GREEN TOKAI CO., LTD.

SUPPLIER MANUAL

CONTENTS PAGE

1.0	CONTENTS	2
2.0	REVISION HISTORY	3
3.0	PARTNERSHIP GUIDELINES	4
4.0	ELEMENTS OF SUPPLIER QUALITY	4
5.0	SUPPLIER QUALITY SYSTEM EVALUATION	7
6.0	SUPPLIER EVALUATION SYSTEM	10
7.0	SUPPLIER PROBLEM RESOLUTION	11
8.0	SUPPLIER CHANGE NOTIFICATION / APPROVAL PROCESS	12
9.0	PRODUCT CERTIFICATION REPORTS	16
10.0	SUPPLIER APPROVAL	16
11.0	PRODUCTION PART APPROVAL PROCESS	18
12.0	SUPPLEMENTARY GOODS APPROVAL PROCESS	22
13.0	CORPORATE SOCIAL RESPONSIBILITY	23
14.0	SUPPLIER ACKNOWLEDGEMENT	25

2.0 REVISION HISTORY

All revisions to this manual and their effective dates will be documented and communicated to suppliers.

Date	Section / Page	Description of Revision	GTC Authority
Jan 2016	All	Initial release	Quality / Larry Davis
Sep 2017	All	Compliance to QAV	Larry Davis
May 2021	All	Compliance to SAQ	Larry Davis
July 2025	All	Compliance to IATF 16949:2016	Quality / Larry Davis

GTC is responsible for furnishing designated suppliers a copy of this manual. Any minor revisions will be emailed, with updates documented on revised pages.

The Supplier Acknowledgement page should be completed, signed, and returned by the supplier to GTC.

3.0 PARTNERSHIP GUIDELINES

3.1 GENERAL

The objective of Green Tokai Co., Ltd. (GTC) is to manufacture the highest quality automotive components possible. This manual is the governing requirement document for parts and components which describes GTC's expectations for supplier quality. All suppliers are expected to comply with the standards described throughout this manual.

3.2 QUALITY IMPROVEMENT

GTC defines quality as the measure of consistency and continual improvement in products and/or services provided. This definition incorporates measures of variation from the target specifications to identify consistency and communication with the customer to understand the desired service. There must be a strong and continuously improving quality system in place to support these activities.

3.3 CONFIDENTIALITY AGREEMENT

GTC's suppliers must ensure that established confidentiality requirements are maintained. GTC requires the following regarding confidentiality:

- Establish a system to manage confidentiality that begins with sourcing and will that be sustained over the life of the part;
- Control any data, information, or material(s) that is shared by GTC and considered confidential;
- Report any breach in confidentiality;
- At GTC's request, the Supplier must agree to a review of any confidential or proprietary documentation and/or related data.

4.0 ELEMENTS OF SUPPLIER QUALITY

This section defines the elemental standards required for our suppliers to achieve acceptable quality levels. The elements described below are requirements for each supplier to meet or exceed established quality standards.

4.1 PRODUCT QUALITY

The supplier will comply with all specifications as mutually agreed upon. Suppliers are expected to work continuously to exceed established targets and reduce variation, increasing their Process Capability Index (Cpk). GTC requires that each supplier maintain a minimum of 1.33 Cpk for each part supplied. When this target is not achievable, contingency activities must be agreed to and put in place by the supplier.

Product(s) supplied to GTC must fully meet product specification(s), such that supplemental inspection of the product(s) after receipt by GTC is not required to ensure 100% compliance to the specification(s).

4.2 PRODUCT QUALITY ASSURANCE AND LIABILITY

GTC's suppliers are held responsible for any liabilities or costs that result from quality and/or delivery deviations of the supplier's product as supplied to GTC. This includes, but is not limited to, warranty claims, yard sorts, reinspection costs, product replacement and/or recall costs, supplemental testing/technical analysis/failure investigation as a result of a supplier-caused issue, and expedited freight cost due to delivery issues. A permanent management-level position must be designated by the supplier as the representative for overall quality assurance.

In the event of any quality or delivery failure, full technical and process investigation is required to accurately and completely identify root cause(s) and implement permanent corrective action(s). GTC's customers require these post-failure actions (including robust interim containment measures) to be executed rapidly (i.e., a minimum of effective containment within 24 hours and root cause analysis within two weeks). A root cause analysis, and short-term and long-term countermeasure will be submitted by the supplier and sent to GTC for approval. The product supplier is responsible for completing these actions. Any support required from GTC in order to comply with our customers' requirements in this regard for timeliness of actions will also be the responsibility of the supplier.

4.3 VALUE ENGINEERING

GTC's suppliers should continuously pursue improvements resulting in lower cost and higher quality products through a cooperative effort with GTC.

4.4 DEFECT REPLACEMENT

In the event of a confirmed quality defect, the supplier is responsible to deliver replacement product within 48 hours after notification and verification of a defect in the product supplied. This includes replacements for actual defective product(s) as well as temporary replacements for any product(s) placed in quarantine as a containment measure. GTC will expect suppliers to maintain an adequate level of Safety Stock to ensure quick and accurate delivery of parts during a quality issue.

