# Accuride Global Supplier Quality Manual

Your only single source for industry-leading wheel end solutions.

STEEL & ALUMINUM WHEELS | DRUMS | HUBS | ROTORS | SLACK ADJUSTERS

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# 1.0 Introduction

## *1.1 Vision & Goal*

Accuride's Quality Vision: Accuride Corporation and its affiliates (collectively, "Accuride") will be the premier supplier of wheel end system solutions to the global commercial vehicle and off-highway industries and the European automotive market.

It is the goal of Accuride to develop relationships with our suppliers ("Suppliers") as part of the total supply chain that emphasizes continual improvement in quality, service, delivery, cost, and support by ensuring that Accuride requirements are accurately specified, communicated, and understood.

It is the vision of Accuride that suppliers shall strive to:

- **Do it Right the First Time** by planning, preparing, and being trained to supply quality products and services.
- **Do it Right Every Time** by ensuring consistent quality products and services and addressing all concerns.
- **Continually Improve** by proactively improving the quality and value of products and services.

## *1.2 Purpose*

The purpose of the Accuride Global Supplier Quality Manual (AGSQM) is to specify Accuride's quality system requirements to our Suppliers. These requirements extend from supplier qualification, through new product development, to production. These requirements are in addition to any requirements set forth in any agreement between a Supplier and Accuride or those described in any Accuride purchase order.

## *1.3 Scope*

This manual applies to all Major Suppliers. "Major Suppliers" are those who supply products, material, and services and also includes all product and services that affect customer requirements such as sub-assembly, sequencing, sorting, rework, and calibration services. This manual applies to secondary material/service suppliers only when it is required by an Accuride Purchase Order. Contracts or Purchase Orders may specify additional quality and other requirements for Suppliers.

## *1.4 Responsibility*

- Suppliers are responsible for meeting the AGSQM requirements. Failure to meet these requirements may result in the loss of existing and future Accuride business, in addition to reimbursement of the cost to Accuride resulting from those failures.
- Suppliers shall ensure that their Major material/service suppliers comply with the requirements of ISO 9001 or IATF 16949.
- Suppliers shall adopt the goals of Zero Defects and 100% On-Time Delivery to Accuride. Suppliers shall understand that any established PPM target is not an Accepted Quality Level but represents an intermediate continual improvement step toward shipment of components/materials meeting the Zero Defects requirement.
- Supplier shall meet all aspects of the Long-Term Supply Agreement.

## *1.5 Language*

Accuride's official language is English. All official communication with Accuride will be done in English or Bilingual unless otherwise approved. Documents may display the native language when integrated in parallel translation. In this instance, the English is the only valid version.

## *1.6 Accuride Accusant Process*

The AccuLaunch process is used by Accuride from the initial assessment of a potential new supplier through launch and into intensive supplier improvement and tactical monitoring within operations. Figure 1 outlines the steps in new product development.

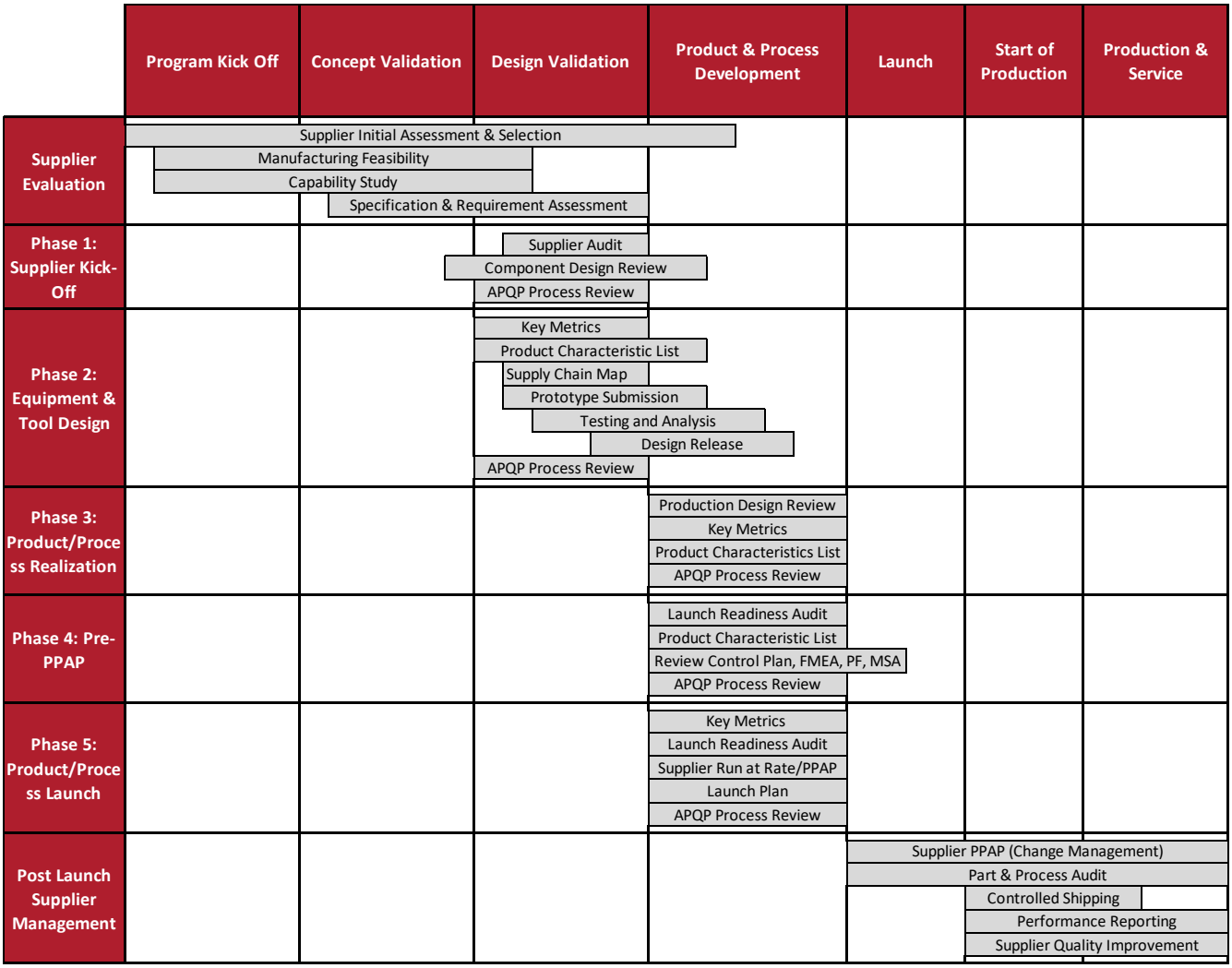



**Figure 1. Accuride Global Supplier Development Process**

Accuride's AccuLaunch process initiates with customer inquiries and the feasibility process. Once a program is approved, Accuride's Engineering Department works on concepts to meet the customers' specifications and requirements. The process continues to validation of the design. Design validation builds take place during this stage.

