Orders. All requirements in the manual are to be considered terms & conditions of sale.
5. Supplier delivery performance will be 100% on time. Deliveries must be made within the day and time allotted. Bondtex reserves the right to refuse early shipments. All late deliveries will incur a \$500 fee.
6. All suppliers must be recognized to an international standard or as specified in Bondtex Quality Agreements. Suppliers are encouraged to strive to advance the effectiveness of their quality system by working to achieve certifications beyond their current status. IATF certification should be the goal.
7. Yearly cost reductions should be consistent with the Customer agreements.
8. Suppliers deemed critical to Bondtex's processes will be required to work with Bondtex in developing a joint quality agreement.
9. Corrective action and problem resolution must be prompt. Containment response within 24 hours of initial contact; root cause analysis and completed corrective action must follow within 2 weeks. Corrective actions will trigger supplier containment. There are four levels to supplier containment. Every level escalated will reset supplier containment for three consecutive 100% labeled shipments to be verified clean.

Supplier Containment Level 1: Three 100% certified labeled shipments must be verified clean before corrective action can be closed. Escalation to level 2 if containment is breached.

Supplier Containment Level 2: Supplier onsite audit or request supplier visit. Three 100% certified labeled shipments must be verified clean before corrective action can be closed. Escalation to level 3 if containment is breached a second time.

Supplier Containment Level 3: Supplier will be placed on "new business hold". Three 100% certified labeled shipments must be verified clean before corrective action can be closed. Escalation to level 4 if

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- containment is breached a third time.
- Supplier Containment Level 4: Supplier's registrar will be contacted. Three 100% certified certified labeled shipments must be verified clean before corrective action can be closed. If containment is breached a fourth time. The Bondtex quality team will entertain working with a different supplier.
10. If corrective actions are unresolved 60 days past the due date, supplier will escalate to the next supplier containment level.
  11. Suppliers may be directed at the discretion of Bondtex, in cases where rejections are excessive, that disposition of material must be given in 48 hours.
  12. Suppliers will be rated on their return dollars and delivery.
  13. Bondtex requires product record retention duration for the "life of Program" plus 15 years.
  14. Supplier shall be responsible for controlling/tracking the configuration of material to the approved engineering documents in addition to any changes to ensure that the end product meets specified functional and physical requirements as contracted. Additionally, supplier shall have a robust system in place to provide (upon request) lot or part traceability back to the raw material stock for all material shipped to Bondtex.
  15. All foam suppliers must adhere to Bondtex's internal standard for hole and pit diameter allowance. Holes and pits cannot be greater than 3mm.
  16. All suppliers will adhere to Bondtex's core length policy. Cores may not extend past 1" of the end of the material and cores must be 3" in diameter.
  17. All vinyl suppliers will adhere to Bondtex's internal standard for minimum roll length of 100 yards.
- B. New Supplier Selection Process
1. New suppliers must complete a Supplier Self-Assessment as part of the Bondtex Supplier Approval process.
  2. A follow up assessment may be required by Bondtex as a result of the suppliers' self-assessment.
  3. In addition, Bondtex may request supplier location organizational charts, studies of similar product already in production, lists of proposed sub-suppliers and the process for managing these sub-suppliers.

## 2. Quality, Environmental and Safety Management Systems

### A. Bondtex's policy on Quality systems:

All suppliers are required to have a sound quality system with a goal of third party certification meeting the requirements of IATF or at a minimum ISO9001 (current revision). Again, suppliers

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are encouraged to strive to advance the effectiveness of their quality system by working to achieve certifications beyond their current status. IATF certification should be the goal.

## B. Environmental Management Systems

1. IMDS-NAFTA\_SDS Requirements on a yearly basis
2. ISO14001 Environmental systems management – certification is not required; however, supplier should strive for development and propagation of environmentally friendly technologies and continually reduce negative environmental influences on their production processes.

C. OEM requirements may be superseded if the Bondtex requirement is more stringent than that of the OEM.

## D. Prevention of Metal Contamination

Within BONDTEX, there is a high level of focus on prevention of metal contamination in our process and finished product supplied to our automotive customers. In our efforts I am requesting that all suppliers of raw process materials and finished materials, review processing methods and packaging of supplied materials. The requirement applies for all materials supplied to support our products.

Metal items in packaging cannot include wires, metal banding, staples, nails, etc. If compliance is considered as not possible, BONDTEX must be notified immediately. Incoming raw process materials and finished material will be monitored at point of receiving into inventory to assure compliance. Suppliers of finished fabric and carpet may be requested to document and demonstrate appropriate metal detection capability.

