



# **DELIVERY MANUAL**

VERSION 2.10

## Version Control

Version	Date	Author	Description
2.2.1	27.3.2009	KMe	Bar code definitions.
2.2.2	5.5.2009	Kme	Appendix 1 and 4 changed.
2.2.3	24.09.2009	Kme	Point 4 PPAP requirements and point 10 quality and environmental requirements updated.
2.2.4	2.02.2010	Kme	PKC Group Oyj changed to PKC Wiring Systems. Examples in appendixes 1, 2 and 3 changed.
2.2.5	25.03.2010	Kme	ISO9001:2000 changed to ISO9001:2008.
2.2.6	31.08.2010	Kme	Added remark about PPAP documents – no costs will be accepted.
2.2.7	8.10.2010	Kme	Changed PKC Wiring Systems back to PKC Group where needed + added changes about PPAP requirements + changed appendix 4
2.2.8	10.11.2010	Kme	Changed the requirements for Environmental Management System.
2.2.9	31.01.2011	Kme	Changes in the supplier evaluation in appendix 3
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2.2.12	22.08.2015	Kme	Full update of the Delivery Manual.
2.3	25.08.2017	A.Gross	Updated following: 1.2 Scope 3.2 Long-term declaration of products 4.3 Quantity of Parts 4.5 Changes, which require PPAP submission 4.7 Requirements for Parts Approval 5.2 General Packing instructions 10, 10.2; 10.5; 10.8 Added chapter for Product Safety Appendix 5 added Supplier escalation process updated
2.4	11.05.2021	K.Mäesalu, M-H.Vislapu	Full update of the Delivery Manual
2.5	11.05.2021	K.Mäesalu, M-H.Vislapu	Text update (e-mail for PCN).
2.6	22.02.2022	K.Mäesalu	Updating information about “European Motherson TCs of Purchase_V1”.
2.7	27.04.2022	J.Laptosevic	Update of Supplier escalation process (Appendix 4)
2.8	22.06.2022	J.Laptosevic	Updates in point 4.6 and 4.7
2.9	26.10.2022	A.Gross	Update in points 9.1 and 9.5, 9.8
2.10	07.12.2023	J.Laptosevic	Change of pkcgroup.com domain 8D report template added as Appendix 5 (related to point 9.4)

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## 1. Introduction

### 1.1 Objective

A key objective for PKC Group is always to deliver all its products in full accordance with its customers' demands. Perfect delivery reliability from all PKC Group suppliers is therefore mandatory.

PKC Group recognizes its responsibility for the quality of its products and services. PKC Group's goal is to develop even more efficient and flawless operations. PKC Group also strives to minimize the impact of its operations on the environment. Within PKC Group, this Delivery Manual is considered an integral document of PKC Group's quality standard and will be referred to in all matters concerning deliveries to PKC Group i.e. supplier evaluation and instructions, purchasing and general delivery matters.

For the above objective to be fulfilled, the following shall always apply in regard of supply of Products from the Supplier.

### 1.2 Scope

This Delivery Manual covers all delivery related aspects related to components supplied to PKC Group's Wiring Harnesses business i.e. to PKC Wiring Systems Oy and its affiliates (hereinafter referred to as PKC).

It is a document concerning the roles and responsibilities related to the day-to-day work related to deliveries for PKC. All commercial issues (e.g. lead time, prices and other purchasing and sourcing related parameters) are agreed outside of this document. PKC requests supplier to confirm that this document has been received, reviewed and acknowledged by supplier to be followed during our cooperation (see Appendix 5 for acknowledgement).

## 2. Correspondence, Delivery and Invoicing addresses

Agreements with Suppliers are negotiated on a centralized basis and PKC's affiliates and production units may independently place orders to Suppliers under the main agreement. PKC shall inform Supplier the names and addresses of affiliate companies and/or production units that may place such orders.

Both Parties shall nominate contact persons responsible for the communication between the Parties in matters concerning the Supplier's deliveries. All such contact persons must understand and speak English. All documents sent to PKC should be written in English and sent in written form, if not agreed otherwise.

PKC shall always inform the Suppliers PKC's contact person(s) information as well as the delivery and invoicing addresses. All of PKC's delivery addresses can also be found on PKC's website: <https://www.motherSON.com/>.

PKC's e-mails are in a format: forename.surname@pkcgroup.com

Please address any questions concerning the Delivery Manual to Supplier's contact person at PKC.

### 3. Ordering

#### 3.1 Order methods and Purchase Order Number

PKC has three methods to order materials: spot orders, initial sample orders and delivery plans. Purchase orders may be submitted by e-mail, EDI (Electronic Data Interchange) or in any other equivalent manner.

##### 3.1.1 Initial sample orders

Initial sample order is spot order used when materials are ordered for the first time or some other special reason, e.g. PCN (Part Change Notification). PPAP documentation must be delivered with the samples. More detailed information about this in section 4.

##### 3.1.2 Spot orders

A spot order is an individual order, which does not contain any forecast(s).

##### 3.1.3 Delivery Plan

The Delivery Plan is a schedule which is sent regularly by PKC, and it consists of two parts:

- Open Purchase Order(s) if existing at the time; and
- Forecast(s) if existing at the time.

The Purchase Order is the line/lines in the Delivery Plan, which contains a Purchase Order Number. All other lines without an order number and marked accordingly are forecasts (not orders) based on PKC's estimated needs at the time. PKC may also send only forecasts.

Each Purchase Order should be strictly respected, which means that, the material must be delivered on the requested date(s) (not earlier and not later), if not agreed otherwise.

#### How to read the Delivery Plan:

##### Example 1

<b>ITEM:</b> GT068400						
<b>DESCRIPTION:</b> TERMINAL 565						
<b>SUPPLIER CODE:</b>						
<b>DELIVERED:</b> 10000,00						
<b>DELIVERY DATE</b>	<b>QTY</b>	<b>UNIT</b>	<b>ORDER</b>	<b>ARRIVED</b>	<b>RECEIPT NO</b>	<b>Position creation date</b>
06.10.2020*	0		20054054/1/3	4750	42384	
03.03.2021	5000	Pcs	forecast			20.10.2020

In this example the first four lines contain principal information about the item:

- The 'ITEM' line indicates PKC part number;
- The 'DESCRIPTION' line indicates PKC's description of the item;
- The 'SUPPLIER CODE' line indicates the product code defined by the Supplier;
- The 'DELIVERED' line states the cumulative quantity of the items delivered from the beginning of the year.

The rest of the lines are actual delivery plan information:

- This line containing an asterisk (\*) shows the last arrived Purchase Order and it is not an order line.
  - o 'DELIVERY DATE' is actual date when order has been received to PKC;
  - o 'QTY' shows open order quantity;
  - o 'UNIT' shows the unit of the item (pcs, m, ml, etc.);
  - o 'ORDER' is number of the arrived order line position;
  - o 'ARRIVED' is received order quantity;
  - o 'RECEIPT NO' is the delivery note number for last received order.
- The bold lines suffixed with a purchase order number show the currently open orders;
- The bottom lines in *italic* (which are NOT suffixed by a purchase order number) are future forecasts (not binding orders).

The columns of the delivery plan from left to the right:

- 'DELIVERY DATE' states the day when the goods needs be shipped out to PKC OR arrive in PKC (depending on delivery term, see Section 8.2). The format is dd.mm.yyyy.;
- The 'QUANTITY' states the open order quantity of each order position;
- 'UNIT' shows the unit of the item (pcs, m, ml, etc.);
- 'ORDER' column indicates the purchase order line position;
- 'ARRIVED' shows received order quantity;
- 'RECEIPT NO' is the delivery note number for last received order;
- 'POSITION CREATIN DATE' shows the creation date of an open order or forecast position.

## Example 2

ITEM:	S5553					
DESCRIPTION:	WIRE R2 0,35 Green					
SUPPLIER CODE:						
DELIVERED:	12000.00					
DELIVERY DATE	QTY	UNIT	ORDER	ARRIVED	RECEIPT NO	Position creation date
17.11.2020*	0		20052733/24/3	12000	VPA398007	
17.11.2020	2000	M	20052733/24/3			16.11.2020

In this example: delivery date of order no. 20052733/24/3 should have been 17.11.2020 and original order qty was totally 14000 pieces, of which 12000 pieces were delivered and arrived on 17.11.2020. Therefore, the order will stay as open order line until the remaining order quantity in amount of 2000 m has been received completely.