4.5 CUSTOMER ORIENTATION

The supplier will provide on-site support – either at GTC or at GTC's Customer, if requested – within 24 hours after notification of a major problem. Any sorting or rework activity conducted by GTC may result in supplier chargeback for the activity. GTC will expect the supplier to manage unshipped suspect material at their corresponding facilities during this time. Any parts shipped to GTC during a quality concern should be clearly marked and sequenced to ensure ALL material received by GTC meets all negotiated requirements. The supplier must comply with GTC's customer Minimum Process Requirements (MPRs) unless given approval to be non-compliant from GTC's customer directly.

4.6 SAFE LAUNCH

During the launch of a new part or launch of an engineering change, the supplier shall develop a Safe Launch Plan. This Plan will establish additional controls/checks, outside of the process in a controlled environment, during the launch phase of new part/engineering changes to ensure zero defects during the launch. These will include the development and review of a prototype and initial quality control plans submitted as part of a Production Part Approval Process (PPAP) package. The Initial Quality Control Plan should include 100% verification of initial production for a period of 90 days. This data must show evidence that the process is performing as planned and the proper controls are in place to protect GTC from quality issues.

4.6.1 SAFE LAUNCH REPORTING

The supplier shall document safe launch results and share with GTC's Quality Department. Results are to be sent daily to QA@greentokai.com. Suppliers shipping parts during safe launch shall place an agreed upon color dot on each container label, thus signifying parts were safe-launch certified. Supplier shall communicate the first shipment date with GTC's Purchasing and Quality Departments. Each shipment of product within this 90-day period will include data as requested by GTC.

4.6.2 SAFE LAUNCH CHANGES/MODIFICATIONS

Suppliers of GTC shall obtain GTC Supplier Quality Representative approval for all changes, modifications, and/or closing to the safe launch. At the closing of the supplier's safe launch, the supplier shall submit a signed declaration letter ensuring the conformity of the product is appropriately validated.

5.0 SUPPLIER QUALITY SYSTEM EVALUATION

5.1 INTRODUCTION

GTC requires its suppliers to maintain a quality management system (QMS) which not only will ensure that we are receiving the highest quality materials, but which will also encourage continuous improvement in the product.

5.2 QUALITY MANAGEMENT SYSTEM DEVELOPMENT

Unless otherwise authorized by GTC's customer, suppliers should have certification to the ISO 9001:2015 standard through third-party audits that result in the issuance of a certificate that bears the accreditation mark of a recognized International Accreditation Forum Multilateral Recognition Arrangement (IAF MLA) member. A progressive development of the supplier's QMS is expected, with eligible suppliers moving to certification to the IATF 16949:2016 standard through third-party audits by an IATF-recognized certification body.

5.3 ONGOING COMPLIANCE

If the Supplier is registered to an internationally recognized quality standard (e.g., ISO 9001:2015 and/or IATF 16949:2016), then GTC will expect the Supplier to adhere to that standard. The Supplier must supply GTC with a copy of their registration certificate(s) and notify GTC of any changes in their certification status. The supplier must maintain properly accredited certification unless given other specific documented instruction from GTC's customer(s).

It is a GTC requirement that our suppliers:

- Shall establish, document, and maintain a QMS as a means of ensuring that products conform to specified requirements. This QMS must be based on the ISO 9001:2015 – and when eligible, the IATF 16949:2016 – standard, and include items such as internal audit data, process control plans, work instructions available in the language of the operator(s) performing the task, Failure Mode and Effects Analysis (FMEA) documentation, gauge and tooling certification data with relevant measurement system analysis (MSA) data, operator training records, Statistical Process Control (SPC) documentation, statistical evaluation of process capability, and effective document control procedures.
- Work towards establishing, documenting, and maintaining an Environmental Management System (EMS) certified to the ISO 14001:2015 standard as a means of ensuring that GTC and Supplier processes continue to have a positive impact on the community and the environment.

- Work towards becoming carbon neutral and reducing greenhouse gas emissions in accordance with Honda Green Path initiative goals, as applicable.
- Should establish, document, and maintain a system that monitors fluctuations in yield, productivity, inventory, and any other key metrics that relate to cost management issues.
- Should establish, document, and maintain a system that monitors the delivery process including accuracy of packaging, labeling, count, and transportation.
- Should establish a system of traceability for parts and raw materials through all systems of manufacturing.

Each supplier may be audited on the systems described above based on performance results from GTC's scorecard process. If performance or quality in any area changes considerably, GTC may decide to perform a special audit on pertinent processes and systems. GTC's auditors will evaluate these systems based on ISO 9001:2015 and IATF 16949:2016 requirements, where applicable, using GTC'S *Supplier Audit Form*.

5.4 AUDIT PROCEDURE

5.4.1 PREPARATION

GTC will contact the supplier to set up a date and scope for the audit with the goal of 30 calendar days being allowed for the supplier to prepare for the audit. When preparing for an audit, the ISO 9001:2015 and, where applicable, the IATF 16949:2016 standard is used as a reference and is integrated within GTC'S *Supplier Audit Form*. Personal protective equipment (PPE) requirements should be communicated to the auditor(s) prior to the visit.