## E. PPAP Requirements.

1. Every supplier is required to submit proper PPAP packages to Bondtex specifications prior to shipping. The Bondtex Quality representative will assist supplier with proper requirements for each submission.
2. All PPAP packages must be complete and submitted to the latest revisions using the AIAG format. Additional requirements mandated by Bondtex Corporation must be added to the PPAP.
3. If, for any reason, a supplier cannot meet the requirements as specified they must notify the Bondtex Quality representative in writing detailing the deficiencies in the system and proposed resolution. Any deviation must be agreed to in writing by Bondtex.
4. To keep in compliance with our customer requirements, annual validation may be required.

## F. Certificate of Analysis

1. If requested by Bondtex, all suppliers must send with every shipment a Certificate of Analysis (COA) stating the material meets all applicable specifications. Bondtex may request pre-shipment samples and certificates of analysis. Bondtex may also request supplier to provide historical COA data in electronic format for analysis.

## G. Notification of Rejections, QPR's, CAR's, RMA's and Continuous Improvement

1. In the event of a rejection, the supplier will be notified, either verbally or in writing. Depending on the severity of the rejection, a supplier representative may be required to visit the same day to address the situation.
2. Quality Problem Report (QPR) will be issued; the supplier is responsible for an initial response within 24 hours and may be requested to complete a corrective action.

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If no response is received within 2 weeks of notification, Bondtex reserves the right to dispose of the material in question, and deduct the cost of the rejection from the supplier's account. If a Return Material Authorization (RMA), and/or Corrective Action is required, supplier shall have 2 weeks to respond to the requirements. Disposition of rejected material must also be made within this 2 week time frame.

3. The initial Corrective Action response is required within 24 hours of notification and must have at a minimum the immediate action taken and a containment plan.

4. Any open or repeat non-conformances will be reflected in your quarterly supplier rating.

5. Suppliers will be placed on Supplier Containment for corrective actions or failure to improve quality performance. (See Supplier Requirements #9 above)

6. Suppliers placed on Supplier Containment must ensure resources are available to meet the containment requirements without jeopardizing on-time delivery. No deviations to delivery schedule or quantity requirements will be granted to suppliers on Supplier Containment status. Requirements for ending Supplier Containment status will be detailed in electronic communication provided to supplier by Bondtex Quality.

7. All charges incurred as a result of a supplier non-conformance will be the responsibility of the supplier.

8. Bondtex's Nonconformance Recovery Policy that explains all associated costs, and is included in this manual. This will be updated periodically and issued to each supplier.

## H. Supplier Performance Monitoring and Evaluation

In order to fulfill the goals of the Bondtex Quality Policy and further establish our position in today's Automotive and Industrial markets; we have instituted a program to establish a continual improvement environment to monitor supplier performance. Strategic suppliers based on volume and criticality of material supplied, have been chosen for monitoring using this program. Other suppliers will be instituted on an as-needed basis, pending supply and quality issues that may affect Bondtex's customer product or delivery.

1. Evaluation Period - An annual evaluation of suppliers will be performed in a meeting held with input from Purchasing and Quality. The overall average of points will determine each vendor's status in our supplier rating publication. This report will be distributed on an annual basis unless specific issues arise that would cause Bondtex to distribute at an accelerated rate.

### 2. Quality Rejections

Any non-conformance in the material that varies from the specifications outlined on the purchase documents will be deemed a quality rejection. Measurement of rejections will be calculated by total yards or total pieces, whichever applies. All suspect roll goods that are un-flagged will be deemed a quality rejection. Point deductions for pre-approved material deviations are subject to be waived. This authorization must be obtained in writing from Bondtex Quality and/or Purchasing department prior to manufacturing and/or shipping of the material. If Bondtex is not informed of the deviation prior to the material arrival, points will be deducted from the quality section of the supplier's evaluation. This may remain true even if material is useable at Bondtex by means of alternate processing.

Material that is suspect and labeled as nonconforming that has already been produced into customer parts or must be produced into customer parts to support production may

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be allowed a supplier sort option if applicable. This option allows a supplier to provide the labor or accrue charges to sort production parts. If the sort option is taken, only those specific parts determined to be nonconforming would be counted. If the sort option is not taken, all parts will be included in the rejection by yards/pieces. Any additional freight cost incurred due to a quality rejection and/or past due delivery status will be considered premium freight.