### 3.1.4. How to read Purchase Orders

Each purchase order contains a purchase order number. The purchase order number is on the following exemplary format:

20031234/3/25

The number before the decimal point (20031234) is the actual Purchase Order Number defined by PKC. Each supplier is assigned a unique, unchanging Purchase Order Number when using Delivery Plan format.

With initial sample and spot orders Supplier will get a different number each time.



The number after the first slash (3) is the unchanging position number of an ordered item. For example, if PKC orders 20 separate items, each of them is assigned to its own position number between 1-20.

The number after the second slash (25) is a running position number, which will increase by one after each delivery.

### **3.1.5 Order Confirmation**

After receiving the order, Supplier shall send an order confirmation to PKC. It is Supplier's duty to inform PKC well in advance about possible problems that might affect Supplier's capacity and ability to fulfil the delivery.

The order confirmation must include the following:

- A list of the products in detail (e.g. PKC part number, quantity, specification etc.);
- Unit price of products and possible discounts;
- Delivery or arrival date (depending on what has been agreed between the parties);
- Any other matters PKC mentioned in the offer order.

## **3.2 Long-term declaration of products**

PKC may require Supplier to send a long-term declaration of products having preferential origin status for the purpose of duty exemptions in respect of valid international trade agreements. The long-term declaration is in force for 1 (one) year at a time and to be renewed annually with clearly indicated validity dates of long-term declaration. In case of a change in the declaration information during validity period, Supplier should immediately report to PKC about the change. 20 (twenty) working days before end of the validity of long-term declaration, new long-term declaration for new period of 1 (one) year to be issued to PKC. The country of origin (COO) should be visible on the invoice (it needs to be real country of origin, not e.g. "EU origin").

## 4. PPAP Procedure

### 4.1 New production parts

A PPAP shall be completed for all new production parts to ensure that a Suppliers process has the potential to meet all PKC and customer specifications. PPAP documentation shall be sent to PKC free of charge at Supplier's cost.

### 4.2 PPAP parts

Parts submitted for approval must be taken from a significant production run. This would typically be from one hour to one shift production, with the production quantity to total one hundred parts minimum.

### 4.3 Quantity of parts

The quantity of PPAP initial sample parts is defined in initial sample order. These parts must be representative of the production run for each position of a multiple cavity die, tool or pattern are to be measured, tested and submitted for approval. Requirements may vary depending on the nature of the part (i.e. electrical vs. mechanical) and will be dictated by the drawing and/or by current engineering standards .

### 4.4 Critical characteristics

Critical characteristics require short-term capability to Ppk's of  $\geq 2.0$  and a long-term capability Cpk  $\geq 1.67$  when the process is under ongoing statistical control.

In case process is not under statistical control electronic or automated Poka-yoke need to be implemented and/or effectiveness must be verified once per shift.

### 4.5 Product Change Notification and changes, which require PPAP submission

If Supplier is planning to make any below listed changes in the Products or Processes, then Product Change Notification (PCN) must be sent to PKC in advance. PKC will decide, if new samples are needed for testing before Supplier can start delivering the changed parts, and/or if OEM approval is needed.

- a. A new part (Any part not previously used in PKC)
- b. Correction of discrepancy on a previously submitted part
- c. Product modified by an Engineering Change
- d. Tooling layout change
- e. Tooling changes
- f. Manufacturing location change
- g. Change in material
- h. Manufacturing process change
- i. Change or addition of a sub- contractor
- j. Localization of parts
- k. Production has been inactive longer than 1 year.

Supplier can use their own PCN (or PPCN) template to communicate planned changes. Following information needs to be provided:

- Supplier name; site(s)/location(s)
- Part or process change description (if possible, photo, drawing, specification added to support understanding of the change)
- Affected part(s) (preferably PKC part nr)
- Mention if any of the parts are safety critical parts
- Affected PKC delivery location(s)
- Planned change implementation date(s)
- PPAP availability date per part(s)
- Supplier contact person, contact information
- Date of PCN submission.

This information must be sent to e-mail address [PCN@motherson.com](mailto:PCN@motherson.com).

NOTE: every drawing change / new revision should be shared by supplier to PKC team via e-mail address [PCN@motherson.com](mailto:PCN@motherson.com). All drawing version changes and updates need to be communicated, not only when PCN procedure applies. PPAP documents and/or PSW need to be updated accordingly to reflect drawing valid version.

## 4.6 Timing

Timing for submission of data, documentation and sample parts (See Requirements for Parts Approval Section 4.7) will vary depending on the type of change being made. For new parts or new part designs, the PPAP documentation submission should start as soon as possible after receiving the order. For part changes listed in Section 4.5 (Items “b” through “h”), the PPAP submission is due 8 weeks before the parts are to be used for production at PKC.

Supplier must inform PKC well in advance to avoid any production disturbances and ensure continuity of deliveries. All dates must be agreed with and confirmed by PKC.

## 4.7 Requirements for part/process approval

PPAP level 3 (See Appendix 1) must be submitted by the Supplier for each part when any of the situations in Section 4.5 occur (when PCN procedure applies). PPAP documentation must be submitted electronically to respective e-mail addresses below, depending where PPAP samples are sent:

[ppap@motherson.com](mailto:ppap@motherson.com) should be used when PPAP and samples are requested to PKC plant in Lithuania;

[ppapPL@motherson.com](mailto:ppapPL@motherson.com) referring to PKC plant in Poland;

[ppapSRB@motherson.com](mailto:ppapSRB@motherson.com) referring to PKC plant in Serbia;

[ppapBR@motherson.com](mailto:ppapBR@motherson.com) referring to PKC plant in Brazil.

PKC does not require complete PPAP-documents to the so-called list-components (standard/catalogue components, bulk-materials), unless otherwise specified. In case of standard components PPAP Level 2 with following specified documents is required:

- Design records of product (drawing / specification)
- Part Submission Warrant (PSW) – supplier need to mark to PSW Explanation/Comments field note that the part is standard/catalogue part

- Customer Specific Requirements; IMDS = material declaration/data sheet, declaration of RoHS and REACH, if applicable also MSDS = material safety data sheet; Conflict Minerals Report.
- Country of Origin certificate
- Sample products – when requested.

PKC might define additional documents to be submitted with PPAP according to requirements defined by concrete OEM and this applies to both level 3 and level 2 PPAPs.

Higher level PPAP sent (level 3) is acceptable instead of level 2 PPAP, but not vice versa. Requalification data (PPAP) should be submitted to PKC whenever requested. In case of assigned components, the requirements agreed between OEM and the supplier are acceptable by PKC. In this case PKC requires to receive the full PPAP that was submitted to the OEM by supplier and OEM approved PSW.

For safety critical parts PPAP must include safety critical characteristics measurement results and Statistical Process Study results to show that process is able to meet safety characteristic requirements.

Material data (MDS) shall be sent to PKC via IMDS ([www.mdssystem.com](http://www.mdssystem.com)). PKC Lithuania and Poland and Serbia IMDS ID: 30641; PKC Segu Systemelektrik IMDS account is with ID: 3040 (company: Segu Systemelektrik GmbH). Always remember to add PKC part number to the IMDS report.

Distributors in the automotive supply chain need to make sure IMDS data is provided. It can be done by asking manufacturers of the components to submit IMDS data to PKC IMDS site.

If IMDS is not possible for Supplier to adopt, material data must be delivered to PKC in .pdf or .xls version with other PPAP documents.

## 5 Packing

### 5.1 Packaging level definitions

**Master Package:** Overall package consisting of one or more outer packages, such as a pallet. A Master Package may contain one or more different part numbers from one or more orders.

**Outer Package:** This package (mostly) contains only one part type from one order, such as a box. An Outer Package is the lowest shipment packaging level.

**Product Package:** A product package is shipped inside an outer package. For shipment, these configurations require a higher packaging level, mostly an outer box.

**Shipment level:** This is a packaging level that is suitable for shipping goods. These are the master package and outer package.