5.4.2 AUDIT AGENDA

Prior to the audit, GTC will provide a *Supplier Audit Form,* which is to be completed and sent back to the GTC Quality department (QA@greentokai.com) within 14 calendar days, and an agenda listing the scope of the audit along with a proposed schedule. The intent is to provide the supplier with a guideline for planning and allocation of the proper resources to support the audit process. The agenda will list the specific areas of the supplier's management system to be audited within a specific timeframe. Specific documents required for review during the audit are:

- An Organizational Chart
- Failure Modes and Effects Analysis (FMEA) examples
- Control Plans or equivalent documentation

Copies of these documents (electronic or paper) may be requested by the GTC auditors in advance of the audit date. Some of these items will be covered in-depth during the plant tour and may require more supporting documentation.

This list is given as basic guidance only for the preparation of supporting documentation. Other examples of documentation that may be requested include:

- Quality Management System Manual
- Policy/Procedure Manual
- Surveys/audits performed on sub-contractors
- Gauge calibration records
- Gauge capability studies
- Process capability index (Cpk) studies
- Preventative maintenance records
- Statistical Process Control (SPC) records
- Employee training plans/records
- Corrective action(s)/Countermeasure(s) reports (both internal and Customer-driven)
- Environmental Management System Manual and procedures
- Cost improvement and delivery system documentation
- Change management control process

5.4.3 PLANT TOUR

The next part of the evaluation is the tour of the manufacturing process to verify the application of policies/procedures and work instructions, as well as records, to evaluate the effectiveness of the system.

5.4.4 REMARKS AND REPORT

At the conclusion of the evaluation, the auditor(s) will review findings, including strengths and opportunities for improvement, and any nonconformities (major/minor). A completed report will be submitted to the supplier's point of contact within fifteen days of the audit date.

If the supplier audit results in a "Not Qualified" rating (overall score on assessment less than 1.995), the supplier will be required to submit a corrective action plan within 30 calendar days. At that time, GTC will evaluate the submitted corrective action plan to determine its acceptability. If the plan is acceptable, GTC will confirm the corrective action implementation by scheduling a follow-up meeting to review the actions implemented. If the plan is unacceptable, it will be returned to the supplier. The supplier

will be expected to make proposed changes to the corrective action and supply a revision to GTC prior to sourcing.

6.0 SUPPLIER EVALUATION SYSTEM

6.1 SUPPLIER EVALUATION SYSTEM

Performance monitoring and two-way feedback are critical to maintaining a solid business relationship and ensuring optimum efficiency. The GTC Supplier Rating System provides a quantitative and consistent process to measure supplier performance in areas critical to mutual success. This process is designed to improve incoming quality, maintain uninterrupted supply, and improve communication within the Supply Chain. This rating system is comprised of the GTC Supplier Scorecard System. GTC will compile and distribute performance data on a monthly basis for select suppliers. The GTC Purchasing Department administers the scorecard results. Questions concerning the system or a particular rating should be communicated to the System Administrator. The current Administrator is:

Purchasing Management
GTC Corporate Purchasing
937-833-5444
GTC_Purchasing_Management@greentokai.com

6.2 SCORECARD EVALUATIONS

The two performance areas that comprise the Scorecard include:

- Quality (50%)
- Delivery (50%)

Supplier Score Card Performance will be measured by the following criteria:

- Quality:
  - Sort @ GTC or Customer
  - Corrective Action replies not received / received late
  - Supplier Corrective Action Request (SCAR) issue
- Purchasing:
  - Number of early and/or late deliveries
  - Supplier-responsible expedites
  - Quantity ordered
  - Quantity received

7.0 SUPPLIER PROBLEM RESOLUTION

7.1 INTRODUCTION

When a product assembly issue is found at GTC or at GTC's customer(s) and involves a supplier part, the supplier shall provide required support to GTC when requested and until the issue is resolved. This includes, but is not limited to, on-site defect review, engineering support, testing data, and laboratory support.

7.2 DEVIATION FOR NONCONFORMING MATERIAL

In certain instances, material not conforming to standards or specifications may be used if agreed upon by GTC. Requests for deviation must be made in writing and submitted to GTC for review by the Quality, Purchasing, and Production Departments. The supplier is responsible for segregating the nonconforming products until a deviation is granted and must abide by the conditions specifically stated in the deviation. A request for deviation must be approved by GTC prior to shipment of any nonconforming material. Deviation materials and shipping papers must be positively identified as such prior to shipment from the supplier's facility.

If a supplier discovers that nonconforming material has been inadvertently shipped without deviation authority, contact GTC immediately by telephone (937-833-5444). GTC Quality, Purchasing, and Production Departments must either approve or disapprove and the results will be conveyed to the Supplier.

7.3 PROBLEM REPORTING AND RESOLUTION

The following describes the method for reporting and resolving problems. If a significant occurrence is found within GTC, an OEM facility, or in the field, the Purchasing Department may request a Supplier Corrective Action Request as outlined below.

