



WHITLAM GROUP

GENERAL REQUIREMENTS GUIDE FOR  
SUPPLIERS

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## Introduction

This document has been approved by The Whitlam Group (Whitlam) Purchasing Department as a means of conveying to our Suppliers the **minimum** requirements to meet the purchasing and quality needs of our company. This document, its terms, conditions and goals may be modified at any time by Whitlam at its sole discretion.

Suppliers covered under this document are classified as “Level 1 Suppliers”.

The Whitlam Group defines the “Level 1 Supplier” as follows: An organization that provides raw materials, finished parts or quality related services to Whitlam Group that directly impacts the quality of goods and/or services of our customer.

The general intent of this guide is to define Supplier requirements in Quality delivering, cost and technology. From this point forward, Suppliers are also expected to adhere to and comply with all applicable environmental regulations as set forth in Section 6.1.1, “Environmental Regulations”.

Thank you for your compliance to our requirements. We look forward to a successful business relationship.

### **SUPPLIER FORMS CHECKLIST**

To assist in the timely and complete return of the Supplier Survey, a checklist for the return of documents is provided below.

- Supplier Survey form
- Supplier Assessment form
- Supplier Classification form
- General Requirements Acknowledgement form
- Contractor/Supplier Rules and Responsibilities letter

Questions may be directed to Whitlam Supplier Quality

Phone: 586-757-5100 ext 329

Fax: 586-757-8366

Email: [sqs@Whitlam.com](mailto:sqs@Whitlam.com)

## 0.0 General

### 0.1 Purchasing Policy Statement

The Whitlam Group ensures that the products and services obtained from Suppliers conform to Quality Standards and Specifications, as well as conforming to all applicable legal, environmental, and other requirements. Suppliers are selected based on their ability to meet requirements set forth by The Whitlam Group.

### 0.2 Overall Goal

It is the goal of the WHITLAM Purchasing Department to contract with the Right Suppliers who provides the Right Product consistently at:

- The Right Quality Level
- The Right Price
- The Right Delivery and Response Time
- The Right Quantity

We require from our Suppliers dedicated service and support in order to meet our goals, and strict confidentiality in regard to all aspects of our relationship.

## 1.0 Management Responsibility

### 1.1 Responsibility

It is the responsibility of the Supplier's Management to develop a company-wide program to meet the minimum requirements of being 3<sup>rd</sup> party registered to the ISO 9001:2008 standard. Suppliers who are not registered to ISO 9001:2008 shall have a written plan to achieve registration or request a waiver from the WHITLAM Purchasing Department.

These goals and objectives must be measurable and be clearly documented in the Quality Policy. This policy must be understood, implemented and maintained at all levels of the organization.

### 1.2 Continual Improvement

Suppliers are encouraged to develop a company-wide Continual Improvement Program. This program must document Continual Improvements that have been made. Suppliers must encourage participation and commitment to Continual Improvement at all levels. Suppliers must submit Continual Improvement suggestions to Purchasing. Suggestions will be subject to our material approval process.

## 3.0 Contract Review

### 3.1 Activities

All business is to be conducted with the Whitlam Purchasing Department in a professional manner. All sales calls are to be made by appointment with the Whitlam Purchasing Department.

### 3.2 Confidentiality

All business conducted between Whitlam and its Suppliers are considered confidential and are not to be disclosed to any other party without written consent by Whitlam.

- (a) Suppliers receiving customer-contracted product or customer supplied graphics will be required to sign a Nondisclosure Agreement. This includes security disposal vendors.
- (b) A General Confidentiality and Non-Disclosure document is required by visitors.

Whitlam Purchasing personnel are subject to all requirements set forth in the Whitlam Code of Ethics and Conduct (WLF-9200-109).

## 4.0 Design Control

### 4.1 Activities

Whitlam Suppliers will maintain procedures to control and verify product design to specified requirements. Whitlam and/or its customer(s) shall afford the right to verify, at the Supplier's location, that the purchased product conforms to specified requirements. Suppliers are to notify the Whitlam Purchasing Department anytime there is a change of materials or processes that is involved in the production of a purchased part.