### 5.2 General packing instructions

Products should be packed in such a way that (i) items with the same Purchase Order Numbers are grouped together (preferably on one pallet) and (ii) same items are grouped together if a shipment must be packed on several pallets. It is preferred that pallet includes only one type of item. Note however, that the products should be packed:

- in a way that is best suited to the mode of transportation used;
- in a way to avoid damaged during transport;
- Cost-efficiently/economically (e.g. one bracket is not delivered on one EUR pallet).

If a Master Package includes many Outer Packages (especially if different), Supplier should pack them in such a way that all the receiving labels are in view and heavy goods are packed underneath and light ones on top. The Outer Package cartons are not be allowed to cross the outlines of the pallet.

In case of assigned products, the Supplier might have a packing manual/instruction approved by the OEM. In such case the packing manual agreed with OEM is acceptable also for PKC. Please forward this packing information to your PKC sourcing contact.

**Note:**

Staples are not permitted, carton boxes needs be sealed with paper or plastic tape only.

It is recommendable to use plastic straps instead of metal to bind a rack. Plastic straps are easier to unbind and recycle. In case of big/heavy pallets/packages, metal straps can be used, too.

### 5.3 Pallet dimensions

#### 5.3.1 Road and sea freight

PKC's warehousing can only handle Master Packages with the following maximum dimensions, which are in accordance with the standard EUR pallet:

Width: 80 cm  
Length: 120 cm

Height: 93 cm

In special cases also other types of pallets can be used (e.g. FIN pallets), if this is better for transporting the Supplier packages.

The width and a length given above are ABSOLUTE maximum dimensions, but height of a pallet can be (but not preferably is) higher in exceptional cases. Supplier should evaluate how high a pallet can be delivered securely and intact as the lowest layer of cartons is easily collapsible. Also, transportation cost efficiency and the height of the trailer should be considered in packaging. In other words, it needs be possible to fill the trailer from the floor to the roof by arranging the pallets one on top of the other.

### **5.3.2 Air freight**

If air freight is necessary, Supplier should confirm with the chosen carrier any restrictions and regulations on shipment weight and dimensions and comply with them. Please also consider the rules below:

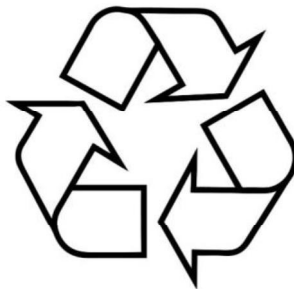
- Shipment with weight smaller or equal than 30 kg should be packed in carton boxes;
- Shipment with weight over 30 kg should be packed on pallet (preferred small pallet).

## **5.4 Packaging materials**

### **5.4.1 Environmental considerations**

We take responsibility for the quality of our products and services and together wish to improve our operations so that they become more efficient and flawless. We strive to minimize our operations' negative effects on the environment.

- Plastics should preferably be polythene (PE);
- Other recyclable materials may be used;
- Plastics containing chloride (CL) may NOT be used;
- Expandable plastic as inner package filler may NOT be used (ie Styrofoam, etc);
- All materials should be marked with standardized or recognized symbols for recycling e.g. with following symbol (The Mobius Loop):



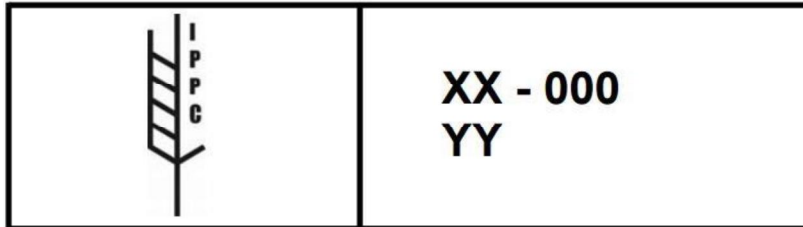
### **5.4.2 Wooden packaging material**

To prevent the spread of dangerous pests to new areas, ISPM 15 standard or more exactly international standard for phytosanitary measures # 15, has been made for wooden packaging material.

Supplier needs to deliver goods in ISPM 15 compliant packages.

A wooden package fulfils the requirements of ISPM 15 if it is either subjected to a minimum temperature of 56 °C for at least 30 minutes or processed in some other way specified by ISPM 15. It must also be stamped with the ISPM 15 symbol.

This an illustrative example of the ISPM 15 symbol. It is not shown here in its actual size:



The mark should include at least the following:

- Symbol;
- ISO two-letter country code followed by a unique number assigned by the NPPO to the producer of the wood packaging material, who is responsible for ensuring appropriate wood is used and properly marked;
- IPPC abbreviation for the approved measure used (e.g., HT, MB).

**Note:**

More detailed information about this standard can be found on the following Internet page: <http://www.ispm15.com/>.

## 5.5 Packing List

The original packing list i.e. the delivery note, needs be sent with the material and/or by e-mail, when the goods are shipped from Supplier. If Supplier has possibility to send Delivery Advise (DESADV) message, then this is preferred. The packing list (DESADV) needs to contain the following information:

- Supplier's official company name and address
- Delivery date
- Packing list number
- Purchase Order number (e.g., 20031234.3/25) \*
- PKC's Product Code (e.g., N5234)
- Commercial description of the products
- Ordered quantity (pcs or SI unit of measure)
- Delivered quantity (pcs or SI unit of measure)
- Name of PKC's contact person
- (Name of Supplier's contact person)
- Total gross weight (kg)
- Total net weight (kg)
- Total volume (m3)
- Packing specification (unit, quantity and type)

\*If there are various purchase orders on the same packing list, the purchase order number needs be shown with each ordered item.

The packing list needs always be placed on the edge of the package, inside a separate packing list pocket. If this isn't possible and the packing list has to be placed inside a

package, the package containing the packing list must be specially marked - for example: "PACKING LIST INSIDE".

**Note:**

If PKC orders products like cable, tape, shrink tube or packing materials such as straps or plastic wrap etc., please mark down the amount of these goods on both the packing list and the receiving label using the same unit PKC used when they were ordered, like example in meters.



## 6 Label instructions

### 6.1 Label definitions

**Receiving Label:** This label can be used on both Master Package and Outer Package configurations.

A Receiving Label contains information required by PKC.

**Product Package Label:** This label is used on Product Package configurations. The Package Label contains information for an internal distribution system.

### 6.2 Receiving label

#### 6.2.1 Receiving label items

The receiving label needs to be distinctly divided into two separate sections, a shipping section and a parts identification section, so that the shipping section is at the top and the parts identification section is at the bottom.

##### 6.2.1.1 Shipping section

- Receiver (PKC's name/address)
- Dock/Gate (PKC's final delivery point)
- Packing list/delivery note number.;
- Supplier address (name, address and country of origin)
- Net weight (material weight within transport unit)
- Gross weight (total transport unit weight)
- No. of boxes (number of packages within one transport unit)

##### 6.2.1.2 Parts identification section

- Part No. (PKC's product code) \*
- Quantity (unit quantity of package) \*
- Purchase Order (PO) (specified by PKC) \*
- Serial No. (Supplier package or transport unit identification number)
- Description (PKC's part description)
- Supplier part No. (Supplier's code of the part) \*
- Date (delivery date, format: YYMMDD)
- Rev. No. (revision number)
- Batch No. (the Supplier's identification of documentation items) \*

All the above are important, but the issues marked with an asterisk (\*) are the most essential for easy identification and therefore they must be CLEARLY highlighted and the barcode for these issues must be added. The size of these fonts must be bigger than that the other subsections.

The barcode format we are using is Standard 3/9.

All other data might be also marked with barcodes.