7.3.1 Long-Term Corrective Action is Requested by GTC

GTC will submit to the supplier a *Supplier Corrective Action Request*. Unless otherwise instructed, the supplier must respond within 14 calendar days.

If requested, the supplier may be required to present (in person) a report on the effectiveness of the permanent countermeasures to GTC within 30 calendar days of acceptable completion of the corrective action documentation (or other arrangements by mutual consent). If the supplier cannot meet the expected 14-day timeframe for corrective action submission, a written request for an extension must be submitted to the Quality Receiving Clerk for review. If no extension is requested, the corrective action will be considered late and be reflected on the supplier's scorecard.

8.0 SUPPLIER CHANGE NOTIFICATION / APPROVAL PROCESS

Significant changes to the supplier's product, process, or packaging need to be communicated to and approved by GTC. Changes to any of the following must be communicated to and approved by GTC in advance of the change. For some changes, the product may need to go through the PPAP procedure, if requested by GTC (see Section 11).

Once approval has been given to make the requested change(s) to any of these conditions, the first production shipment of goods after the change has been made shall be marked with Initial Production Parts (IPP) labels that clearly show that the shipment is the first produced under the altered conditions.

8.1 CHANGE LEVELS AND REQUIREMENTS

The following provides change levels with descriptions and the associated required action(s).

Change Level	**Description**	**Required Action(s)**

A – Change Request	• The supplier initiating the change must obtain GTC Quality approval prior to use in mass Production (MP)
	• An IPP tag must accompany the first IPP parts for MP and the parts must be properly labeled
	
	Note - IPP tags must apply to the first shipment that goes directly to GTC production. Do not send IPP tags with in-process parts.
		• Delivery of IPP parts must be done according to first-in-first-out (FIFO)
		• The supplier must keep the following information:
		  • Date of IPPd parts production
		  • Date of delivery
		  • Quality confirmation data such as inspection or testing data

B - IPP Tag Note - B level changes do not require a formal change request unless instructed by GTC.	• IPP tag must be attached to first IPP parts shipped Note - IPP tags must apply to the first shipment that goes directly to GTC production. Do not send IPP tags with in-process parts.	Same steps as level A
C - Supplier	Internal at the supplier	The supplier tracks these changes. Information is made available to GTC upon request.