Records related to non-conforming product for trend analysis and problem identification shall be maintained.

### 3. Packaging

Any nonconformance relating to, but not limited to, the packaging of the product, discrepancies in packing list, missing packing list and/or bill of lading, incorrect or missing labels, or any items that are specific to an individual supplier, are considered a nonconformance in packaging. Bondtex must first approve any deviation from the requirements. Failure to receive approval prior to deviating packaging may result in point deductions and administration charges.

A Quality Problem report (QPR) may be issued to any supplier that does not meet Bondtex's packaging standards, and deductions will be taken on supplier's scorecard. Bondtex's Purchasing and Quality departments reserve the right to charge suppliers not responding in a timely manner.

### 3. On Time Delivery

Any material that is not received into Bondtex's system in the correct quantities and by the date specified on the weekly release is considered as past due. Each delivery will be considered as one shipment regardless of the quantity or variety of materials in the shipment. Any one material missing from the shipment will deem that shipment incomplete.

### 5. Service & Responsiveness

Bondtex requires that each supplier be responsive and treat each incident with promptness and professionalism. At first notification of corrective action request, the supplier is required to react with initial containment response within 24 hours. If the issue creates a safety issue in

Bondtex's facility, the supplier must react within the first hour of notification, and have an onsite representative within 24 hours if required by Bondtex.

### 6. Acceptability

Bondtex expects all suppliers to maintain a minimum of 70 points for each annual evaluation. In the event a supplier receives a score that is less than acceptable, Bondtex may request to perform a supplier quality system audit at the supplier location.

### 7. Evaluation Criteria

**Quality** – scoring for Quality will be based on return dollars charged to suppliers for rejected material.

**Delivery** – Scoring for Delivery will be based on late deliveries, as well as over/under shipment.

## I. Statutory & Regulatory requirements

1. Submit the following upon request:

I. IMDS – submitted to Bondtex IMDS number 34630.

II. Conflict minerals reporting template (CMRT).

III. SDS – Safety Data Sheet.

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IV. Any additional reporting or special controls for products or services with statutory and regulatory criteria requiring implementation and maintenance.

## 3. Engineering Change Management System

A. All engineering changes should be implemented using a formal Management of Change system. Audits of this system may be included in any supplier audits conducted by Bondtex.

The MOC system should, at a minimum, include the following items:

1. MOC Log for tracking changes in chronological order.
2. MOC communication display to exhibit date, proposed change, planned or unplanned, process impacted, reason for change, action taken, risk assessment, and validation/approval.
3. Formal plan for reviewing changes
4. All supporting paperwork including training records and changes to specifications, and/or work instructions

B. All engineering changes must be submitted in writing and approved by Bondtex prior to implementation of change by the supplier. Any change to a supplier process, product or any of its characteristics (including packaging, shipping characteristics) is considered an Engineering change, whether that characteristic was expressly specified in the product specification or not.

1. Bondtex will not accept cost increases due to an engineering change unless it is authorized and approved in writing by Bondtex.
2. If Bondtex requires changes that will result in a reduction of price, in either tooling or manufacturing costs, Bondtex will expect component price/roll goods price to be reduced to reflect the entire amount of the reduction.
3. If a supplier requests a change, the supplier will be responsible for any and all associated expenses, including expenses that may be incurred downstream.
4. Any vendor requesting to move any program to a different facility for any reason, must complete a tool/program movement form and submit it to Bondtex Purchasing and Quality representatives.
5. Bondtex reserves the right to request PPAP submission for any vendor changes.

## 4. Shipping

A. Delivery Performance.

1. Delivery performance will be handled through our Supplier Performance module. It is important that suppliers are aware of transportation and delivery requirements, as it is one of the key performance metrics by which they will be assessed.
2. All suppliers are required to deliver 100% on-time to all of our locations.
3. All products are required to be shipped to accommodate the due date at the Bondtex location.
4. Early or late deliveries will not be tolerated without penalty unless your associated Bondtex buyer or representative has previously approved it in writing.
5. Suppliers shall maintain the ability to absorb a 15% volume increase at all times.

B. Electronic Data Interchange (EDI)



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1. Prior to each shipment an ASN (advance shipping notification) sent via EDI, email or fax to the appropriate buyer is required.
2. Missed, late or short shipments must also be communicated and approved by Bondtex prior to shipping.
3. Suppliers are responsible for all expedited charges unless pre-approved by Bondtex.
4. Bondtex will not accept over shipments of any kind unless pre-approved with your Bondtex representative.
5. Any material shipping from outside the USA must have “Country of Origin” marked on the Invoice and any other pertinent paperwork.