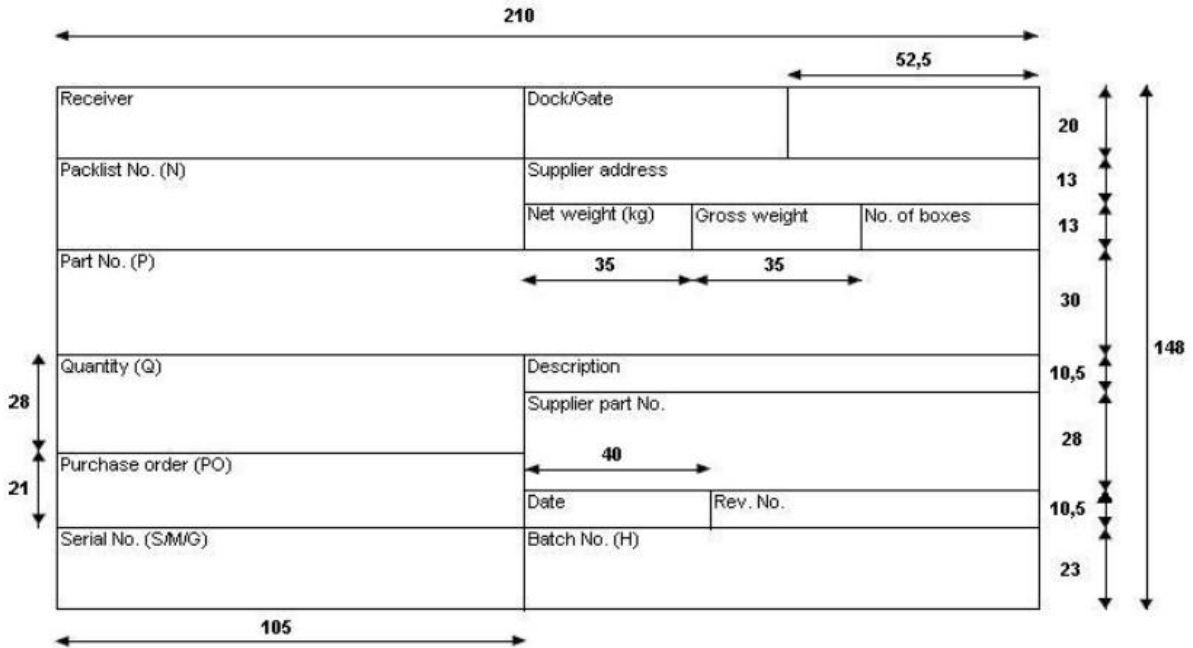
#### 6.2.2 Materials and print

The receiving labels are not intended only for indoor use. The labels should continue to be scannable on the package and meet the print quality requirements of this standard for a

minimum of six months. The label must be durable enough to ensure readability at its destination.

### 6.2.3 Label size

The suggested format of the Receiving Label is A5 (210 X 148 mm). The label size may be negotiated if the Supplier is providing different sized labels to other customers. (The following illustration is not shown in its actual size.)



### 6.2.4 Receiving label level

#### 6.2.4.1 Standard Receiving Label

A standard receiving label needs to be included on every shipment level package, which is sent to PKC. The 'Serial Number Field' of the (Outer Package) Receiving Label must be prefixed by "S".

Receiver <b>PKC GROUP OYJ</b> <b>Vihikari 10</b> <b>90440 KEMPELE</b>	Dock/Gate <b>2</b>	
Packlist No. (N) <b>123456</b> 	Supplier address <b>GOODSHOP/ 12345 Far Away</b>	
	Net weight (kg) <b>13</b>	Gross weight <b>15</b>
	No. of boxes <b>1</b>	
Part No. (P) <b>N1234</b> 		
Quantity (Q) <b>1000</b> 	Description <b>Connector</b>	
	Supplier part No. <b>146879</b> 	
Purchase order (PO) <b>20031234.3/25</b> 	Date <b>040929</b>	Rev. No.
Serial No. (S) <b>1357</b> 	Batch No. (H) <b>P79505</b> 	

#### 6.2.4.2 Master Label

A Master Label must be used where several similar outer packages are loaded within the same Master Package. Each Outer Package is previously labelled with a Standard Label. The quantity on the Master Label must be the sum of the quantities within all the packages. The Master Package must be labelled with the full Receiving Label. The 'Serial Number Field' on the label must be prefixed by "M" and the master label must be clearly marked as "Master label". Master label must not cover any other package labels added on the package and must not be covered with any other labels added to the package.

Receiver <b>PKC GROUP OYJ</b> <b>Vihikari 10</b> <b>90440 KEMPELE</b>	Dock/Gate <b>2</b>	
Packlist No. (N) <b>123456</b> 	Supplier address <b>GOODSHOP/ 12345 Far Away</b>	
	Net weight (kg) <b>130</b>	Gross weight <b>150</b>
	No. of boxes <b>10</b>	
Part No. (P) <b>N1234</b> 		
Quantity (Q) <b>10000</b> 	Description <b>Connector</b>	
Purchase order (PO) <b>20031234.3/25</b> 	Supplier part No. <b>146879</b> 	
Serial No. (M) <b>1357</b> 	Date <b>040929</b>	Rev. No.
	Batch No. (H)	

### 6.2.4.3 Mixed Load Label

A Mixed Load Label must be used when several Outer Packages are loaded within the same Master Package. The 'Mixed Load' designation is entered to alert the receiving personnel that the Master Package contains a variety of parts of orders within. Each Outer Package must be labelled with a proper Standard Receiving Label. The Master Package must be labelled with the full Receiving Label on which the data fields are left blank. The 'Serial Number Field' on the label must be prefixed by "G".

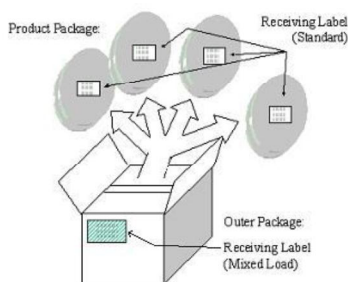
Receiver <b>PKC GROUP OYJ</b> <b>Vihikari 10</b> <b>90440 KEMPELE</b>	Dock/Gate <b>2</b>	
Packlist No. (N) <b>123456</b> 	Supplier address <b>GOODSHOP/ 12345 Far Away</b>	
	Net weight (kg) <b>38</b>	Gross weight <b>42</b>
	No. of boxes <b>13</b>	
Part No. (P) <b>Mixed load</b>		
Quantity (Q)	Description	
Purchase order (PO)	Supplier part No.	
Serial No. (G) <b>1357</b> 	Date <b>040929</b>	Rev. No.
	Batch No. (H)	

## 6.3 Product Package Label

### 6.3.1 Use of Product Package Label

All Product Level Packages (e.g., bags, boxes, trays or reels) delivered in a shipment level package must be labelled with a Product Package Label. Every Outer Package should include only one type of product.

Exception: IF an Outer Package needs to be packed with more than one kind of product because of shipment efficiency, the Outer Package must be labelled with a Receiving Label, which shows that the package includes various items (e.g., Mixed Load). Therefore, all Product Packages must be provided with a standard receiving label. If it's not possible because of the small size of the product, it's very important that the number of pieces, PKC's product code and Supplier's product code have been marked in some other way, for example on the product package label.



### 6.3.2 Materials and print

The labels are intended primarily for indoor use. The labels should continue to be scannable on the package and meet the print quality requirements of this standard for a minimum of six months in a protected environment.

### 6.3.3 Label size

The recommended size of the Product Package Label is 70x45 mm, but it may be negotiated if the Supplier is providing different sized labels to other customers.

### 6.3.4 Bar code

The use of bar codes is mandatory on a product package label. At least part no (both PKC's and Supplier's), quantity, purchase order and batch no must be in barcode. All of the above mentioned is important for easy identification and therefore they must be CLEARLY highlighted. The barcode format we are using is Standard 3/9. \*)

### 6.3.5 Affixing and Placing the Label

Securing methods such as stapling should not impair readability. No straps are allowed over or underneath the label.

The label of a carton box should be affixed to the smaller end of the package and in the upper left-hand corner, unless the box is 30 cm wide, (300x400x200) in which case the label should be placed on the longer edge of the carton (these cartons are shelved with the longer edge ahead in order to fit two rows of boxes in the shelf space).

In the case of a rack the label should be placed in the middle of the end from which the rack is meant to be raised up.

If (outer) packages are stored on a pallet, all the labels must be affixed facing the aisle to permit easy identification during the receiving process.

If a pallet is wrapped in plastic, the Master Package Label should be attached to the outside in such a way that readability is not impaired.

Supplier may not place its own labels underneath or on top of the Receiving Label.

## 7 Delivery and Transportation

### 7.1 Delivery clause

PKC acts according Incoterms 2020. Parties' obligations (i.e. licenses, authorizations and other formalities, contracts of carriage and insurance, division of costs, proof of delivery, transport document or equivalent electronic message, inspection of products etc.), form of transportation, place of delivery, as well as transfer of risk is always be in accordance with Incoterms 2020.