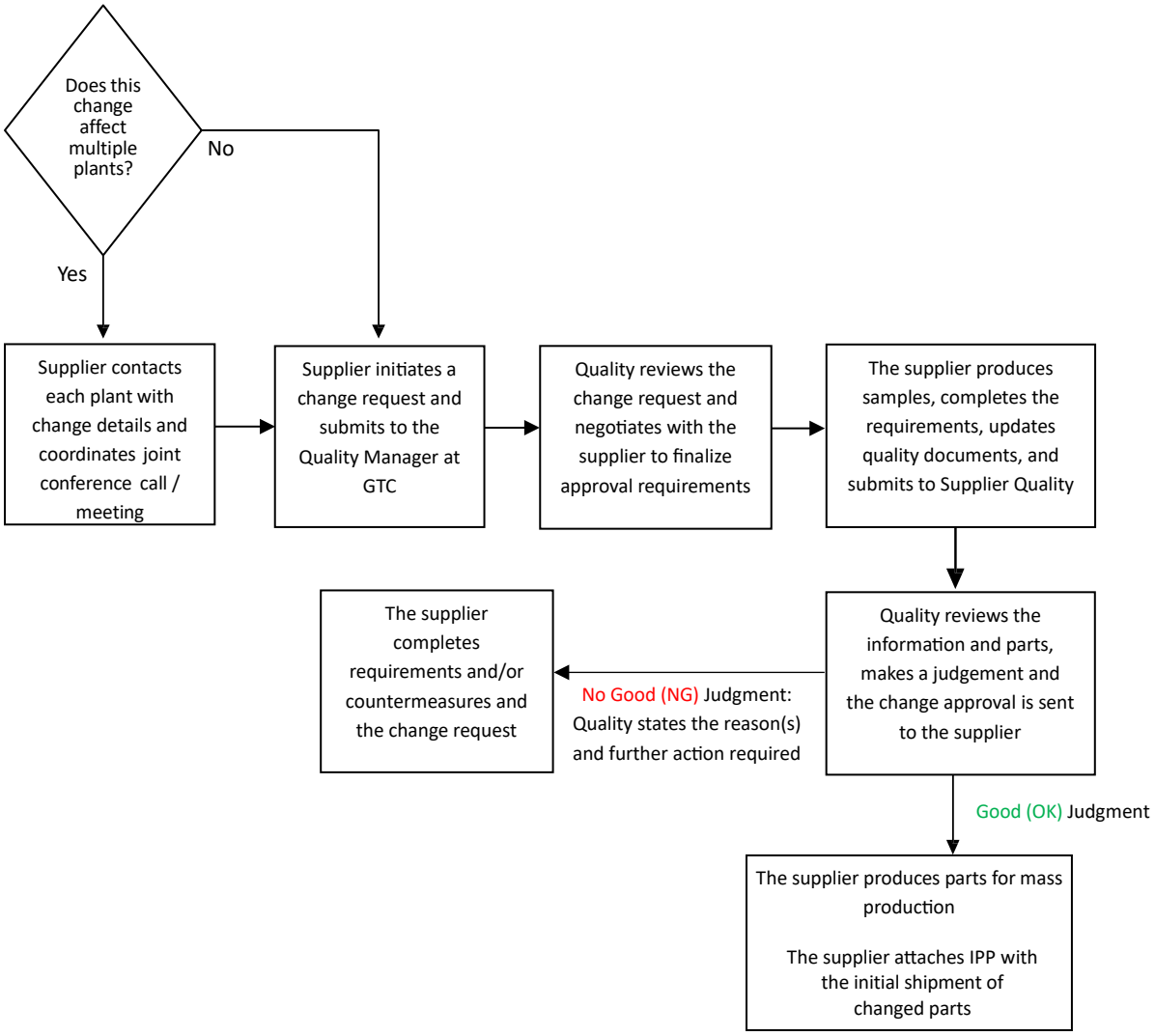
8.2 CHANGE MATRIX

The following provides a matrix of items and the corresponding change level that should be referenced (see section 8.1) for required action(s).

No.	Item	Explanation / Examples	A	B	C
1	Design Change	The part drawing changes, altering the physical structure of the part. A design change is done when a new part drawing is issued. • New part design • Design change that affects the part	X		
		• Design change that does not affect the physical structure of the part, such as part name or part number			X
2	New Supplier	A supplier or sub-supplier, who has never produced the part or component, begins manufacturing the part for GTC. • Addition of a new supplier or sub-supplier • Changing the supplier or sub-supplier • Change from in-house production to outside supplier (or vice versa) • Change in factory location	X		
3	Material Change	The material(s) used to manufacture the part is changed. • Change of material supplier • Material supplier changed from outside to self-supplied (or vice versa) • Change in material composition (including anti-rust oil or lubrication oil)	X		
4	Manufacturing Method Change	A process method, setting, or condition used in manufacturing the part is changed or modified. This includes any change that affects the way the parts are produced as reflected in the Control Plan. This applies when the normal control range changes, not for routine adjustments. • Casting or forging method change • Sintering condition change • Heat treatment condition change • Rubber or plastic molding condition change • Welding condition change • Plating or coating condition change • Machining or cutting condition change • Process standards or setting method change	**GTC Quality to Determine**		

No.	Item	Explanation/Examples	A	B	C
5	Process Order Change	The manufacturing process order is changed or deviates from the Control Plan. • Change to the order of the process, or adding or deleting process steps • Change a temporary process to a permanent one (or vice versa)	**GTC Quality to Determine**		
6	Machine Change	When the machine initially used to produce the parts during the approval process has been changed or replaced by another machine. (Machine examples: stamping press, assembly line, injection or blow molding, forge press, etc.) • Initial use of a new machine • Major modification or repair of a machine • Equipment relocation within the same plant • Equipment relocation outside plant or building • Changes to machine control logic (e.g. software upgrade or replacement that affects machine function)	**GTC Quality to Determine**		
7	Tool Change	The primary or secondary tooling or jigs are changed, potentially affecting the quality, function, appearance, or reliability of the part. (Jig and tool examples: welding or assembly fixtures used in manufacturing process, cooling fixtures, sonic or heat welding, etc.) • Change in machining master for camshaft or pistons • Change in machining master for other parts • New or modified jigs and tools	**GTC Quality to Determine**		
8	Die/Mold Change	A die or mold that is used in the manufacturing process is new or changed. • New or renewed die or mold • Revision or repair of the die or mold	**GTC Quality to Determine**		
9	Inspection Method Change	The inspection methods of the part are changed, potentially resulting in either an improvement or changes in the part's quality performance. This may require a revision to the Control Plan. • New or modified inspection equipment • Measuring method change or measuring instrument type change	**GTC Quality to Determine**		
10	Transportation/ Packaging Change	The method of transporting the part to GTC, or the packaging of the part deviates from the initially approved method. The change could adversely affect the quality of the part. • Change in delivery method, packaging materials, or containers		**X**	

8.3 SUPPLIER CHANGE FLOW CHART



9.0 PRODUCT CERTIFICATION REPORTS

Product Certification Reports (Certificate of Compliance, Certificate of Analysis, Certification of Materials, and SPC data) may be required from raw materials and component suppliers, depending on the product and the characteristics. Even if certifications are not required with shipments, it is the Supplier's responsibility to maintain records and supply information upon request from GTC. The supplier is required to maintain and supply product data to GTC upon request. In the event of a nonconformity, this data may be requested for each lot until a clean point is approved.