**C. Shipping Windows**

1. Each supplier will receive routing instructions and preferred carriers.
2. Routing instructions with delivery window must be met with every shipment.
3. All costs incurred as a result of missed, early or late shipments and are deemed the responsibility of the supplier will be charged back accordingly.

**D. Packaging/Label Specification.**

1. All products shipped to Bondtex must be properly packaged to assure that all products arrive at our locations in good condition. All packaging must be pre-approved prior to shipping production material.
2. All material must be properly identified with the following information on a readable bar code label using standard AIAG format unless otherwise approved by Bondtex.
  - a. Bondtex Item Number
  - b. Description
  - c. Serial / Roll Number
  - d. Lot / Batch Number
  - e. Date
  - f. Quantity: net and gross
  - g. Purchase Order Number

<b>DESCRIPTION:</b>  INCLUDES STYLE, COLOR, COLOR NUMBER (IF APPLICABLE)		
<b>PURCHASE ORDER NUMBER (K)</b> <div style="text-align: center;">             1 2 3 4 5 6         </div>		
<b>GROSS QTY:</b>	<b>NET QTY (Q):</b>  <div style="text-align: center;">             1 2 3 4 5 6         </div>	<b>SHIP TO:</b>  <div style="text-align: center;"> <b>BONDTEX INC.</b>            1650 Duncan-Reidville Road            Duncan, SC 29334         </div>
<b>MFG DATE:</b>	<b>EXP DATE: (IF APPLICABLE)</b>	<b>LOT NUMBER (L)</b>  <div style="text-align: center;">             1 2 3 4 5 6         </div>
<b>SERIAL NUMBER (S)</b>  <div style="text-align: center;">             1 2 3 4 5 6         </div>		<b>SUPPLIER PART NUMBER (P)</b>  <div style="text-align: center;">             1 2 3 4 5 6         </div>

**NOTE: MUST SHIP UNIQUE SERIAL / ROLL NUMBERS – NO DUPLICATION**

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## *ALLOWED*

### E. Packing Slips and Bills of Lading

1. All packing slips and bills of lading must have the following information
  - a. Sold to Address
  - b. Ship from address
  - c. Ship to Address
  - d. Purchase Order number for every item shipped
  - e. Bondtex stock item number with description
  - f. Lot/Batch number and Roll/Serial Number for each stock item number shipped
  - g. Quantity shipped: net and gross
  - h. Number of rolls/cartons or containers shipped
  - i. Total weight
  - j. Date of shipment
  - k. Shipping Class. The Supplier shall use the shipping class on Bondtex's Purchase Order if indicated.
  - l. BOL # and Pro # if applicable

## 5. Materials Management

### A. Purchase Orders

1. Purchase orders will be issued to all approved suppliers.
2. All suppliers must be prepared to provide any information required by Bondtex to substantiate the capacity to provide the necessary products, commodities and services.
3. All suppliers must comply with all requirements of the purchase order including terms and conditions. We have separate Quality Agreements with all strategic suppliers; they are considered an extension of the production purchase order. All requirements will be enforced.
4. Any additional requirements above and beyond the standard will be stated in the body of the purchase order.
5. SDS is required on all products prior to shipping.
6. Any material(s) subject to a shelf life must reflect a date of manufacture and an expiration date. This information must be clearly visible on the container(s).
7. All products shipped for production purpose must have PPAP approval, unless the Supplier has obtained a written deviation from Bondtex.

### B. Spot Buy Purchase Orders

1. Suppliers receiving spot buy Purchase Orders must comply with the ordered quantity and date required on the order. If there is any deviation whatsoever to this order it must be communicated immediately to your Bondtex associated buyer or purchasing agent, where approvals may or may not be granted.

### C. Obsolescence Claims

1. Bondtex will notify each supplier when a program end has been announced.
2. It will be the responsibility of the supplier to control their raw materials and reduce any possible obsolescence exposure.

### D. Service Orders

1. Production pricing must be held for all future service orders for a minimum of 3 years.

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## E. Yardage Measurement

1. Suppliers that supply roll goods to Bondtex must measure yards on a roll, using a method that is equivalent to “tru-meter” measurement under 0 tension. A correction factor may be used on the supplier's measurements to achieve that equivalence.
2. Bondtex will conduct yardage audits from time to time. The Supplier accepts that if shortages are found during such audits, statistical methods can be used to support a shortage claim.