The term of delivery will be agreed separately with the Supplier.

The preferred terms of delivery are:

FCA Supplier's premises (Incoterms 2020)  
DAP PKC's premises (Incoterms 2020)

### 7.2 Time of delivery and fulfilment of delivery obligations

On-time-delivery is mandatory requirement to all of PKC's suppliers.

Products are considered delivered when they have arrived at the agreed time according to the terms of delivery, the delivered products are flawless, and the quality, quantity, other specifications and packaging are as agreed.

According to PKC's preferred delivery terms the delivery is completed when:

- Using FCA:
  - a) If the named place is the Supplier's premises, when the goods have been loaded on the means of transport provided by the carrier nominated by PKC.
  - b) If the named place is anywhere other than Supplier's premises, when the products are placed at the disposal of the carrier nominated by PKC.
- Using DAP:
  - a) When the Supplier has placed the products at the disposal of PKC on any means of transport unloaded at the named place of destination on the date or within the period agreed for delivery. (Note however, that Purchase Order shows the shipment date from Supplier as described in this Section 8.2)

If the delivery term indicates that PKC arranges transportation, Supplier should use the transport company, which PKC specifies. Supplier needs to make a booking at the transport company when the materials are ready for shipment. The booking should be done early enough and according to instruction PKC has given.

Ordered products should preferably be sent in one complete shipment that should have only one waybill.

**Note:** In PKC’s Purchase Orders the delivery date by default means the date when the parts are to be shipped from supplier, regardless of the agreed term of delivery. It should be noted that PKC is able to monitor the shipment date from the Supplier and the date of completed delivery to PKC’s premises. Therefore, in case of DAP, it must be agreed between the parties if delivery date in PKC’s Purchase Orders shall express shipping date from Suppliers premises or arrival date in PKC’s premises. See further information on delivery dates in the Delivery Manual.

### 7.3 Communication

If Supplier is not able to fulfil the demand from PKC, the Supplier is obligated to inform PKC without a delay to discuss solutions and avoiding the risk of disruptions in the supply chain.

Any and all costs related to expedited deliveries, which may become necessary in order to meet the delivery time, by e.g. airfreight are at Supplier’s costs regardless of the agreed term of delivery. In case of partial delivery, if some of the ordered products are not delivered on time, Supplier must deliver these products at its own cost as soon as possible.

In the event of late deliveries PKC has the right to the remedies agreed in the Purchase Agreement, “European Motherson TCs of Purchase\_V1” (available at <https://www.pkcgroup.com/about-pkc-group/corporate-responsibility/supply-chain-management>) and/or applicable law. In case of DAP the delivery is late in case:

- if the shipment date from Supplier defined in PKC’s Purchase Order is exceeded; or
- if the delivery date to PKC’s premises i.e. the customary or agreed transport time from the shipment date is exceeded.

**Note:**

If the scheduled loading day is a bank holiday in the dispatching country, the products must be loaded on the previous working day, unless otherwise agreed with PKC. Supplier should accordingly book the shipment with the freight carrier and advise PKC of the deviation.

#### 7.3.1 Contact persons

<b>Issues regarding</b>	<b>Person to contact at PKC</b>
Agreements	Sourcing Manager
Pricing	Sourcing Manager
Delivery schedules	Buyer
Transport	Buyer
Quality	SQA

### 7.4 Waybill

#### 7.4.1 Domestic transport

A waybill compiled for domestic carriage should state:

- Supplier’s company’s name/address
- Freight carrier’s name/address

- Consignee's name/address
- Delivery address
- Loading place and date
- Number and type of packages
- Markings and description of goods
- Term of delivery
- Particulars of the consignment: gross/net weight (kg), volume (m<sup>3</sup>)
- Official classification for hazardous goods as prescribed by law

#### **7.4.2 International transport**

A waybill compiled for international transport (CMR) should state:

- Supplier's company's name/address
- Freight carrier's name/address
- Consignee's name/address
- Delivery address
- Loading place and date
- Number and type of packages
- Markings and description of goods
- Term of delivery
- Particulars of the consignment: gross/net weight (kg), volume (m<sup>3</sup>)
- Official classification for hazardous goods as prescribed by law
- Special instructions for customs clearance and other formalities
- Any amount and currency payable on delivery (COD)
- If reloading of the consignment is prohibited

An international waybill can also show:

- Shipper's instructions to the freight carrier about insuring the consignment
- Delivery due date
- List of documents supplied by the shipper to the freight carrier

Other relevant information can be added by any party.



## 8 Invoicing

PKC will always inform the Supplier both the invoice and shipment addresses. As invoices and shipments may be sent to the separate destinations, it's very important to mark down PKC's VAT number on each invoice. Invoices should be in the same currency as in PKC's order and include Supplier's all-inclusive bank information.

If possible, then EDI invoicing is preferred way of invoicing.

Only one copy or the original invoice is needed from any country.

It's desirable that there are no different Purchase Order Numbers on the same invoice, but it is essential that the packing list number is included on every invoice.

It is important that the following detailed information is indicated on each invoice:

- Supplier's company's name/address Supplier's VAT number
- Supplier's business ID number
- Invoice number
- Invoice date
- Name and address of the juridical PKC place of business paying the invoice
- Name of PKC's contact person
- Delivery note number
- PKC's VAT number
- Tariff number
- Delivery date
- Total Purchase Order number (e.g.,20031234.3/25)
- COO (Country of Origin)
- Term of delivery
- Terms of payment
- Due payment date
- PKC's Item Code(s)
- Description of the item(s)
- Indication of pieces or SI unit of measure
- Price per ordered unit of measure
- Total material value per item
- Total material value
- Currency description - preferably using international abbreviation codes: EUR, USD, SEK, NOK, CHF, GBP, JPY, etc.
- Supplier code(s)
- Supplier's banking information

## 9 Quality, Environment and Product Safety

### 9.1 Requirements of the quality and environmental system

PKC requires that the quality of Supplier's products is guaranteed by a quality management system, which is third party certified according to IATF 16949 automotive standard. In case IATF certification is not applicable (non-manufacturing organisations, such as distributors, traders, agents, non-automotive production) the minimum requirement for a Supplier is to be certified according to ISO 9001 quality management system by an accredited third-party certification body.

Depending on the location PKC could also require the Supplier to meet the VDA requirements.

As an environmental system PKC requires, that the Supplier has a certified ISO 14001 environmental management system. Supplier's answered PKC's environmental questionnaire which is accepted by PKC is the minimum requirement.

Supplier must send updated quality and environmental certificates as soon as the previous ones become obsolete or as soon as the certificates are obtained. These need to be sent to PKC daily contact.

Supplier is requested to inform PKC SQA or sourcing contact in case supplier's certificate has been suspended by certification body or supplier has lost the certificate for any reason.

### 9.2 Environmental requirements

PKC requires that all new products are RoHS, REACH, POPs, PFOA and Conflict Minerals compliant and must not contain any substances referred as prohibited (P) in GADSL Global Automotive Declarable Substance List. This list can be found on <http://www.gadsl.org/>.

A certificate of RoHS, REACH, POPs, PFOA, Conflict Minerals and Cobalt compliancy and a complete substance declaration of components (MDS to IMDS system) must be delivered with each initial sample shipment or by request.

If components contain prohibited substances or they are not RoHS, REACH, POPs, PFOA or Conflict Minerals and Cobalt compliant, Supplier is required to provide PKC an elimination plan for these substances.

### 9.3 Quality control

The quality of the delivered products must be guaranteed by the Supplier. PKC reserves the right to choose, or have PKC's representative choose, the initial samples and/or to perform the required investigations in the Supplier's plant.

### 9.4 0-fault requirement and nonconformity procedures

PKC strives to reach 0-fault requirement and requires this also from the Suppliers.

If PKC detects any faults or deficiencies in a delivery, Supplier is sent a nonconformity report describing detected faults or deficiencies and the consequential actions that should be taken. Unless otherwise stated in the report, the Supplier shall give a preliminary answer (3D report) to the nonconformity report within 24h from issuing of the report in order to inform PKC of

short-term corrective actions. The final answer stating the reasons for the damaged products and corrective and preventive measures of reclamation (8D report, if requested also 5-Whys and Ishikawa) should be sent in 10 working days (if not stated otherwise), after issuing the nonconformity report or after receiving the defective parts for investigation.