10.0 SUPPLIER APPROVAL

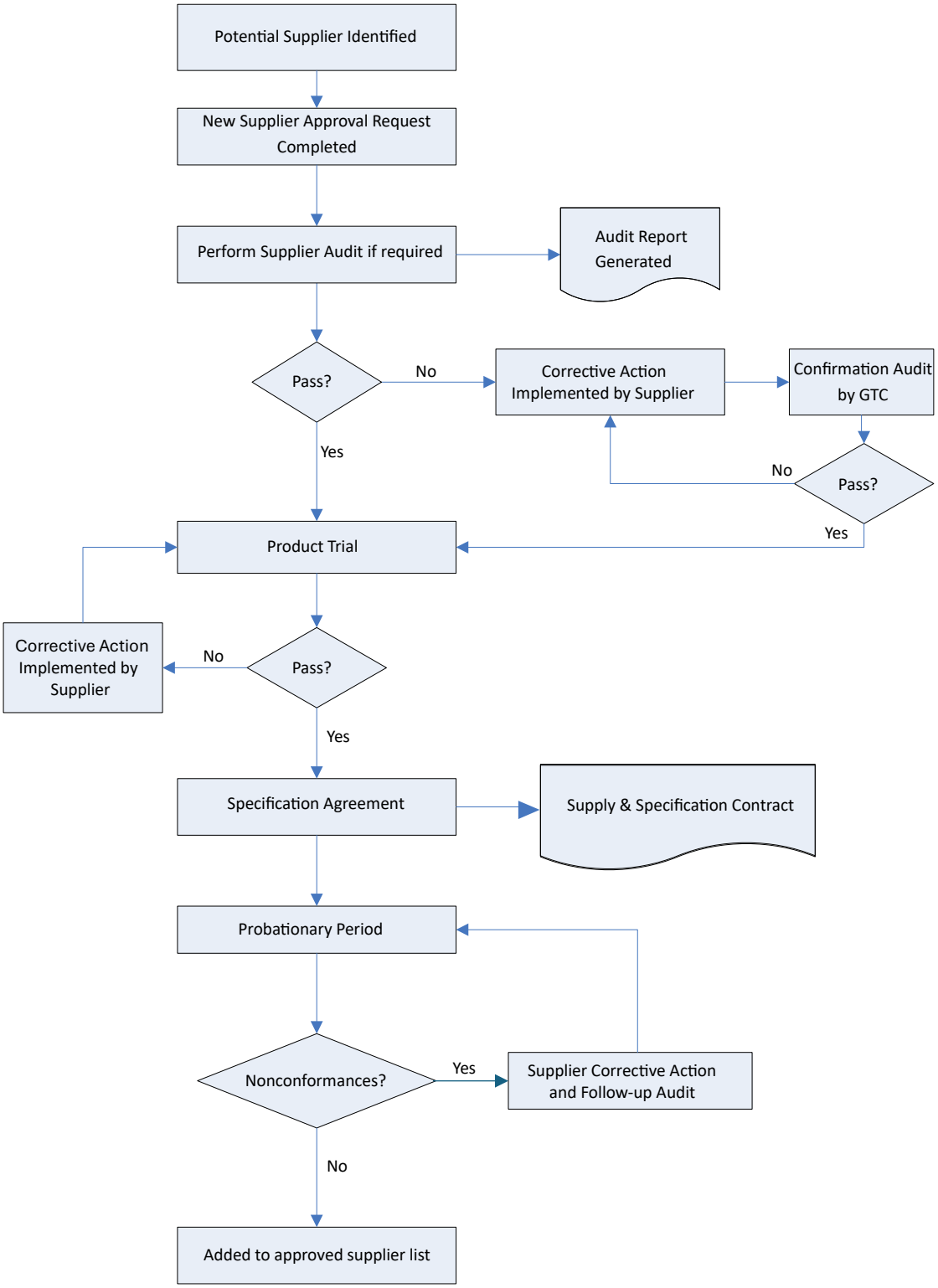
10.1 INTRODUCTION

Before a potential supplier can become approved, GTC requires general information about the potential supplier's business and information about their quality system. First a *New Supplier Approval Request* form is completed. Upon approval of the request, GTC will perform a system audit and/or a Quality Assurance Visit (QAV). The supplier will then be requested to complete a trial submission (if appropriate), and a probation period (if applicable) until all nonconformities are addressed. If a supplier becomes unwilling or unable to continue the quality of product or service, that supplier may lose the "approved supplier" status. The flow diagram on the next page illustrates the process.

10.2 QUALITY SYSTEM VERIFICATION

GTC will assess the supplier based on the ability of their quality system to fulfill all the requirements of the ISO 9001:2015 and IATF 16949:2016 standards, as applicable. The quality system verification is explained in section 5 of this manual, Supplier Quality System Evaluation. Suppliers who maintain an active, properly accredited certification may be exempt from this assessment.

10.3 NEW SUPPLIER APPROVAL PROCESS FLOW CHART



11.0 PRODUCTION PART APPROVAL PROCESS (PPAP)

11.1 INTRODUCTION

For specific information on the Production Part Approval Process, please see the current edition of Production Part Approval Process PPAP, available from the Automotive Industry Action Group (AIAG).

The Production Part Approval Process applies to all production commodities (i.e., raw materials and components), and is required prior to the first quantity shipment in the situations described in "When Submission is Required." This includes the first parts shipped when a process or product change is made.