## F. Cost Savings

1. When Bondtex carries out a Cost Saving initiative resulting in cost savings at the Supplier, the Supplier shall give back to Bondtex 100% of such cost savings.

## G. Price Increases

1. In case of raw material increases, the Supplier commits to working with Bondtex to obtain Bondtex Customers' acceptance prior to increasing the prices to Bondtex.
2. The Supplier will provide Bondtex with a minimum of 2 months notification on specific product price increase prior to the increase being effective.

## 6. Vendor Non-Conformance Recovery Policy

- For use of Bondtex auditing equipment: \$20.00 per hour
- For use of Bondtex Labor \$17.00 per hour
- For use of Quality Technician Support \$32.00 per hour
- For use of Engineering or Supervisory Support \$39.00 per hour
- For use of Management support \$47.00 per hour
- For use of independent lab for testing, all lab fees will be charged to responsible vendor.
- Administration Fee for Material Handling and Documentation \$100.00
- Overseas Duty/Tariffs applicable (present market rate %)
- For each QPR issued in excess of the 5<sup>th</sup> during a calendar year, there will be a \$500 admin fee assessed. This fee will be assessed on each additional QPR issued until the year ends.

### Notes

In addition to the above charges the following will apply:

- Administration Fee will be applied for each QPR / Field Failure incident in addition to each request for corrective action. Late responses to corrective action requests will also be subject to administration fees.
- All hourly fees as noted above are subject to standard overtime rules including “time and one-half, over eight hours, double time on Sundays, and triple time on paid holidays.
- All freight for product return or replacement, due to vendor related defect, including expedite, when required by Bondtex will be the responsibility of the applicable vendor.
- In the spirit of cooperation and teamwork, Bondtex will warehouse suspect and nonconforming material related to vendor defects at no cost for the first 48 hours after notification.
- Bondtex customer charges including administration, overtime, downtime, sorting, disposal, testing etc. due to vendor related issues will be charged to the applicable vendor without additional penalty.
- Applicable fees for technical support and equipment usage will not apply if audited material is defect free or within accepted standards.

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## 7. Bondtex Key Contacts Information

### Bondtex Main Phone Line – (864) 433-1007

Balsa	Marc	Operation Manager	Ext. 18	mbalsa@bondtexinc.com
Tony Bracewell		Sales Manager	864-991-2288	tbracewell@bondtexinc.com
Joy	Jimmy	Business Manager – Auto Group	864-398-3633	jjoy@bondtexinc.com
Eric Young		Quality Director	Ext. 21	ey@bondtexinc.com
Stephan Duthie		Plant Manager	Ext. 24	sduthie@bondtexinc.com
Clay Jones		Quality Manager	Ext. 30	cjones@bondtexinc.com
Beth Blackburn		Quality Systems Manager	Ext. 41	bblackburn@bondtexinc.com
Gossett	Haruka	Customer Service Manager	Ext. 42	hgossett@bondtexinc.com
Bobby Gosnell		Supplier Quality Engineer	Ext. 47	bgosnell@bondtexinc.com
Jessica Gibson		Purchasing Coordinator	Ext. 22	jjgibson@bondtexinc.com
Sharon Whitfield		Customer service	Ext. 38	swhitfield@bondtexinc.com
Angela Littlejohn		Customer service	Ext. 37	Alittlejohn@bondtexinc.com
Laura Petty		Customer service	Ext. 32	lpetty@bondtexinc.com
Vicky Plemmons		Customer service	Ext. 29	vplemmons@bondtexinc.com
William Hoffmann		Controller	Ext.13	bhoffmann@bondtexinc.com
Christine McGrady		AR / AP	AR / AP	CMcGrady@bondtexinc.com
Kevin Stephenson		Quality Tech.	Ext. 47	kstephenson@bondtexinc.com



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## 9. Supplier Contacts

<u>Position</u>	<u>Name</u>	<u>Phone</u>	<u>Email Address</u>
Plant Manager			
Quality Manager			
Sales			
Customer Service			
Materials Manager			
Purchasing			
Engineering Mgr.			
Warehouse			
2 <sup>nd</sup> Shift Contact			
3 <sup>rd</sup> Shift Contact			

\*Note: New contact changes to be added after SQM acknowledgement must be sent to [bondtexqualityteam@bondtexinc.com](mailto:bondtexqualityteam@bondtexinc.com).