**PKC template of 8D report presented in Appendix 5.**

PKC will charge 80 € as administrative cost for every nonconformity it has to report. Regarding nonconformities the following steps will be presented by the supplier:

- Clear sorting instruction with detail description of OK/NOK parts with defined acceptance criteria.
  - Handling of the sorting actions:
    - a) 1st preferred solution – supplier should perform the sorting.
    - b) PKC to perform sorting – in such cases PKC will charge the supplier 25 €/h for sorting activities.
    - c) 3rd party company doing sorting – will be invoiced to the supplier.
- NOTE: PKC will perform incoming inspection until supplier has implemented Long Term Actions and has delivered first delivery of conforming parts, which PKC has approved.
- Supplier to inform us the Delivery Note number of the first secured delivery from supplier to PKC company.

The need for such extra work and the estimated time will be informed to the Supplier in every case separately. Expenses can be collected in different ways, depending on the agreement:

- All expenses will be deducted from the next payment;
- Supplier sends a credit note against the reclamation;
- PKC sends a debit note to the Supplier.

Supplier must inform PKC immediately, if Supplier has found out about any quality risk on the parts that Supplier has delivered to PKC.

The Delivery Manual shows examples of blank nonconformity report in Appendix 2.

## **9.5 Product Safety Management**

Applicable for Safety Critical Part Suppliers.

PKC is committed to fulfil specific OEM, regulatory and legal requirements to achieve production of safe and fully confirming products. The supplier to PKC is therefore responsible to implement all organizationally and technically feasible measures to ensure the product safety of its parts and those of its sub-suppliers to minimize product liability risks. Furthermore, the supplier must have documented processes for the management of safety-relevant products and production processes that also include its upstream supply chain, if applicable.

PKC supplier is expected to ensure the following:

- the required product safety is guaranteed when components are developed;
- that the product also covers the required functional safety and cybersecurity;
- a product safety and conformity representative officer (PSCR) as per VDA volume “Product Integrity” is nominated and available at the supplier and for the next level of the supply chain

- PSCR officer is communicated to PKC relevant contact person in sourcing or SQA;
- the quality capability of the production processes is guaranteed and proven,
- the likelihood of defective products is minimized using appropriate quality assurance measures during series production,
- quality data and the compliance tests required by law and regulatory authorities are documented in sufficient and transparent detail in order to prove that the products have been manufactured in accordance with all relevant laws and safety standards,
- a material tracking system can be used to pinpoint the effects of any faults that occur if required,
- components with a limited durability meet special labelling requirements.

The activities related to safety management are required if any feature of a part/component is identified as having impact on safety, the part is considered safety critical. Safety critical parts/components and their characteristics can be defined either by OEM or PKC and communicated to supplier or marked in design documentation (drawing, specification). A safety critical characteristic is identified when non-compliance with the requirement has the potential to lead to a safety hazard effect in PKC products and in PKC customers.

Suppliers of a safety critical part are categorized as a Safety Part Supplier. PKC suppliers, who have received information from PKC or from OEM about part/component being safety critical, are expected to comply with the safety requirements and have Safety Management System implemented to ensure an adequate level of control and requirements are deployed in the processes that could have effect on safety related features. In case supplier defines their product as safety relevant this must be informed to PKC and the same requirements described in this section apply.

PKC has developed and uses a Safety Management System audit to evaluate the Safety Management Systems of suppliers of safety related parts. This audit evaluates the presence of an adequate management system and the capabilities to properly manage safety parts through-out the production process. A Safety Management Audit (SMA) will be conducted during the sourcing process. Suppliers are required to achieve a passing score prior to the award of business. In case OEM assigned supplier is not meeting the passing score it is expected to present improvement plan to implement and achieve the safety management score.

### **9.5.1 Production requirements and Critical characteristics**

Safety critical characteristics must be clearly identified throughout the manufacturing process and in all associated documentation such as process FMEA, control plans and work instructions.

Critical characteristics require short-term capability to Ppk's of  $\geq 2.0$  and a long-term capability CpK  $\geq 1.67$  (for electrical components the capability requirement is also CpK  $\geq 1.67$ ), when the process is under ongoing statistical control. Data records from SPC, automated checking, and inspection results must be available for PKC SQA upon request.

In case process is not under statistical control electronic or automated PokaYoke need to be implemented and/or effectiveness must be verified once per shift.

### **9.5.2 Traceability requirements**

Suppliers shall have an effective system of traceability that ensures delivered product can be traced from a finished product in the customer application back to specific lots, sub-

components, parts, blanks and raw material. How traceability is achieved and ensured can be checked during Safety Management System audit.

### 9.5.3 Product or Process Change

If Safety Critical Part Supplier is planning to make any changes in the products or processes as listed in chapter 4.5, then Product Change Notification (PCN) must be sent to PKC on e-mail address [PCN@motherson.com](mailto:PCN@motherson.com) in advance and it needs to be mentioned if a safety critical part/component is affected. For safety critical parts full PPAP submission is required for approval of changed product or process.

## 9.6 Supplier evaluation

PKC evaluates the biggest of its suppliers, and the frequency of the evaluations is normally once a month. Evaluation criteria are based on annual purchase volume or other special reasons, like critical supplier, quality deviations, delivery deviations etc.

Suppliers will be evaluated monthly on the following parameters as per the weighed percentage against them.

Parameters	Weight
<b>Operational</b>	<b>85%</b>
Quality	60%
Delivery	40%
<b>Commercial</b>	<b>15%</b>

Supplier's final score is a sum of operational performance (85%) and commercial performance (15%). Final score will be calculated by multiplying the total points of each parameter (Quality, Delivery & Commercial) with their weighed percentage.

Supplier will receive his performance report or score card every month (see Appendix 3) on mail address of responsible person from the organization (Key Account Manager, Sales or Quality representative).

Depending on the final score supplier must perform the actions required. Monthly and Year to month score is provided to the Supplier. Supplier must take the actions as mentioned in the below table (see appendix 3), depending on the received score. [The target rating for the supplier is A– to be preferred supplier.](#)

The results of evaluations are utilized in supplier selections and as a basis for continuous development.

A more detailed explanation of how points are assigned for each evaluation items is given in Appendix 3.

## 9.7 Supplier escalation process

In such cases, where it is needed to escalate the Supplier due to quality/delivery or other Supplier performance needed problems, PKC is using the escalation process (see Appendix 4).

## 9.8 Supplier audits

PKC can conduct supplier audit to strengthen cooperation, evaluate supplier compliance with PKC and OEM requirements and enhance supplier development. Audit can be related with supplier selection and approval, quality issues or delivery problem. In case of any special circumstances (due to pandemic or some similar issue), when travel or face-to-face meetings are difficult, PKC SQA will perform remote audit in co-operation with selected supplier.

Supplier audit types:

- supplier self-audit using PKC provided questionnaire (or using PKC Supplier Assessment Questionnaire)
- Quality management system audit (example using VDA 6.3 Potential analysis questionnaire)
- Process audit (PKC Process Audit Tool or VDA 6.3 Process Audit tool)
- Safety management system audit (Safety management system audit questionnaire)

Audit method and audit tool may depend of OEM customer specific requirements and will be specified by SQA or supplier auditor while planning the audit. The supplier will provide actions to eliminate the findings and non-conformities and the action plan is being followed-up by PKC auditors. The audit is considered finalized, when the corrective and preventive actions are closed.

PKC can also include a third party auditor or customer to the audit. PKC will always inform and agree the timing with the Supplier beforehand about planned audit.