Next is the development of the product and the process. Accuride facilities are installing the assembly equipment and engineering is working together with the customer to ensure the product meets all applicable performance and appearance requirements. During this stage, suppliers are developing their tooling and processes to provide material for future production. Also, during this period, many suppliers will be required to supply components/materials for equipment tryouts and product validation builds and testing. Suppliers should also be constructing ramp-up plans to meet initial production requirements and creating contingency plan to address catastrophic events that would prevent the supply of materials under normal production conditions.

After or concurrent with the approval of the Production Part Approval Process (PPAP) package, and with the start of production, Suppliers may be required to participate in a Launch Planning program. For a pre-determined period or number of components, the Supplier and Accuride will employ an expanded inspection process on key characteristics. The Supplier shall continue to use the validated process once the program transitions from Launch into Production. Accuride's approval is required before implementing any changes to that validated process. Suppliers' performance not meeting agreed upon goals and metrics, during this phase, will be required to participate in an intensive improvement team.

## *1.7 Government Regulatory Compliance*

Suppliers shall comply with all applicable governmental regulations. These regulations, including, among other things, health and safety of workers, environmental protection, toxic and hazardous materials, information privacy, and free trade. Suppliers should recognize that the applicable government regulations might include those in the country of manufacture as well the country of sale. For products brought into the United States, all federal standards must be met. International suppliers should be Customs Trade – Partnership Against Terrorism (C-TPAT) or country equivalent certified.

## *1.8 Social Responsibility, Environment Protection, Working Conditions and Safety*

### 1.8.1 Social Responsibility, Working Conditions and Safety

Employees are an integral part of a company's sustainable growth. Accuride provides a safe and healthful workplace, protects the environment, and ensures that pertinent environmental, health and safety issues are incorporated in the planning and execution of the company's business. In addition to the applicable regulations described above, Accuride expects Suppliers to incorporate the following goals into their corporate culture:

- Plant cleanliness and working conditions are to be conducive to manufacturing a quality product and providing a quality service. 5S or general cleanliness activities are highly recommended.
- Preventive maintenance and cleaning schedules shall be established for the production, inspection, and testing areas where practicable. Such schedules are to be consistently followed and objective evidence maintained.
- The supplier shall have a process to ensure compliance with all applicable government, safety and environmental regulations, including those concerning handling, recycling, eliminating or disposing of hazardous materials. Evidence of compliance shall be made available upon request.
- The supplier shall monitor injury and incidence rates and take actions, appropriate for their manufacturing operations and locations, to protect all their employees.

### 1.8.2 Environmental Guidelines

Accuride is convinced that the future and permanent protection of our environment, land, water, and air can only be achieved through the joint efforts of industry, government and society. Accuride will strive for continual improvement in our environmental performance through the development of new products, processes and working methods. In doing this, we strive for economical use of raw materials, energy, water, and other goods; and will fully consider the life cycle of our products through production, use and disposal. The environmental impact of our products during manufacturing covers both the manufacturing at Accuride and those of our suppliers. This means that both Accuride and its suppliers must perform their activities such that the impact of those activities on the environment is reduced to a minimum. We therefore expect from our suppliers an active engagement in environmental concerns and the establishment, and adherence to, an environmental management system such as ISO 14001. This does not release the supplier from complying with all relevant national and international regulations. Registration to ISO 14001 is strongly recommended.

Suppliers should undertake the following to reach the above-mentioned environmental targets:

- Written guidelines regarding the environmental performance,
- Regular review of production, maintenance, supply, and disposal processes and products to determine their environmental impact,
- An emergency plan,
- Definition of targets to improve environmental protection and documentation of their fulfillment, which includes:
    - Safeguarding of resources (raw materials, energy, water),
    - Prevention and reduction of environmental pollution,
    - Minimization of waste and rejects,
    - Reduction of expendable packaging,
- Compliance with all government regulations regarding materials and substances,
- A recycling concept/program.
- Compliance with Restricted Materials and Reporting Requirements as defined by Accuride policy.

## *1.9 End-of-Life Vehicle (ELV)/International Material Data System (IMDS) Reporting*

The End-of-Life Vehicle (ELV) Directive, 2000/53/EC, was enacted by the European Commission "to minimize the impact of end-of-life vehicles on the environment." The use of lead, mercury, cadmium, and hexavalent chromium are prohibited in vehicles and their components, except for certain exemptions published in Annex II of the Directive. This is a mandated requirement for European Union (EU) Member States and also required by North American, and some Japanese, vehicle manufacturers.

Additionally, other legal requirements, such as EU Directives 2002/95/EC, 2002/96/EC, and 2003/11/EC restrict the use of certain flame retardant substances: polybrominated biphenyls (PBBs) and polybrominated diphenyl ethers (PBDEs). PBBs or PBDEs shall not be present in components or materials supplied to Accuride.

Suppliers in all regions shall ensure that all components and materials supplied to any Accuride facility comply with the above-mentioned legal requirements.

Accuride requires suppliers to submit ELV data when applicable at http://mdsystem.com. Account numbers by sites are below:

| | |
|---|---|
| Accuride North America | |
| Gunite/KIC | 11080 |
| Accuride Wheels North America | 3162 |
| | |
| Accuride Wheels Europe/Asia | |
| Accuride Wheels (Shandong) Co., Ltd. | 91703 |
| Accuride Wheels Bilecik Jant Sanayi A.S. | 17918 |
| Accuride Wheels Solingen GmbH | 52325 |
| Accuride Wheels Troyes SAS | 5573 |
| Accuride Wheels Russia LLC Togliatti | 130869 |
| Accuride Wheels Russia LLC Zainsk | 147131 |

## *1.10 European Quality Assurance Agreement*

Accuride's European operations shall request a Quality Assurance Agreement from all suppliers. This agreement controls suppliers' and Accuride's responsibilities and tasks for the key quality processes with respect to the Accuride Global Supplier Quality Manual and the legal requirements of specific countries. The supplier is responsible for review of the Quality Assurance Agreement, when provided.

## *1.11 General*

This AGSQM manual is "distributed" by the posting on the Accuride website at www.accuridecorp.com and it may be updated from time to time. Printed copies are uncontrolled documents. While Accuride will communicate to the suppliers major revisions to this manual, the suppliers are expected to remain up to date on Accuride requirements by frequently visiting the Accuride website. Visiting this website should become a business routine as Accuride shifts to web-based communications and applications. Questions regarding this manual should be directed to the Accuride contacts listed on the Accuride website.

## *1.12 Document Location*

Forms and documents referenced throughout this document can be found under "Suppliers" on the Accuride Website at www.accuridecorp.com/suppliers.

# 2.0 Accuride Requirements

Accuride bases its supply management requirements on four key processes. These are: Supplier Selection, AccuLaunch, Continual Improvement, and Supplier Improvement. These key processes are global in nature, as are any of their referenced procedures. In some instances, because of unique system configurations, product lines and regions may have specific processes, procedures, and/or forms that may only pertain to conducting business with them. These unique requirements will be found in a table at the end of each section.