## 5.0 Document and Data Control

### 5.1 Document Approval and Conformance Data

Level 1 Suppliers must establish and maintain documented procedures to control all documents related to Whitlam requirements. This procedure must include the replacement and destruction of obsolete documents.

Level 1 Suppliers must submit a Certificate of Conformance or other data with each shipment as required by Whitlam Engineering or Purchasing Department.

## 6.0 Purchasing

### 6.1 Purchasing Data

All Purchase Orders will contain the following information (where applicable):

- A. Full Description of product to be ordered.
- B. Correct order quantity and pricing
- C. Material # and/or product number, if applicable
- D. Special shipping and packaging information, if applicable
- E. Any quality documentation, specifications, drawings, testing and/or inspection instructions, and environmental requirements, if applicable.  
NOTE: Where applicable, Safety Data Sheets must accompany all initial shipments. Safety Data Sheets and container labeling will be revised to the OSHA Global Harmonized System by December of 2015.
- F. Legal and other applicable requirements.

Level 1 Suppliers must confirm price, product, quantity, ship date, and any other requested information after receipt of purchase orders.

Pricing quotes requested by Whitlam must be in writing within 24 hours of request, unless otherwise specified by Whitlam Purchasing Department.

### 6.2 Evaluation of Suppliers

The Whitlam Group will evaluate its Supplier's Quality System based on ISO 9001:2008 standards and criteria. The evaluations are comprised of a survey and assessment as follows:

- A. Survey: Determine the Supplier's ISO 9001:2008 and/or ISO/TS 16949:2009 status and capability to provide quality documentation with each order shipped.
- B. Assessment: The assessment is used to determine the status of a Supplier's Quality System in relation to ISO 9001:2008 requirements. Suppliers who are currently ISO 9001:2008 registered are

exempt from filling out the survey. A copy of the Supplier’s current ISO 9001 certificate will be needed.

- C. Waiver to ISO 9001 may be granted per Section 19.0.

Level 1 Suppliers will be re-surveyed every four years (or earlier if requested by the Whitlam Quality Department).

Level 1 Supplier evaluations will occur at the end of each quarter. Whitlam reserves the right to conduct evaluations of a Supplier on-site.

Level 1 Suppliers whose materials are approved for production will be placed on the Approved Supplier List. Whitlam retains the right to remove a Supplier from the list should activity fall off and/or performance ratings fall below the acceptable levels for an extended period of time.

Areas in which Level 1 Suppliers will be evaluated are as follows:

- A. Quality of supplied product based on complaints made by Whitlam to its Suppliers.
- B. Percentage of on-time delivery based on committed delivery date issued by Supplier.
- C. Overall performance rating: Based on a weighted average of the quality & delivery scores.

### 6.3 Delivery Ratings

Should the Level 1 Supplier fall below a 90% rating with respect to their Quarterly Delivery Ratings, an “Action Plan” will be required. The Action Plan should state the breakdown in the Supplier’s process that caused an unacceptable rating for that period, along with corrective actions to ensure that the delivery process will return to acceptable levels.

The following is the scale used to determine the Supplier’s Delivery Rating:

<u>Percentage</u>	<u>Rating</u>
100	Excellent
99-90	Good
89 & Below	Unacceptable

### 6.4 Environmental Regulations

Supplier agrees to comply with all applicable legal and other environmental regulations. If work is being done onsite, contractors shall sign the Whitlam Environmental Basics Waiver form WLF-9900-39.

At the discretion of The Whitlam Group, Suppliers may be requested to reference the following to insure compliance to the regulatory requirements as listed below and determine if their supplied product contains any banned or prohibited substances, or any substances of concern.

Required ( X )	STANDARD OR SPECIFICATION	REFERENCE
X	REACH.- Registration, Evaluation, Authorization of Chemicals	<a href="http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm">http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm</a>
X	R.O.H.S.- Restriction of Hazardous Substances	<a href="http://www.rohsregulations.com">www.rohsregulations.com</a>
X	G.A.D.S.L.- Global Automotive Declarable Substance List	<a href="http://www.gadsl.org">www.gadsl.org</a>
X	Panasonic Chemical Substances Management Rank Guidelines	<a href="http://panasonic.net/procurement/data/chemical_e.pdf">http://panasonic.net/procurement/data/chemical_e.pdf</a>
X	VOLVO Black List	<a href="#">STD-100-0002</a>
X	VOLVO Grey List	<a href="#">STD-100-0003</a>

All Suppliers shall sign and return the “Contractor/Supplier Rules and Responsibilities” letter, indicating compliance with the Whitlam Environmental Policy (available upon request to [environmental@whitlam.com](mailto:environmental@whitlam.com) ).