Appendix 1

**PPAP - Submission/Retention Requirements (level3)**

Supplier
Customer
Created by:
Appr. / Date
Part Name:
Part No. / Rev.
Drawing No.
Project

PPAP information and documents	S	R	NR	Notes	
1. Design Records of Product	x			+ terminal specification for tools	
for proprietary components/details		x			
for all other components/details		x			
2. Engineering Change Documents (if any)	x				
3. Customer Engineering approval	x			customer assigned parts	
4. Design FMEA (DFMEA)	x				
5. Process Flow Diagrams	x				
6. Process FMEA (PFMEA)	x				
7. Control Plan	x				
8. Measurement System Analysis Studies	x				
9. Dimensional Results	x				
all dimensions	x				
dimensions which have changed	x				
agreed dimensions	x				
Safety critical characteristics	x				
10. Material, Performance Test Results	x				
all materials / parts / characteristics	x				
agreed materials and parts	x				
materials / parts / characteristics from subcontractor	x				
11. Initial Process Study	x				
Ppk- The performance index	x			Ppk: ≥ 2.0	Parts:-
Cpk- The capability index (for a stable process) Cpk - capability index for electrical components	x			Cpk: ≥ 1.67 ≥ 1.67	Parts:-
12. Qualified Laboratory Documentation	x				
13. Appearance Approval Report	x				
14. Sample product	x			pcs:	acc. to order
15. Master Sample		x			
16. Checking Aids			x		
17. Record of Compliance with Customer-Specific Requirements	x			(*)	
18. Part Submission Warrant (PSW)	x				

(\* Material declaration/content (MDS to IMDS system), CCC Approval, Material Safety Data Sheets, Country Of Origin S = Submit to customer R = Retain at manufacturing location NR = Not required

### PPAP item requirements:

1. Design Record – The Supplier must provide the drawing for the revision level that the PPAP is being submitted to. For bulk products a copy of the performance specification is required.
2. Engineering Change Documents – Approved ECO must be included in the PPAP if applicable.
3. Customer Engineering Approval – For all PKC designed components if there are deviated conditions noted on the dimensional report the approved deviation from PKC engineering is required.
4. DFMEA – Non-PKC designed components-retain at Supplier/PKC designed components retained at PKC. Suppliers do not need to include anything in the PPAP for this requirement if the component is designed by PKC.
5. Process Flow Diagram – All header information must link back to the drawing. Must be in logical order according to the flow of the process from the material receipt through to the shipment to the customer.
6. PFMEA – All header information must link back to the drawing. Must be in logical order according to the flow of the process from the material receipt through to the shipment to the customer. Steps of the PFMEA must be in same logical order as the Process Flow and Control Plan. All items with any ranking of a 9 or 10 or high RPN must have a recommended action to reduce the RPN. For custom scales the top 20% of scale must have a recommended action to reduce the RPN or unless otherwise specified by the SQA
7. Control Plan – All header information must link back to the drawing. Must be in logical order according to the flow of the process from the material receipt through to the shipment to the customer. Steps of the Control Plan must be in same logical order as the Process Flow. Material callouts must be stated for all PKC designed components. All significant characteristics, at a minimum, on the drawing must be included on the control plan. All SCs (significant characteristics) should be measured with variable measurement equipment unless attribute data is agreed upon with the PKC SQA and/or PKC Design Engineer (for PKC designed components). Control Plan Review Form is required on all PKC designed components if the drawing states that the review requirement applies.
8. Measurement System Analysis Studies – All gauges identified in control plan for measurement of significant characteristic(s) must have a GR&R. If no SCs exist Supplier is to submit GR&R on measurement equipment used on initial process study. Variable Gage R&R: 10 samples X 3 operators X 3 trials. For GR&R under 10% error, the measurement system is acceptable. For GR&R with 10% - 30% error, the measurement system may be acceptable based upon importance of application. Attribute Gage R&R: 20 samples X 2 operators X 2 trials. All results for each sample must match to pass.
9. Dimensional Report – All header information should link back to the drawing, all cavities and date that the report was conducted must be identified. All dimensions must be measured unless otherwise specified by the appropriate PKC SQA or PKC Design Engineer - applies to all parts purchased by PKC. All cavities (includes assembly lines) must be measured if tool is multi-cavity. Only one sample per cavity is required. Report should be less than one year old. Any measurement or requirement



on the design record not met must be identified and covered on an approved/appropriate deviation - applies to all parts purchased by PKC.

10. Material Performance Test Results – Must be from all of the raw material and component manufacturer(s) and/or service provider(s) (finishing, plating, chrome, etc.). If OEM requirements have been specified, then test results have to be available for all the required tests. Certificate must state the material grade and color if applicable. This must be current within 1 year of submission date or there must be documentation from the Supplier stating that there is no shelf-life expiration to the material.
11. Initial Process Study – All Significant Characteristics identified on the drawing and control plan require an initial process study. If no SC's are called out, then Supplier must choose one dimension to conduct a study on. If this is an assembly PPAP then the study(ies) should come from an SC (or other designated feature/process characteristic) on the base part of the assembly. Variable studies should be 125 samples minimum unless otherwise specified by the PKC SQE. Attribute studies should be 300 samples minimum unless otherwise specified by the PKC SQE. For variable studies a Ppk of 2.0 or higher is required for first time submission on products less than one-year-old. For parts that have no SCs and the Supplier chooses a dimension for the initial process study, a Ppk study of 2.0 or higher must be submitted. All products older than one year can be submitted with a Cpk of 1.67 or higher. For engineering changes that affect Significant Characteristics a Ppk of 2.0 or higher is required. For attribute data all samples must pass for the study to be acceptable.
12. Qualified Laboratory Documentation – Supplier's ISO or IATF certificate and lab scope should be included in the PPAP. This is to confirm that the Supplier is qualified to perform the measurements and testing according to their lab scope. For all sub-suppliers you must also include external lab documentation if applicable (ISO/IEC-17025, A2LA, NIL or other customer approved laboratory). This is to confirm if the sub-supplier is qualified to conduct the testing/measurement according to their lab scope. This includes all raw material sub-suppliers as well as platers, finishers, chromes, etc.
13. Appearance Approval Report – If design records include appearance features: Color, Grain, Finish, Appearance Standards, or Mastering Standards an acceptance must be documented with the appropriate customer approvals.
14. Sample Product – Supplier must provide upon request (sample order or similar).
15. Master Sample – retain at manufacturing location
16. Checking Aids – Not required
17. Record of Compliance with Customer-Specific Requirements - The Supplier shall have records of compliance to all applicable customer specific requirements.
18. Part Submission Warrant (PSW) - All header information must link back to the drawing. PPAP must be submitted to the PKC part number. For bulk materials add performance specification number in drawing number field. Weight should be reported to the 4th decimal. Organization Manufacturing Information must be completely filled out. Customer Submittal Information must be completely filled out. Customer will always be PKC Group. If application is unknown, various must be stated. Materials reporting field must have all questions answered and IMDS number should be listed in proper

field. Reason for submission must be checked - more than one reason may be selected. Submission level must be checked - only one box should be checked. PKC accepts level 1 and 3. Submission Results must be completely filled out for the items contained in the PPAP, the design record question must be answered. Production rate must be filled out. If deviation exists, the number should be placed in the comments. Tool tag question must be answered. Appropriate supplier authorization and information must be completely filled out. IMDS number should be listed in the PSW proper field. A part will need a new IMDS submission every time the content of the part changes or if there is change to the part weight.