## *2.1 Criteria for Selection as an Accuride Major Supplier*

### 2.1.1 New Major Supplier/Location Qualification

New Major suppliers to Accuride must follow the Accuride New Supplier Qualification Process (See Accuride Corporation Purchasing Procedure PL-002 - New Major Supplier Qualification Process) illustrated in **Figure 2** and shall:

- Maintain a minimum Quality Management System of ISO 9001 issued by a certification body bearing the accreditation mark of a recognized IAF MLA member. New suppliers who have not completed their registration process may be awarded business based on a customer approval and completion of certification within 12 months of award.
- Complete the Supplier Self Evaluation Questionnaire P-002A.
- Meet all environmental, commercial and financial requirements of the relevant Accuride product line.
- Successfully pass an Accuride New Supplier Audit, if required. Suppliers that initially are not determined to be acceptable will be allowed to develop action plans and timelines to correct any deficiencies and then request a re-audit to verify implementation of these actions. Business cannot be awarded until an acceptable audit is achieved.
- Not change manufacturing site unless the new site also meets the above criteria.

**Figure 2. Accuride New Major Supplier Qualification Process**

### 2.1.2 Quality Management System Development

Accuride's goal for all Major Suppliers (as defined in section 1.3) is to develop, implement and improve a quality management system certified to ISO 9001, with the ultimate objective of becoming certified to IATF 16949. The following sequence should be applied to achieve this expectation.

a) Certification to ISO 9001, through third party audits bearing the accreditation mark of a recognized IAF MLA member and where the accreditation body's main scope includes management system certification to ISO/IEC17021;
b) Certification to ISO 9001 with compliance to other customer defined QMS requirements;
c) Certification to ISO 9001 with compliance to IATF 16949 through second party audits;
d) Certification to 16949 through third-party audits (valid third-party certification of the supplier to IATF 16949 by an IATF-recognized certification body)

### 2.1.3 APQP Practices

Accuride recommends that its suppliers use the latest Automotive Industry Action Group (AIAG) versions of the Advanced Product Quality Planning and Control Plan (APQP), Potential Failure Mode and Effects Analysis (FMEA), Measurement System Analysis (MSA), Production Part Approval Process (PPAP), and Statistical Process Control (SPC) manuals as guidelines for their system development. Other manuals may be relevant and used as specified by Accuride.

### 2.1.4 e-Business Capabilities

Suppliers shall have email, Internet access and Internet browser as a minimum for e-Business capability. This is required for communications such as:

- Performance information,
- Concern Tracking,
- Program Tracking,
- Supply Web, EDI & ASNs,
- Plex Online-Accuride's supplier assessable ERP system, and
- Accuride Global Supplier Quality Manual.

### 2.1.5 Communication and Contact Information

Suppliers are responsible for maintaining contact information. These contacts include the top management representatives, and the required information includes phone numbers and email addresses. Additionally, suppliers shall, at minimum, maintain and update their certification status once per year. Suppliers shall immediately communicate any change in certification/registration or status to your respective commodity or purchasing manager.

## *2.2 New Product Launch*

### 2.2.1 Introduction

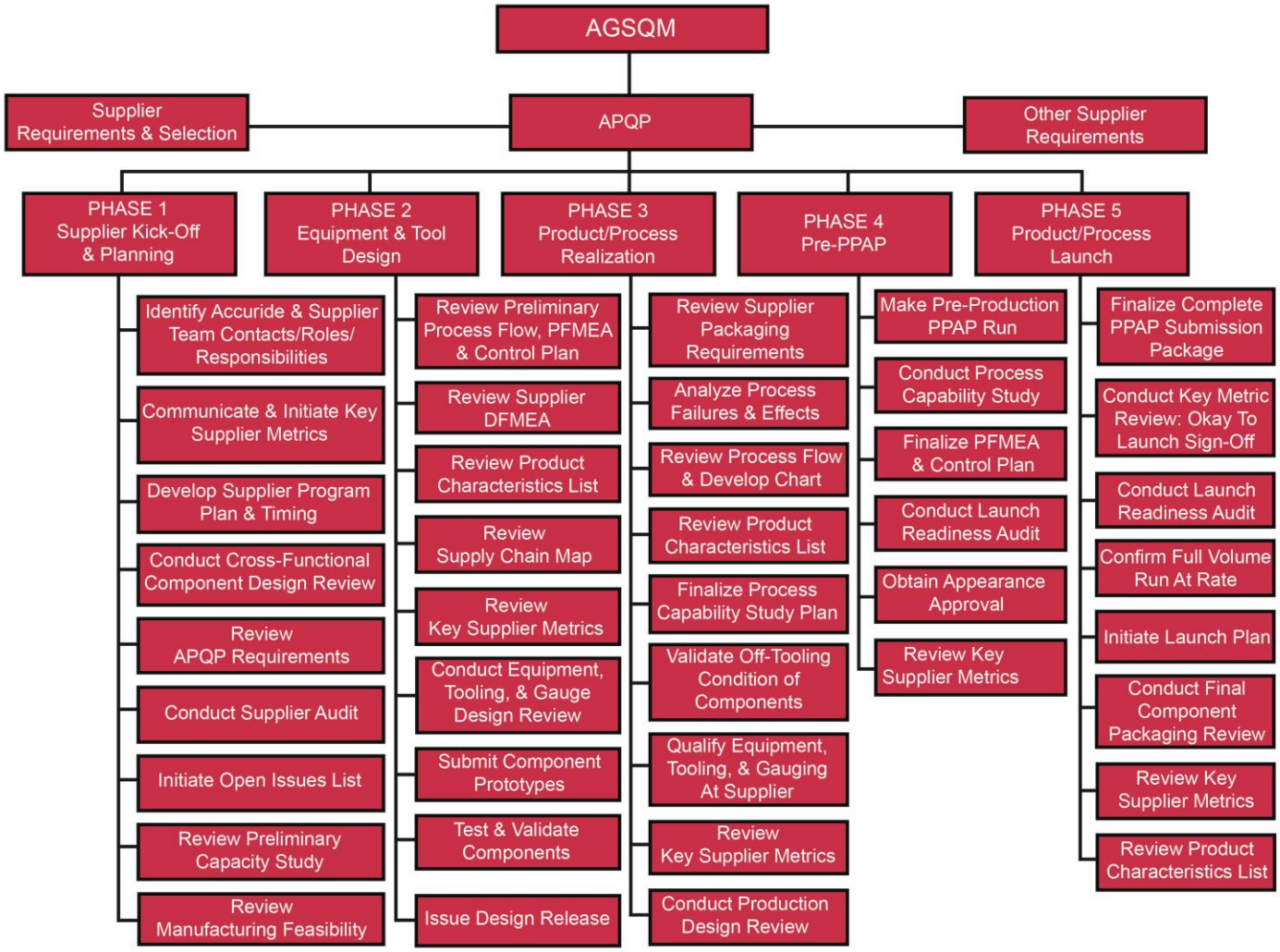
AccuLaunch initiates at design concept and runs through a production launch of a new component. When specified by Accuride, suppliers shall use the Accuride Global Supplier Development Management Process (**Figure 3**) when launching new products for Accuride. Accuride New Product Introduction teams will work with the supplier as required during the product development cycle. All suppliers, regardless of component priority, shall use a disciplined launch and/or AIAG defined APQP process.