#### 6.4.1 Shipment of Hazardous Material

Any shipment of hazardous materials must meet all the guidelines mandated for the material and must conform to all federal, state, and local laws governing its transportation. In addition, Whitlam requires the Suppliers to issue the Safety Data Sheet (SDS) with each shipment where applicable.

## 7.0 Product Identification and Traceability

### 7.1 Activities

Purchase Order numbers must be used on all references and documents regarding the purchase. Each packing list, invoice and Supplier credit must be for one (1) Purchase Order number only.

## 8.0 Process Control

### 8.1 Cleanliness of Premises

The Supplier shall ensure cleanliness and order where appropriate to the product manufactured.

### 8.2 Contingency Plans

The Supplier shall have a Contingency Plan in place to reasonably protect the supply of product in the event of a disruption of business operations due to an emergency situation and will present it upon request.

## 9.0 Inspection and Testing

### 9.1 General

The Supplier shall establish and maintain documented procedures for inspection and testing in regard to the specified requirements of the product. The procedures are to be consistent with ISO 9001:2008.



## 9.2 Records

Quality records of all inspection and testing must be maintained for current calendar year plus one (1) year.

## 10.0 Control of Inspection, Measuring and Testing Equipment

### 10.1 Control Procedure

The Supplier shall maintain documented procedures to control, calibrate and maintain inspection, measuring and testing equipment used by the Supplier to ensure the conformance of product to the specified requirements.

### 10.2 Records

Records of the calibration activity for all gages, measuring and testing equipment, including those owned by employees, shall include:

- A. Any changes to parts or materials by engineering (where appropriate);
- B. Any readings out of specification as received for calibration.

## 11.0 Control of Nonconforming Product

### 11.1 Activities

The Supplier shall establish and maintain documented procedures to ensure that non-conforming product is not being used in the production or resale of WHITLAM products. This procedure shall include identification, documentation, evaluation, containment (where practical) and disposition of non-conforming product.

## 12.0 Corrective and Preventative Action

### 12.1 Quality

An 8-D Corrective Action Plan is required after receipt of a material Non-Conformance. Initial response and containment is required within 48 hours. Corrective Action is required within 21 days after initial response.

### 12.2 Claims

Suppliers shall have in place procedures to rapidly resolve complaints and to comply with the following requirements. Note:

- A. Use WHITLAM complaint numbers on all reference documentation regarding the complaint.
- B. Suppliers may be required to pay an administration fee of \$150.00.

## 13.0 Handling, Storage, Packaging, Preservation and Delivery

### 13.1 Activities

The Supplier shall establish and maintain documented procedures for handling, storage, packaging, preservation and delivery of product.

### 13.2 Handling

The Supplier shall develop methods of handling product that prevents damage or deterioration.

### 13.3 Storage

The Supplier shall use designated storage areas or stock rooms to prevent damage or deterioration of product, pending use or delivery. Regularly planned audits shall be used to assess quality of product in storage.

### 13.4 Packaging

Where necessary, WHITLAM shall identify specific packaging requirements. Deviation from these requirements without the approval of WHITLAM, will result in rejection and return of the material.

### 13.5 Treated Pallet Requirements

Where required, supplier must comply with ISPM 15, Rule 7 CFR 319.40, treated pallet requirements, and provide evidence to Whitlam if requested. (For more information, go to [http://www.ehow.com/about\\_6391445\\_usda-regulations-wood-pallets.html](http://www.ehow.com/about_6391445_usda-regulations-wood-pallets.html)).

## 14.0 Control of Quality Records

### 14.1 Activities

The supplier shall establish and maintain documented procedures for collection, maintenance and destruction of quality records. Retention times of quality records shall be established and recorded. Quality records shall be maintained to demonstrate conformance to specified requirements and the effective operation of the quality system.