Materials used during production, inspection, and packaging that do not become part of the product will be discussed in section 12 of this manual, Supplementary Goods Approval Process.

11.2 Requirements for Production Part Approval

The following documents and items must be completed/available by the supplier for each applicable composition when any of the situations in "When Submission is Required" occur. Direction on which of these items must be provided to the customer is defined in Submission Levels.

- Production Part Submission Warrant (PSW) Form
- Limited product samples (quantities to be determined by GTC), sent to the GTC facilities involved. Master Samples are to be retained by the supplier.
- All applicable Specifications/Material Standards and any referenced documentation.
- Dimensional results referenced to the requirement in the appropriate Specification/Material Standard.
- Material test results as specified in appropriate material specification.
- Process Flow Diagrams / On-line Work Instructions / Job Procedures
- Process FMEAs
- Control Plans which include all product and process-related Significant or Key characteristics. Unique Control Plans will be established for each product family, and each unique composition, where composition impacts originally submitted Control Plans.
- Process Capability results showing conformance to customer requirements for Key, Significant, Safety, Critical and Compliance-related characteristics, with supporting historical or trend data.

Measurement System variation (Gage R&R) studies for all equipment used for statistical studies for new or modified gages, measurement, and test equipment. Refer to the current edition of Measurement Systems Analysis – MSA, available from AIAG.

NOTE: For submissions due to engineering changes at the Supplier, the inspection and testing requirements will be determined by the extent of the changes. In some instances, the evaluation may be limited to the areas directly affected by the change. The GTC Supplier Quality Engineer will be able to offer guidance on requirements in this case.

11.3 SUBMISSION LEVELS

GTC will identify the PPAP SUBMISSION LEVEL that will be required from each supplier, or supplier-part number combination. Factors which will determine the level required are:

- Supplier quality rating status
- Part criticality
- Experience with prior part submissions

It is possible that the different GTC plants may assign different submission levels to the same supplier, or to different manufacturing locations of the same supplier.

The levels are:

- Level 1 – Warrant only
  - For designated appearance items, includes an Appearance Approval Report (AAR)
- Level 2 – Warrant with product samples and limited supporting data
- Level 3 – Warrant with product samples and complete supporting data
- Level 4 – Warrant and other requirements defined by customer
- Level 5 – Warrant with product samples and complete supporting data reviewed at GTC

11.4 Bulk Materials

The PPAP elements required are defined by the Bulk Materials Requirement Checklist (see Appendix F in the AIAG PPAP manual). Any GTC requirements will be listed on the Bulk Materials Requirement Checklist.

11.5 CUSTOMER-SPECIFIC REQUIREMENTS

Customer-specific documentation may be required in addition to PPAP submission.

11.6 TESTING

Product dimensional capability and functionality must be submitted in the PPAP documentation package. If functionality requires an application to glass to evaluate the product, it is the supplier's responsibility to schedule, supply, and fund all testing to validate their product and process.

11.7 PROCESS REQUIREMENTS

- Auxiliary drawings and sketches
- Part Specific Inspection or Test Device
- Customer-identified Special (Key) Characteristics - Dimensional and Material, or as specified
- Preliminary Process Capability Studies - An acceptable level of process capability must be determined prior to submission for all characteristics designated as key that can be evaluated using variables data (capability of non-key characteristics may be required per GTC's direction). Process capability will be depicted by:
  - Providing statistical summary data collected during the production run (Average, Max, Min, Std. Dev.)
  - Providing a process performance index (PpK) where variation is estimated using the standard deviation of the sample set from normal product sampling measures.
  - Appearance Approval Requirements
  - Dimensional Evaluation (Analysis of data to be generated with measurements performed per control plan, with sufficient data samples for estimation of process variation)
- Material Tests
- Analysis of data to be generated with measurements performed per control plan, with sufficient data samples for estimation of process variation. Include key characteristics per the Material Specification.

11.8 PREPARING THE SAMPLES

When samples are required, GTC suppliers will have the responsibility of performing on those samples the inspection and tests necessary to ensure that the samples conform to standards and specifications. A Production Part Approval – Dimensional Results Form or a Production Part Approval – Material Test Results Form (See the AIAG PPAP manual) shall be completed and addressed to the QA Department at the affected GTC Plant.

Below is a list of sample requirements:

- Before shipment of parts, the affected GTC Plant will identify how many samples should be submitted.
- Each sample shall be marked with a unique number that corresponds to its test result number on the Results Report.

Each characteristic submitted for approval must meet agreed specifications.

11.9 RECORD & MASTER SAMPLE RETENTION

The supplier will retain copies of all production part approval documentation identified in Section 11.3, including SPC results, regardless of the submission level requested by GTC. This record will show conformance to all dimensional, physical, performance, and other test specifications, and will be maintained for the length of time that the part is active plus one calendar year.

11.10 PART SUBMISSION STATUS

Suppliers will be notified by GTC as to the disposition of the submission. After sample approval, suppliers are responsible for assuring that future production continues to meet all specification requirements.

Suppliers must never ship their products for production use before receiving GTC approval.