### 2.2.2 Advanced Product Quality Planning (APQP)

Suppliers should provide APQP status reports for a new product with regard to meeting the Program objectives of quality, cost, performance, and timing. Accuride will provide the format, frequency, and required content of these reports. Suppliers should complete those forms in English, unless otherwise specified.

Suppliers to Accuride are responsible for managing their new product introduction process to the guidelines provided in this document. Accuride's APQP process consists of five phases. Figure 3 shows the deliverables for the five phases.

**Figure 3. APQP: 5 Phases**

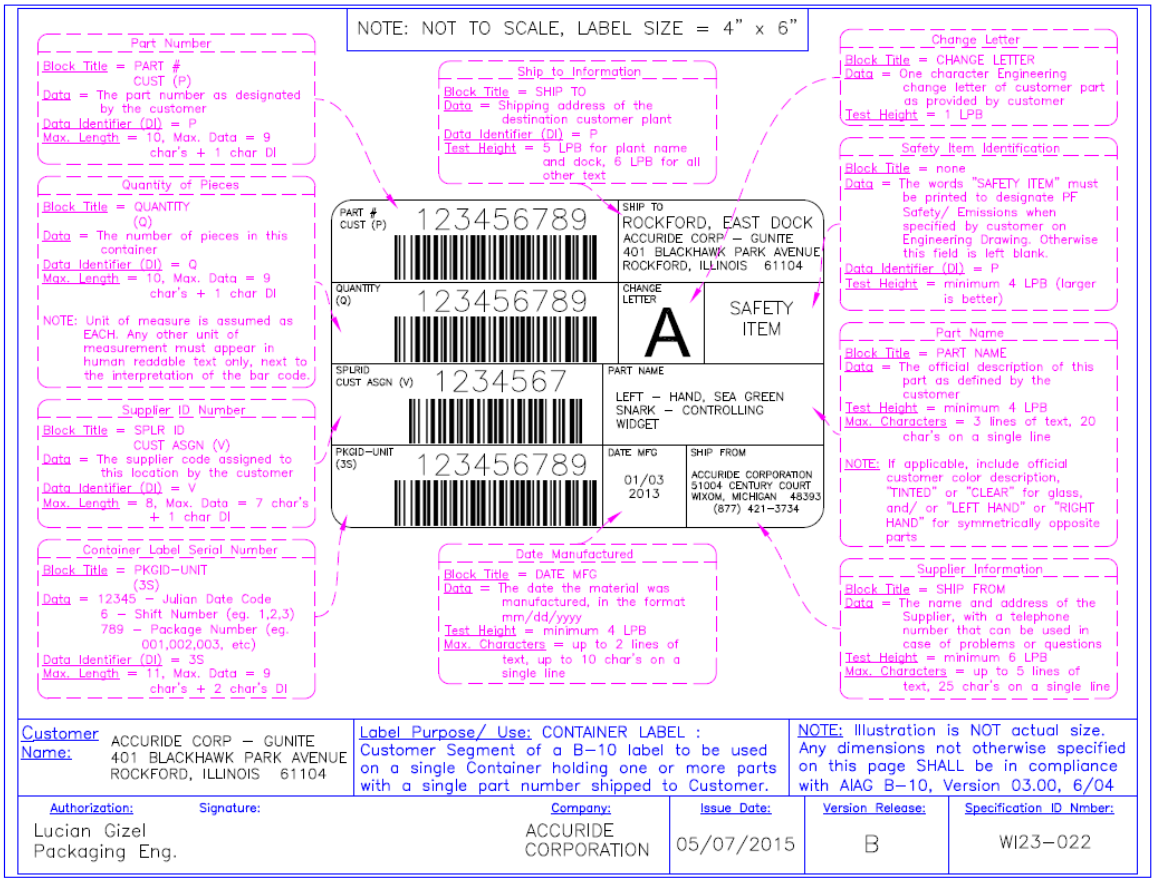



As stated previously, regardless of component/material complexity, every supplier is expected to conduct and execute an APQP process. Suppliers that wish to use other reporting formats than defined in this document shall have written approval from the specific Accuride Purchasing Manager. Determination of manufacturing feasibility and/or supplier capacity may be required for every new or modified product design or manufacturing process based on engineering changes. These analyses are done just after the Request for Quotation (RFQ) has been accepted and prior to any commitment for facilities or tool development.

### 2.2.3 Packaging and Labeling

Accuride and suppliers shall agree upon the packaging plan during APQP, including the following requirements.

- All packaging units shall be labeled and the label shall include:
  - Accuride part number with engineering level and part description.
  - Quantity.
  - Supplier name.
  - Lot traceability number and date -- this number shall have a direct relationship with shipping documentation supplied. Starting with the Shipping documents, the supplier shall be able to trace all the documents and records. Accuride, at its discretion, may specify additional traceability requirements.
  - Raw material Heat number, if requested.
  - A Bar Coded label applied to each packaging unit. Unless specified by Accuride, the AIAG bar code format shall be used. Accuride facilities may specify their own bar-coding formats. Suppliers shall meet the bar code requirements of the Accuride location they are shipping to.
- Suppliers, regardless of the manufacturing location, shipping to Accuride's North American facilities shall meet the requirements found in the North American Labeling Requirements.
- Preferred Labels
  - Box or shipment label- Plex Label (4"x6")-This label varies by receiving location and is generated using the Plex supplier portal.
  - AIAG B10 Pallet Label (4"x6") -Available on Accuridecorp.com




Suppliers providing product to multiple operating units, on a global scale, shall work with each of the locations to ensure that the packaging is sufficiently robust to withstand shipment by sea and arrive on time, without damage.

Accuride expects their suppliers to conduct, periodically, dock audits on packaged materials. Evidence of these audits shall be retained with other lot inspection documentation.

All wood packaging material must comply with the International Plant Protection Convention (IPPC).

## 2.2.4 Production Part Approval Process (PPAP)

Suppliers shall ensure that the PPAP document and sample submissions are in accordance with the requirements of the Automotive Industry Action Group (AIAG) PPAP Manual. Suppliers shall only submit PPAP packages for production-released drawings, and a copy of this drawing shall be included in the submission package. Each supplier is responsible for meeting all these requirements before submission to Accuride, including obtaining Accuride approvals for any change requests.

Suppliers may be requested to submit the PPAP package in an electronic format by one or more of the product lines and regions. In these instances, suppliers must be prepared to comply with these requests.

Accuride shall specify the PPAP submission level (Levels 1 – 5) as part of the Launch Plan. Suppliers should use the forms identified in the AIAG PPAP manual. Suppliers may use their forms only if they are equivalent to the AIAG forms and if they have the written approval from Accuride. Accuride may require suppliers to submit a validation package that contains additional documents and forms beyond those required by AIAG. In addition, the supplier is responsible for all sub-tier PPAP submissions and approvals, including those suppliers Accuride has directed for use.