## 15.0 Internal Quality Audits

### 15.1 Activities

The Supplier shall perform internal quality audits to determine effectiveness of the quality systems. These audits will occur at regular intervals. Audits will be performed based on importance of activity and be carried out by individuals not having direct responsibility for the activity being audited. The results of the audits shall be recorded and brought to the attention of the personnel having responsibilities in the area being audited. Corrective Actions will be made and documented by management personnel of the affected department. Follow-up audit activities shall verify and record the implementation and effectiveness of the corrective action taken.

## 16.0 Initial Samples

### 16.1 PPAP

Whitlam Purchasing Department will initiate sample submission request by issuing a Purchase Order to the Supplier.

The Supplier maybe required to fabricate production samples prior to mass production, utilizing the “AIAG Production Part Approval Process”. Copies of this can be obtained from the AIAG.

Once the samples have been received, Whitlam will conduct a review of all applicable requirements.

For any environmentally hazardous substances submitted to Whitlam, the Supplier shall identify and submit the appropriate Safety Data Sheets prior to the initial submission for review (See Section 6.1, “Purchasing Data”).

Prior to 1<sup>st</sup> piece production, a Whitlam Supplier Specification Sheet (WLF-7000-66) will be forwarded to the Supplier. Whitlam will also provide documentation such as blueprints, performance specifications, or other related information. This form must be acknowledged and returned within 7 business days.

The following applies to all Suppliers contracted to supply automotive production parts. (Whitlam Quality Department determines the Suppliers affected by this requirement.)

- A. Affected Suppliers are required to submit AIAG Part Submission Warrant (CFG- 1001) (Level 2), which can be obtained from the AIAG as stated above.
- B. Suppliers are also required to submit six (6) sample parts.

**DO NOT** start mass production unless Part Submission Warrant (CFG-1001) is approved in writing by Whitlam Quality Department.

Suppliers are to notify the Whitlam Purchasing Department any time there is a change of process set-up or materials for the production of a Whitlam order. Also required are the re-submission of samples and PPAP Warrants (AIAG).

## 17.0 On-Site Assessment

### 17.1 Activities

Whitlam and/or its customer(s) reserve the right to do on-site inspection and/or testing prior to issuing a Purchase Order.

## 18.0 Supplier Monitoring

Supplier performance in quality and delivery shall be monitored.

Supplier field incidents, special status related to a customer notification, and assessment of their manufacturing processes shall also be monitored.

Supplier shall share quality, environmental, and/or regulatory compliance information with The Whitlam Group, Inc., upon request.

## 19.0 Supplier Development

Whitlam Quality Department will assist Suppliers in the development of their Quality System by forwarding to them their Quarterly Performance ratings.

For information on ISO 9001:2008 / TS 16949:2009 standards please contact the “Automotive Industry Action Group” (AIAG) at [www.aiag.org](http://www.aiag.org).

Waivers may be granted if Purchasing and Quality determine Supplier to qualify to a “small” Supplier status (see below).

### 19.1 Whitlam Waivers for Small Suppliers

At the discretion of the Quality Manager and/or Procurement Manager, Level 1 Suppliers may be granted a “waiver” of the ISO 9001:2008 requirement. Small Suppliers shall be considered if they meet one or more of the following criteria (does not exclude accredited laboratories):

- A. Supplier has a small percentage of Whitlam’s material volume (less than 10 %) or dollar volume (less than 10 %);
- B. Supplier’s products are considered to be distribution and/or universal items that are not unique to our market;
- C. Supplier does not have the resources to maintain a certified ISO program;
- D. Supplier’s quality and delivery ratings are minimum 90 %;
- E. Supplier maintains a quality system that is effective and meets the intent of Whitlam’s quality and delivery requirements.

## 20.0 Warranty

The Supplier acknowledges that their product will be incorporated into Whitlam’s products for resale. The Supplier agrees to warrant their product against defects and to hold Whitlam harmless from any and all damages, direct or consequential, which may suffer, or be called upon to suffer, as a result of any such defect.