## Appendix 2

### NONCONFORMITY REPORT

<b>PKC Wiring System DOO</b> <b>Salinacka bb</b> <b>11300 Smederevo</b> <b>Serbia</b>	<b>Supplier</b>  <b>Contact person:</b>
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<b>Handler:</b> <b>Date:</b> <b>Order number</b> <b>Delivery list number:</b> <b>Quantity (acc. packing list):</b> <b>Accepted quantity:</b> <b>Rejected quantity:</b> <b>Purchaser:</b>	<b>Manufacturer's type</b>  <b>Item Code</b> <b>Return address:</b>
---	--

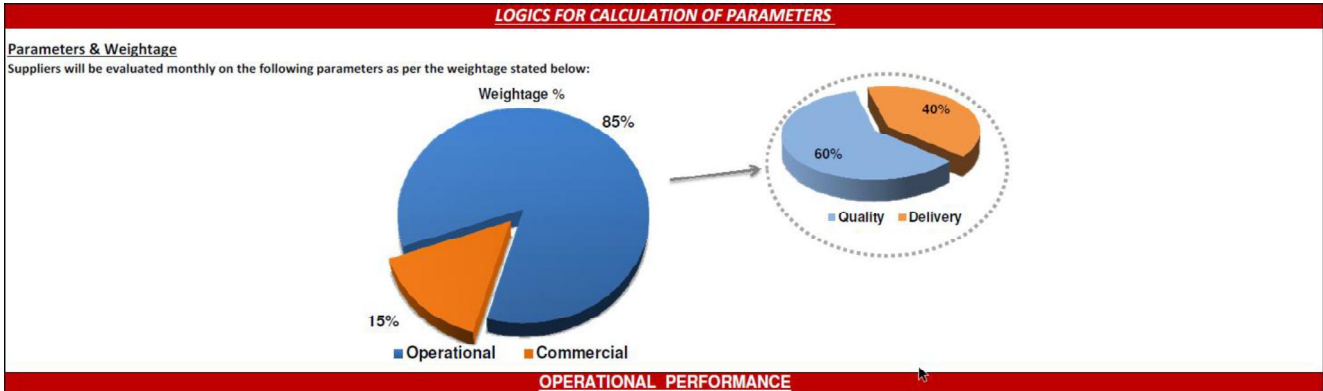
<b>Fail qualification</b> <input type="checkbox"/> Major <input type="checkbox"/> Minor <input type="checkbox"/> Nonconformity of product <input type="checkbox"/> Wrong product <input type="checkbox"/> Wrong delivery time <input type="checkbox"/> Wrong delivered quantity
--

Fault description			
Fault	Description	Design error	Quantity

<b>Agreed actions</b> <input type="checkbox"/> Please send us credit note <input type="checkbox"/> Inspect and repair at your expense <input type="checkbox"/> Please send us deficiency product    0 pcs <input type="checkbox"/> Products replaced by faultless goods <input type="checkbox"/> Faulty products will be returned    0 pcs <input type="checkbox"/> Notes includes a sample <input type="checkbox"/> We use our right to credit	<input type="checkbox"/> Other, what
--	--------------------------------------

Claim costs	EUR	RSD
Description		
Sorting		
Material costs (scraped material)		
Handling costs		
Total		
<b>SUPPLIER FILL</b>		
<b>Reason of fault:</b>		
<b>Corrective actions:</b>		
<b>Preventive actions:</b>		
<b>Actions performed:</b>		
<b>Responsible person:</b>	<b>Signature</b>	

# Appendix 3



**OPERATIONAL PERFORMANCE**  
**Quality Performance**

PPM (Parts Per Million)	Points
0	40
> 0 & <= 5	30
> 5 & <= 15	25
> 15 & <= 50	22
> 50 & <= 100	12
> 100 & <= 150	8
> 150 & <= 200	4
> 200 & <= 300	2
> 300	0

Repeat Quality concerns (Nos.)	Points
0	20
Any repeat quality concern	0

PPAP / Annual Validation (Requalification)	Points
Submitted and approved On time (Y)	10
Submitted and approved Not on time (N)	0

Quality Concerns - DMR, DMRL, DMRC, DMRW (Nos.)	Points
0	15
1	13
2	8
3	6
4	4
>4	0
<b>DMRC or DMRW Type</b>	0

**Legends:**  
DMR – (Defective Material Report)      DMRL – (Defective Material Report Line accumulation)  
DMRC – (Defective Material Report Customer Issue)      DMRW – (Defective Material Report Warranty Issue)

Reaction to Quality concerns	Points
Supplier response within 24 hrs, takes containment actions & report submitted on time (Y)	10
Supplier response or containment actions or report late (L)	0
DMRC or DMRW remaining open from previous months (N)	0

Management/ Safety/ Environment	Points
100% Compliance with Opco. certification requirements	5
75% Compliance with Opco. certification requirements	4
50% Compliance with Opco. certification requirements	2
25% Compliance with Opco. certification requirements	1
<25% Compliance with Opco. certification requirements	0

**Over Shipment (Qty.)/ Early Shipment (Date)**  
Case 1: If supplier supplies less than or equal to 10 deliveries in a month

Number of Deliveries Not OK	Points
0	25
1	6
> 1	0

**Short Shipment (Qty.)/ Late Shipment (Date)**  
Case 1: If supplier supplies less than or equal to 10 deliveries in a month

Number of Deliveries Not OK	Points
0	25
1	6
> 1	0

Delivery Issues - Packaging/ Labeling/ ASN Error etc. (Nos.)	Points
0	15
1	12
2	9
3	6
> 3	0

Premium Freight (Nos.)	Points
0	10
> 0	0

**Delivery Performance**

**Case 2: If supplier supplies more than 10 deliveries in a month**

Percentage of Deliveries are OK	Points
100% to 95%	25
95% to 85%	15
85% to 66%	6
< 66%	0

**Case 2: If supplier supplies more than 10 deliveries in a month**

Percentage of Deliveries are OK	Points
100% to 95%	25
95% to 85%	15
85% to 66%	6
< 66%	0

Reaction to Delivery concerns	Points
Initial response within 24 hours & Correction implemented (Y)	15
Initial response within 24 hours correction complete after 24 hours (L)	6
Any Delivery Issue not responded to in within 24 hours (N)	0

Soft facts (24 hrs support, service, EDI Connection)	Points
24 hrs Support & service, EDI Connection installed... (Y)	10
None (N)	0

COMMERCIAL PERFORMANCE			
<b>Competitiveness</b>		<b>Points</b>	
High (H)		50	
Medium (M)		20	
Low (L)		0	
<b>Reactivity / Cooperativeness</b>		<b>Points</b>	
High (H)		15	
Medium (M)		8	
Low (L)		0	
<b>Valid Contact</b>		<b>Points</b>	
Received signed contract (Y)		5	
No record of signed contract on file (N)		0	
		<b>Payment Terms</b>	
		<b>Points</b>	
		Agreed (Y)	20
		Not Agreed (N)	0
		<b>Delivery Conditions</b>	
		<b>Points</b>	
		Agreed (Y)	10
		Not Agreed (N)	0
<b>OVERALL PERFORMANCE SCORE &amp; RATING</b>			
Category A (Preferred)		>=95	
Category B (Good)		>=85	
Category C (Cautionary)		>=66	
Category D (Unsatisfactory)		<66	

# Appendix 4

## Supplier escalation process

Global Owner: Vice President, Sourcing&SCM

Local owner: Local SQA, Supply Chain Manager, Purchasing Manager

Version: 3.0

Date 23.09.2021



<b>Reference:</b>	Report no:	Date:
Customer: PKC EUSA Wiring systems	Part number:	
Issuer of claim:	Part description:	
Supplier name:	Rejected qty acc to customer:	
Contact person from supplier:	Non-conforming qty after investigation:	

<b>Problem Description from the claim:</b>	Responsible:	
Additional information:	Planned date:	Achieved date:
Are other partnumber effected? <span style="color:red">YES</span> <input type="checkbox"/> <span style="color:green">NO</span> <input type="checkbox"/>	List of other part numbers:	
Is part related to any kind of critical / safety characteristics? <span style="color:red">YES</span> <input type="checkbox"/> <span style="color:green">NO</span> <input type="checkbox"/>		
<b>Containment / imediate action:</b>	Responsible:	
	Planned date:	Achieved date:
Sorting results: Quantity of NOK pcs on supplier's stock: Quantity of NOK pcs on the way to PKC: Status of PKC stock:	Responsible:	
	Planned date:	Achieved date:
First delivery of OK parts. Markings of delivered OK parts:	Responsible:	
	Planned date:	Achieved date:
<b>Root cause for occurrence</b>	Responsible:	
<b>Root cause for non-detection</b>		
<b>Systemic root cause</b>	Planned date:	Achieved date:
<b>Preventive actions against occurrence root cause</b>	Responsible:	
<b>Preventive actions against non-detection root cause</b>		
<b>Preventive actiond against systemic root cause</b>	Planned date:	Achieved date:
<b>Control of documents</b>	Responsible:	
Process FMEA	Date:	
Control Plan	Date:	
Work instruction	Date:	
Changing of documents	Responsible:	
Process FMEA	Updated	Date:
	Approved	Date:
Control Plan	Updated	Date:
	Approved	Date:
Work instruction	Date:	
Remarks:	Responsible:	
	Planned date:	Achieved date:

Your sincerely  
Name:

Signature: \_\_\_\_\_