Suppliers of plastic components to Accuride are required to comply with regrind levels specified on the component's drawing. Components produced throughout the APQP process, including Design Validation (DV), Production Validation (PV) and PPAP, shall be representative of the maximum allowable regrind, and is confirmed by certified laboratory analysis. Additionally, suppliers are responsible to ensure that the component's PFMEA and Control Plan specifically address, and control, this requirement.

Supplier submission of a non-conforming PPAP package may be recorded as a supplier performance failure and could affect the supplier's performance rating. Accuride will determine the Level of PPAP submission, and any special requirements if applicable.

When applicable, suppliers shall include in the PPAP submission the Engineering Specification (ES) test plan and the ES test results. An approved/accredited laboratory shall conduct the ES tests.

### 2.2.5 Traceability

All suppliers shall have an effective lot definition and traceability procedure. The shipper number will be linked to the lot traceability procedure in such a way that the delivered product can be traced back to the raw material. Unless otherwise approved in writing by the Accuride Purchasing Manager, a lot shall consist of one shift or eight hours of production, whichever is smaller. For Bulk Processes, lot size may be defined by quantity and vary based on process/production equipment. Accuride reserves the right to specify a maximum batch size. Each lot shall be traceable back to the raw material used. The lot definition shall reflect all significant processes influencing the component/material, with the shipping lot number reflecting the last value-added operation. Suppliers shall ensure that their lot traceability system maintains its integrity throughout entire extended supply chain, including not only raw material, but also purchased components/products.

Many components' lifeline begins and ends within the facility of the supplier. There are those components, however, that do require processing by outside companies to finish the process stream. These may include heat treat, coining, grinding, coating, and other various processes.

If the original lot were batch processed through the different secondary processes, then there would be no need to change the original lot number. However, if the batches are split at a secondary processor, then the lot number for each of the batches should be unique.

Once manufacturing/assembly begins, a lot number is changed if:

- One shift of production or eight hours is reached.
- The lot number changes on the raw material being used.
- When the components undergo another value-added process and the original lot is divided during processing.
- The lot number changes on any one of the components being used.

When required the supplier may need:

- To implement *Serialized* (maintains a one-to-one relationship between the finished good serial number and the components' serial number) lot traceability, or
- *Specific* Lot (maintains a one-to-one relationship between the finished good serial number and the components' lot numbers) traceability for certain programs.
- To clarify the difference between this and general traceability, consider a supplier that stamps a given component. After stamping, two fasteners are pressed into the stamping. General traceability is where there is no lot traceability between the stamped component and the assembled parts. Specific traceability would be where the lot numbers of the assembled components are traceable through the lot number of the stamped component.

For safety/critical parts, the required retention time for Lot Traceability records shall be found in Section 2.3.10.

Country of Origin may be required for products manufactured outside of the United States with intended sale in the United States.

### 2.2.6 Special Characteristics

At a minimum, suppliers shall implement process controls for Special Characteristics as designated (Critical, Major, C, M and <>) on Accuride drawings or specifications. Additional characteristics deemed germane to be "predictors of process stability and feedback" should also be identified in the supplier's Control Plan. These relate to product safety, government regulation, product performance, and the ability to assemble product or customer satisfaction features. These are identified by various symbols, requiring specific levels of special controls and process capability.

Unless otherwise specified by a product line and/or region, for characteristics/features designated as significant or critical, during launch, the supplier must calculate and report the process capability as Cpk. For those characteristics/features showing a Cpk of less than 1.67, the supplier must create an action plan that defines both containment and process improvements. Process capability can be conducted with both variable and attribute data. The target acceptable sample size for variable and attribute data is 300 pieces. For low volume parts, consult the specific Accuride SBU Purchasing manager or reference the AIAG PPAP Manual. Containment must effectively separate non-conforming material from the population. Containment, generally either 100% sort and some form of error proofing, must continue until such time that the process Cpk demonstrates capability greater than or equal to 1.67, unless approval to ship is obtained by Accuride. For those characteristics/features showing a Cpk less than 1.67 but greater than 1.33, the supplier may ship the product but must create and obtain Accuride approval of an action plan to achieve a Cpk of 1.67.

After three months of production, Ppk will be used to measure the process. The Ppk for long-term *capability study must maintain a minimum of 1.67 for significant characteristics.*

### 2.2.7 Prototype Fabrication, Quality Evaluation, Pre-Production Process Changes

For the fabrication of prototype or pre-production parts, suppliers shall follow the planned production process as closely as feasible. For these prototypes, Accuride may require that the suppliers provide a prototype control plan along with material, dimensional, performance, and/or process data. If the prototype and production suppliers are different, the prototype supplier shall share with the production supplier the process knowledge gathered in prototype fabrication. Proprietary information may be withheld by prior agreement with Accuride.

Once a supplier starts providing parts as part of the process development and validation stage, any changes to the process requires notification to Accuride of those changes. These changes may include:

- Outside or sub-tier suppliers,
- Addition/deletion of capital equipment,
- Tooling and/or gages,
- Manufacturing methodology, and
- Internal secondary processing.

Suppliers of prototype parts, when required, shall respond to material concerns.

## 2.3 Production Processes

### 2.3.1 Introduction

Once the manufacturing process for producing a component is successfully validated, the next phase is production. Suppliers shall meet the requirements below during this stage. Key areas include change management, concern management, sub-tier supplier management, and annual revalidation. Additional expectations are also detailed in the following sections.

### 2.3.2 Supplier Request for Change (PPCN)

Suppliers shall submit a Plex request for product or process change and obtain Accuride approval prior to implementing the change. Instructions to create the PPCN is found on the Accuride website at Accuridecorp.com/Suppliers. The PPCN applies to changes at sub-suppliers throughout the supply chain. Additionally, suppliers shall submit a written request for changes to all items listed in Table 3.1 of the AIAG PPAP Manual 4th Edition. Suppliers are also required to submit all supporting validation data including necessary dimensional reports, performance testing, before/after process parameters, updated APQP documentation (PFMEA/Control Plan), and a detailed timeline demonstrating proper change control that identifies necessary safety stock/bank requirements including timing for Accuride/Customer validation timing and designated resources to manage the change.

Accuride must act in accordance with ALL customer requirements for change notification and as such, Accuride expects the supply base to comply correspondingly. Change approval may take an extended period when Accuride customer approval is required. Changes **shall not** be implemented prior to the receipt of written approval from Accuride. **VERBAL REQUESTS FOR APPROVAL ARE NOT VALID OR EFFECTIVE**. Below are the defined notification requirements, similar to Table 3.1 of the AIAG PPAP Manual 4th Edition.