This warranty shall supersede any warranty of lesser quality, or any disclaimer appearing in any other documents negotiated by Whitlam and the Supplier.

## 21.0 Price Change Notifications

No Supplier price increase shall be effective without sixty (60) days advance written notice by the Supplier to Whitlam’s Purchasing Department.

Price increases will not affect orders placed prior to the notice of increase or effective date of the notice.

Supplier’s price increases shall only apply to orders placed after the acceptable date the increase is to be in effect unless otherwise negotiated.

## 22.0 Liability

The Supplier warrants that it carries product liability insurance covering the product, and that the limits of liability thereof exceed \$1,000,000.

The Supplier is to provide its current product liability insurance information on or with the “General Requirements Acknowledgement Form” (WLF-2000-23).

## 23.0 Adherence to our EMS Policy

The Supplier agrees to adhere to the rules and regulations established by Whitlam, in support of our Environmental Management System Policy. See Attachment D, “Contractor/Supplier Rules and Responsibilities Letter”.

## 24.0 Governmental Regulations

The Supplier shall have a process in place to assure that governmental and safety constraints on restricted toxic and hazardous substances are complied with, relative to the purchased products and the manufacturing process.

### 24.1 Conflict Minerals

In accordance with the Dodd-Frank Conflict Minerals Disclosure Requirements, The Whitlam Group, Inc. requires that our Suppliers comply with government regulations to not include conflict minerals in products that were extracted using illegal means. We also request that our Suppliers properly manage their operations to ensure that minerals *originating from the Democratic Republic of Congo (DRC) and surrounding countries* are not used as a raw material in their products.

(For further information, please go to <http://www.nam.org/Issues/Trade/Conflict-Minerals.aspx>).

### 24.2 Globally Harmonized System-Safety Data Sheets

Applicable suppliers must submit Safety Data Sheets (SDS) conforming to the requirements under the Globally Harmonized System (GHS) and the U.S. OSHA Hazard Communication Standard.

## 25.0 Supplier Code of Ethics

The Whitlam Group requires its Suppliers to be committed to ethical conduct, full compliance with all applicable national laws and international treaties and to respecting human rights in the spirit of internationally recognized standards. See Attachment H, “Supplier Code of Ethics”.

## Document History

DATE	REV	HISTORY/REASON
11-06-03	Rel	Release`
03-31-05	1	Added Continual Improvement section .....
07-27-06	2	Updated Environmental Requirements, added WHITLAM website and Supplier Checklist
02-15-07	3	Rephrased content; Added email Contact; Added Waiver Statement(s); Removed Obsolete References
02-06-08	4	Added Supplier's Code of Ethics Statement and added Appendix H.
01-23-09	5	Added Environmental Regulations Links; Updated ISO 9001:2000 (2008)
08-12-09	6	Updated ISO/TS 16949: 2009
03-19-12	7	Added Table of Contents and formatted to link each heading; Added WHITLAM Code of Ethics and Conduct to Contract Review section 3.1; Removed reference to Toyota Engineering Standard (Toyota confidential information) and Pioneer EHS (no link available). Added Sections 6.4.1 Shipment of Hazardous Materials and 13.5 Treated Pallet Requirements. Moved Delivery Ratings beneath Evaluation of Suppliers (Section 6).
02-13-13	8	Updated "MSDS" to the Global Harmonized term "SDS" with reference to the format changes to be completed by December of 2015 (Sections 6.1 and 16.1). Added reference to ISPM15, Rule 7 CFR 319.40, treated pallet requirements (Section 13.5). Changed "Supplier agrees" to "Supplier shall," regarding the reporting of quality, environmental, and/or regulatory compliance information upon request (Section 18.0). Added Quality Manager as authority to grant Supplier Waivers (Section 19.1). Changed "passed between" to "negotiated by" (Section 20.0). Added Conflict Minerals expectations (New Section 24.1). Updated extension # for phone contact.
04-05-13	9	Changed information web link for Conflict Minerals in Section 24.1; editorial changes.
01-21-14	10	Added Sec. 3.2, "Confidentiality", to include Supplier Non-Disclosure Requirement.
07-14-15	11	Updated Logo and format. Updated links in section 6.4