- Production Approval indicates that the part meets all GTC specifications and requirements. The supplier is therefore authorized to ship the part for production use subject to releases from the GTC scheduling activity.

- Interim Approval permits shipment of material for production requirements on a limited time or piece quantity basis. Interim Approval will only be granted when the supplier has:
  - Clearly defined the root cause of the nonconformities preventing production approval, and
  - Prepared an interim approval action plan agreed upon by GTC. Re-submission to obtain “production approval” is required unless the supplier is advised that GTC has revised the drawings or specifications to agree with the part as manufactured.
  - Material covered by an interim approval that fails to meet the agreed upon action plan – either by the expiration date or the number of pieces or the authorized quantity – will be rejected. No additional shipments are authorized unless an extension of the action plan is granted.

- Rejected means that the submission, the production lot from which it was taken, and accompanying documentation do not meet GTC requirements. Corrected product and documentation must be submitted and approved before production quantities may be shipped.

12.0 SUPPLEMENTARY GOODS APPROVAL PROCESS

12.1 INTRODUCTION

The term “Supplementary Goods” refers to goods that are used in the production, inspection, and packaging of product, but are not incorporated into the product by GTC.

12.2 WHEN CERTIFICATION OF SUPPLEMENTARY GOODS IS REQUIRED

From suppliers of supplementary goods, GTC may require submission of representative samples of the product being offered, and/or certification reports. Samples help GTC determine the suitability of the product being offered for use in the desired application. The purpose of the certification is to assure GTC that the goods meet the stated requirements.

Consumable supplies and testing instruments available “off-the-shelf” from standard supply houses are exempt from the sample requirements, but individual instruments may require a certificate of calibration by a laboratory accredited to ISO/IEC 17025 or its national equivalent.

Exempt also are items in which dimensional certifications are not helpful, such as bending molds, where subtle differences in placement of structural supports may affect the heat transfer qualities of the mold, exerting a major effect on shape of final product.

Examples of candidates for supplementary goods samples and supplier certification are:

- Custom-made, unique measuring and gauging devices
- Value-added operations (such as those provided by assembly companies before delivery of GTC glass to the auto manufacturer),
- Packaging materials (or any other indirect supplies) with special requirements.

Certifications will be required only if requested by GTC. Request for certification data usually is made at the time of the first purchase and continues throughout the business relationship. Occasionally, a supplier may be asked to provide certifications for all materials shipped to GTC after a certain future date.

13.0 CORPORATE SOCIAL RESPONSIBILITY

13.1 INTRODUCTION

The term “Corporate Social Responsibility” refers to a process for companies to incorporate social, business ethics, environmental, and supply chain sustainability into their operations and corporate strategy. All companies are expected to adhere to the following Corporate Social Responsibility principles and guide it through their supply chains. Green Tokai Co., Ltd. and their suppliers must continually strive to uphold these principles, and to hold each other accountable.

13.2 SOCIAL SUSTAINABILITY

Social sustainability encourages companies to engage in practices that improve the wellbeing of their employees, shareholders, and surrounding communities. Companies should have a policy to oversee their working conditions as well as the basic human rights of their associates. Policies should include, but are not limited to, the following sections:

- Human rights
- Child labor
- Wages and Benefits
- Forced labor
- Health & Safety
- Harassment
- Non-discrimination

13.3 BUSINESS ETHICS SUSTAINABILITY

Business ethics sustainability guides companies to engage in the highest standards of integrity and operate honestly throughout the supply chain in accordance with local laws. Companies should have a policy to ensure ethical standards are being met and enforced. Policies should include, but are not limited to, the following subjects:

- Corruption
- Extortion
- Bribery
- The Right to Privacy
- Financial responsibility (accurate records)
- Fair Competition and anti-trust
- Conflict of Interest
- Counterfeit parts
- Intellectual Property
- Export Controls and Economic sanctions
- Retaliation

13.4 ENVIRONMENTAL SUSTAINABILITY

Environmental sustainability leads companies to engage in practices that will contribute to the quality of the environment on a short and long-term basis. Companies should have a policy to ensure environmental standards are being enforced and met. Policies should include but are not limited to the following:

- Environmental management system
- Energy management system
- Procedure to manage Restrictions (REACH, RoHS, etc.)
- Procedure to manage International Material Data System (IMDS) reporting

13.5 SUPPLY CHAIN SUSTAINABILITY

Supply Chain sustainability promotes the need for companies to engage with their direct and indirect suppliers to build these Corporate Social Responsibility principles into their respective companies and throughout their supply chains. The entire supply chain should promote social, ethical, and environmental responsibility. This also entails the responsible sourcing of materials where companies are expected to understand the sources of their materials and that they were obtained ethically and legally. An example of this is Conflict Minerals Reporting as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act and the EU Conflict Minerals Regulation.

14.0 SUPPLIER ACKNOWLEDGMENT

As a supplier of production materials and/or parts to Green Tokai Co., Ltd., I acknowledge that I received a copy of the Green Tokai Co., Ltd. Supplier Manual and accept its terms.

_____ _____

Signature Printed Name

_____ _____

Company Name Title

_____

Date