**Accuride Notification and Submission Requirements**

1) Use of other construction or material than was used in the previously approved part or product.
2) Production from new or modified tools (except perishable tools), dies, molds, patterns, etc., including additional or replacement tooling.
3) Production following upgrade or rearrangement of existing tooling or equipment.
4) Production from tooling and equipment transferred to a different plant site or from an additional plant site.
5) Change of supplier for parts, non-equivalent materials, or services (e.g. Heat Treating, Plating, protective or functional coatings) that affect Accuride or OEM fit, form, function, durability, or performance requirements.
6) Product produced after the tooling has been inactive for volume production for twelve months or more.
7) Product and process changes related to components of the production product manufactured internally or manufactured by subcontractors that impact fit, form, function, performance, and/or durability of the salable product. Additionally, the supplier shall concur with any requests by a subcontractor before submission to Accuride and its respective customer base.
8) For bulk materials:
    a. New source of raw material from new or existing supplier.
    b. Change in product appearance attributes where there is no appearance specification.
    c. Revised parameters in the same process (outside PFMEA parameters of the approved product, includes packaging).
    d. Change outside of DFMEA (product composition, ingredient levels) of the approved product.
    e. Change in test/inspection method-new technique (no effect on acceptance criteria).

Consequences of non-communicated or unauthorized process changes at the supplier manufacturing facility or any sub-supplier facility could result in any or all of the following actions.

1) Written notification from Accuride to supplier requesting the supplier to contact their registrar of the non-conformance.
2) Supplier commercial status change to Hold status or Bid Suspension for a period of 3 - 6 months, depending on root cause of non-conformance.
3) Issuance of a concern and immediate third-party containment of affected component/product.
4) Potential request for independent, third party audit of affected supply chain, including ALL affected sub-tier suppliers involved.

Reinstatement of supplier to "Good Standing" will depend on supplier's ability to develop effective preventative actions and verification by Accuride accordingly.

Authorization to ship production material after the change is communicated through a signed Part Submission Warrant (PSW) after Accuride has approved the PPAP for the requested change, and that change is coordinated through the using Accuride facility or facilities.

Off-Line rework, not included in the original Control Plan, is considered a process change and suppliers shall obtain Accuride approval for it as specified above. Rework shall be supported by operating and inspection instructions. The inspection instructions shall be consistent with an updated production process control plan. Accuride will require special identification and segregation of the reworked product.

### 2.3.3 Supplier Deviation Request

The deviation request is generated in Plex. Instructions to create the deviation is found on the Accuride website at Accuridecorp.com/Suppliers. The Buyer and Quality Engineer or Quality Manager will review and provide feedback to the request. A plan to return to normal production and the time required to do so shall be submitted at the same time as the written request.

### 2.3.4 Concern Management

Upon receiving an Accuride concern for quality or delivery, suppliers shall endeavor to implement a containment action (D1-D3) within 24 hours as appropriate with the severity of the defect. Within 21 calendar days, unless otherwise specified, the suppliers shall complete the corrective action plan through D5 or a reasonable approach to developing one in case of complex issues. These targets are standard, but the concern creator can establish other target dates, if needed. Suppliers shall use a systematic problem-solving method such as 8D/CAPA. Accuride requests all efforts be made to close 8D/CAPA's within 30 calendar days.

Suppliers shall immediately notify Accuride upon discovery that they might have shipped nonconforming or suspect product to Accuride. Notification shall go to the Quality Manager and the Purchasing Manager, or in their absence, the Operations Manager of the Accuride facility. The suppliers shall notify all Accuride SBU facilities receiving the same or similar affected product.

The Supplier will be issued a Concerns Notification in the form of an 8D/CAPA or equivalent problem-solving technique. The process involves five components:

1) **Accuride** - Identification and definition of problem
2) **Accuride** - Reporting and notification process
3) **Supplier** - Response and corrective action
4) **Accuride** - PPM defects and rate of occurrence
5) **Accuride** - Supplier charge backs for quality-related expenses

Each step lists the required and recommended elements for each component. Unless otherwise noted, the process that follows will be used by Accuride. Suppliers are required to use or develop their own systems that comply with Accuride's materials rejection reports and corrective actions procedures.

## 1) Accuride - Identification and Definition of Problem

***Required Elements***

- ✓ Will contain sufficient information to ensure understanding of the problem by the supplier.
- ✓ Will contain sufficient information to ensure proper and quick containment by supplier and user plant. (Information may include lot number, traceability or quantity.)
- ✓ Will have representative samples available for review and supplier evaluation.
- ✓ Will have defined severity and/or classification of problems.
- ✓ Will contain quantitative information to define the extent of the problem.
- ✓ Will have a method to distinguish "fit and function" (critical) issues from "nonfunctional" (nuisance) issues.

## 2) Accuride - Reporting and Notification Process

***Required Elements***

- ✓ Will include proper identification and definition of problem.
- ✓ Will have an established period for reporting and notification.
- ✓ Will include initiator or contact person at the issuing plant.
- ✓ Will ensure supplier acknowledgment of receipt of notice or report.
- ✓ Will identify status of material and current disposition.
- ✓ Will request a return material authorization (RMA).

## 3) Supplier - Response and Corrective Action

***Required Elements***

- ✓ Will have robust containment across supply chain (i.e. Raw material, WIP, inventory, in-transit, consignment, at customer, etc.).
- ✓ Will have a well-defined procedure for corrective action and response.
- ✓ Will have a well-defined period for corrective action and response.
- ✓ Will have a formal approval, closure and tracking process.
- ✓ Will require an 8D Process or a similar problem-resolution process for documenting and verifying corrective action.
- ✓ Will define specific steps for disposition of material.
- ✓ Will have a process for rescinding invalid corrective action requests, which are not needed or were generated in error by Accuride.

### 4) Accuride - PPM Defective and Rate of Occurrence

***Required Elements***

- ✓ Accuride will have a procedure to adjust PPM based on verified parts defective.
- ✓ The supplier must acknowledge receipt of returned parts within the time frame dictated by the user plant.
- ✓ The Supplier, within the period dictated by the user plant, as part of the 8D (or a similar problem-resolution process) must supply to user plant a minimum of the following information:
    - Segregation/containment actions,
    - Sort results,
    - Rework plan,
    - Interim actions, and
    - Root causes.

### PPM will include the following:

- Quantity of VERIFIED nonconforming production parts,
- Quantity of customer-approved rework (on-site or off-site) and used,
- Initial PPM will include total quantity of suspect parts returned to supplier. This amount will be adjusted later to reflect actual defect quantity if all adjustment policy criteria are met.
- Confirmed defective warranty returns

### PPM will not include the following:

- Parts that have not been PPAP approved and prototypes,
- Parts used under authorized deviation, or
- Parts “used as is.”

### Bulk Rejections - For example: labeling, plastic resin, steel, etc.

Bulk items should be treated the same as other defective parts. The entire quantity will originally be counted as defective. The supplier can provide discrimination of the defective quantity after sorting and the original count will be rescinded.

- The rate of occurrence offense will be tracked. All occurrences are counted regardless of severity except for those that are rescinded.

## 2.3.5 Supplier Audits

Accuride employs several audit tools in its Supplier Development Process such as assessment of a potential new supplier that desires to enter a business relationship with Accuride, New Supplier Self Evaluation Questionnaire, Launch Readiness audits, New Supplier Operations audit, and final production validation audits.

Any supplier of production material to Accuride may be requested to participate in one or more of the audit types. Audit frequency will be determined by Accuride’s internal supplier performance metrics. When notified of a planned audit, it is recommended the supplier conduct an internal audit before the Accuride audit team arrives.

Accuride may, at its discretion, utilize independent auditors. These individuals represent Accuride and will audit the supplier's processes to establish conformance to validated quality systems.

### 2.3.6 Sub-Supplier Management

Suppliers of Accuride shall have capabilities to manage their respective suppliers, including suppliers' APQP disciplines and periodic auditing. Accuride, when it deems necessary, will audit the critical processes of the sub-tier suppliers to ensure that proper controls are in place throughout the entire supply stream. Suppliers of Accuride shall ensure they audit and manage critical processes such as heat-treating and plating.

Sub-tier suppliers have a tremendous impact on the quality of the final component. Whether they provide raw materials, services or sub-components, their influence is so profound that it is critical for each of Accuride's suppliers to have a supplier management system in place. This system shall include a function that tracks and reports on their supply base quality and delivery performance. Supplier shall be able to demonstrate that they manage their suppliers' issues through documented corrective actions and verification activities.

### 2.3.7 Annual Revalidation

Unless otherwise specified, a complete annual layout inspection and material certs including all sub-components, is required for all parts.

All suppliers should annually revalidate their respective active production components and be able to provide the results to Accuride within 48 hours of the request. Revalidation submission requirements are a product line-specific criteria based on supplier performance and PPAP process flow. Suppliers should compile revalidations and document this requirement in the Production Control Plan for all parts supplied regardless of the product line/region. Those features/characteristics/notes that will be part of the revalidation package need to be designated such at the time of initial PPAP. Accuride should review changes to the revalidation package content before any changes are made. If production components have not been supplied to Accuride for two years, the parts must be recertified by the PPAP process. Safety-related components may require PPAP after one year of idle production.

### 2.3.8 Supplier Facility Access

By prior notice, suppliers shall allow Accuride and Accuride customers access to both their facilities and those of their suppliers, for the purpose of evaluating parts, processes, documents (i.e., FMEA, Control Plan, Instructions, records, etc.), methodologies, and systems used in manufacturing of Accuride products.

Accuride may, at its discretion, use third party independent auditors. These individuals represent Accuride and will audit the supplier's processes to establish conformance to validated quality systems.

### 2.3.9 Contingency Plan

Suppliers shall develop a contingency plan for potential catastrophes disrupting product flow to Accuride and advise Accuride at the earliest in the event of an actual disaster. In an actual catastrophe, suppliers shall provide Accuride access to Accuride's tools and/or their replacements.

### 2.3.10 Document and Product Sample Retention

Suppliers shall retain documents and product samples for the time the part is active (a part is active if it is being supplied to the customer for original or service applications) in production plus a minimum period of five years. Parts used on multiple programs may require an exceptionally long retention period.

The supplier shall retain a master sample from each cavity, die, and pattern for the length of time that the component/material is active plus one year unless otherwise specified by Accuride. The master sample shall be identified as such and shall show PPAP submission reference and Accuride approval date.

### 2.3.11 Accuride Property – Tools

All tools, manufacturing, test or inspection equipment belonging to Accuride, or its customers, will be permanently marked to clearly show that they are property of Accuride or the customer. These tools will only be used for Accuride products unless an authorization in writing exists. Asset tags may be distributed at the discretion of the SBU.

## *2.4 Continual Improvement*

### 2.4.1 Introduction

Accuride defines supplier continual improvement as a comprehensive approach to overall quality management system improvement. Suppliers should, at a minimum, develop and present plans that improve internal systems that support flawless launching of new products/components/sub-systems, value enhancements and cost competitiveness, and achievement of agreed upon quality targets, with a plan to achieve zero defects in support of on-going operational excellence. This plan should include lessons learned from previous launch, cost and quality issues, and how these lessons have been incorporated into respective continuous improvement proposals. Accuride recommends suppliers use the fundamentals outlined in IATF 16949 as a platform for organizing continuous improvement plans.

### 2.4.2 Supplier Scorecard

On a Quarterly basis or as required, suppliers will be advised of their performance by the Purchasing Department. Zero Defects and 100% On-Time Delivery are the Accuride expectations for purchased material. Accuride will update supplier performance monthly and provide suppliers performance reports. The score is based on a top score of 100 and will include the following components:

1) Quality-40%
2) Cost-15%
3) Delivery-20%
4) Development-15%
5) Management-10%

A poor performance score is used both as part of future sourcing decisions and to focus continuous improvement efforts. Any supplier with a score with less than 70 must submit a corrective action plan with timelines and responsibilities defined.

| | | |
|---|---|---|
| 90+ | Premier Supplier | Growth Opportunities |
| 70-89 | Preferred Supplier | |
| 50-69 | Probation Supplier | Supplier is to present continuous improvement plans with a timeline. |
| <50 | Problematic Supplier | **New Business Hold** Alternate sourcing is being pursued. |

### 2.4.3 Supplier Improvement Process

The Supplier Improvement process involves four steps. It starts with a complaint against a supplier for a quality performance issue. The Supplier submits a Corrective Action. The Corrective Action is reviewed and approved by Accuride. The corrective action process can escalate from a written corrective action to certified stock, or controlled shipping, to one of the intensive improvement disciplines. The implemented action is monitored to ensure that the complaint has been resolved.

### 2.4.4 Controlled Shipping

Controlled Shipping (CS) Level I and II will be levied against the supplier when the Accuride plant has determined that the supplier does not have the necessary safeguards preventing non-conforming products from reaching Accuride manufacturing location or its customers.

**Controlled Shipping, Level I** is initiated by Accuride and performed at the supplier location by supplier employees. Controlled Shipping Inspection process must be performed in a controlled area of the plant. Secondary Inspection data must be collected and inspected product must be certified and data provided to Accuride receiving plant.

**Controlled Shipping, Level II** includes all of Level I, with an added inspection by an Accuride approved third party. Third party is selected by the supplier and approved by Accuride and paid by the supplier. In some instances, Accuride may require that the third-party inspection to be performed outside the supplier facility.

Based on the severity of the incident, Accuride may elect to go directly to CSII. Accuride Quality will review irreversible corrective action and authorize removal or renewal of Controlled Shipping when appropriate.

**NOTE: Minimum of 30 days Corrective Actions verification period with no re-occurrences is mandatory.**

### 2.4.5 Cost of Poor Quality (COPQ)

Suppliers have financial responsibility for non-conforming parts and their effects and for non-compliance with Accuride quality standards.

All costs that are incurred by Accuride due to failure of supplied products and services to meet quality and delivery requirements are documented and charged back to the supplier who is responsible for the failure. This process is outlined in five steps.

1) Confirm supplier is responsible for the rejection
2) Notify supplier of rejection
3) Document costs related to the rejection
4) Advise supplier of the rejection for a 10 calendar-day review
5) Debit the supplier for costs after 10-day review

Figure 4 outlines a non-exhaustive list of examples of occurrences when cost recovery will be generated.

**Figure 4. Examples of Cost Recovery Occurrences**

| New Product Launch | Manufacturing Process | Delivery | Warranty | Customer Issue |
|---|---|---|---|---|
| ➢ Any costs incurred as a result of a supplier failing at PPAP Submission, Run@Rate, Process Readiness, etc.<br>➢ Late/Reject or Interim approval PPAP | ➢ Lots rejected at Receiving Inspection<br>➢ Downtime<br>➢ Sorting/Rework<br>➢ Overtime<br>➢ Line speed Reduction<br>➢ Additional manpower<br>➢ Line changes due to material availability<br>➢ Equipment breakage<br>➢ Additional outside processing or inspection<br>➢ Tooling and fixturing for rework<br>➢ Premium costs paid to support production<br>➢ Material and Process Value Added losses<br>➢ Accuride personnel traveling to support problem resolution at supplier<br>➢ Repeat Corrective action within 24 months<br>➢ Late Corrective action D5/D7 | ➢ Any costs incurred as a result of supplier late delivery (i.e., premium freight inbound or outbound or any customer penalties)<br>➢ Part identification and labeling<br>➢ Shipping document errors | ➢ Warranty claims<br>➢ Recalls | ➢ Rework at customer premises<br>➢ Replacement of material at customer<br>➢ Charges from customer<br>➢ Internal containment to prevent quality issues at customer, such as quarantine, added inspection, certification of product, etc.<br>➢ 3rd Party Inspection<br>➢ Expedited freight<br>➢ Recall activities<br>➢ Repeat Occurrence |

### 2.4.6 Warranty

Supplier has 10 days to complete a warranty complaint and/or part evaluation. After 21 days, the claim will be processed and the supplier will be responsible for internal and external charges to manage the closure of the customer claim. The evaluation period begins with receipt of the product for evaluation.

# 3.0 Business Ethics

## *3.1 Human Rights*

Within its sphere of influence, Accuride Corporation supports and respects protection of internationally proclaimed human rights and ensures it is not complicit in human rights abuses. Neither any form of forced, compulsory or child labor nor any form of human trafficking or procurement of commercial sex acts is tolerated within Accuride. Accuride employees must report any violation of this kind by Accuride or its suppliers to the SVP/Human Resources, the Chief Financial Officer, or through the Corporate Ethics hotline:

www.convercent.com
U.S. and Canada: 1-800-461-9330
Mexico: 001-866-376-0139
Italy: 00-800-1777-9999

## *3.2 Accuride Corporation Supplier Code of Conduct*

### 3.2.1 Scope

This Policy establishes a Code of Conduct for current and potential Accuride Suppliers. Accuride Suppliers include vendors, manufacturers, contractors and sub-contractors registered with Accuride and seeking to provide goods, services or personnel (including consultants) to Accuride or all other parties with whom Accuride Suppliers may contract on Accuride's behalf. The term Accuride herein includes Accuride and its Subsidiaries.

### 3.2.2 Intent

Accuride is committed to conducting its business in an ethical, legal, safe, environmentally and socially responsible manner. Accuride requires its Suppliers to share this commitment and therefore, has established this Supplier Code of Conduct. Accuride requires its Suppliers to consistently meet the following requirements in order to do or continue to do business with Accuride.

### 3.2.3 Supplier Code of Conduct

<u>Compliance with Laws, Codes and Regulations</u>

Accuride Suppliers must comply with all applicable laws, codes and regulations as set forth in applicable procurement documents and agreements (including, but not limited to, proposals, invitations to bid, solicitations and resulting contractual and purchasing agreements).

<u>Environmental, Health and Safety Practices</u>

It is the responsibility of the Supplier to ensure that its facilities are designed and safely operated in compliance with applicable law and that they do not present unnecessary risks to the environment or to the public. Accuride Suppliers shall maintain safe, sanitary and healthy environments for all their employees at all job sites.

Such compliance shall include, among other things:

- Obtaining and maintaining environmental permits.
- Proper handling and disposition of hazardous materials.
- Monitoring, controlling, and responsibility treating discharges generated from operations.
- Conducting appropriate employee safety training and providing adequate safety equipment.
- Maintaining records of safety training and monitoring safety performance.
- Ensuring Suppliers' employees comply with applicable health and safety rules and regulations and perform their duties and work in a manner which will not endanger themselves or others.
- Notification to Accuride of major non-compliance that may impact production.

## Ethical Business Practices

Accuride and its Suppliers shall conduct their businesses in accordance with the highest standards of ethical behavior. Suppliers are expected to conform to these requirements in each of the following areas:

- Fair Trade Practices

  Suppliers shall not engage in collusive bidding, price discrimination anti-competitive or other unfair trade practices.

- Ethical Sourcing

  Suppliers shall source goods or services from others that meet, as a minimum, country or origin standards for health and safety, working hours, pay, employment conditions and environmental protection.

- Relationships and Communications

  Accuride Business Ethics Policy is that all transactions are to be conducted fairly, honestly and with integrity, according to the highest ethical standards. Abuse or violation of this ethics policy is considered dishonesty.

  Suppliers and their personnel shall avoid even the appearance of unethical or compromising practices in relationships, actions or communications with regard to existing or proposed business relationships with Accuride.

  Suppliers shall not encourage or utilize current or former Accuride employees to disclose or provide any confidential, proprietary, or other restricted business information obtained while in Accuride's service to influence Accuride's existing or proposed commercial transactions for the purpose of gaining a commercial advantage or to otherwise damage Accuride's interests. Accuride will take the necessary measures to detect any such improper business practices and will take appropriate action against current or former employees and Suppliers who violate these restrictions, including, without limitation, termination of any agreement with a Supplier. Suppliers are expected to cooperate with Accuride investigations and provide reasonable assistance as requested.

- Bribery, Kickbacks and Fraud

  No funds, assets or services shall be paid, rendered, loaned or promised for payment or otherwise dispersed by Suppliers or their representatives as bribes, "kickbacks" or other payments designed to influence or compromise the conduct of Accuride or its representatives or the conduct of any government officials.

- Gifts, Gratuities and Hospitality

  Suppliers and their personnel shall not offer or provide Accuride or its personnel with gifts, gratuities or hospitality unless it involves nominal value and is in line with customary business practices. Nominal gifts are described as gifts of a general nature having a low value, including such items as logo inscribed pens, caps, shirts and coffee mugs. Customary business practice in terms of hospitality would include the acceptance or reasonable business entertainment and business meals. Gifts, gratuities and hospitality offered or extended by Suppliers to Accuride personnel which exceed nominal value or reasonable hospitality are reportable under internal Accuride policies and regulations.

  For the avoidance of any doubt, Accuride pays for its employees' business expenses. Accordingly, Suppliers are not required or requested to incur or reimburse business expenses for Accuride employees.

- Employment of Suppliers, Customers, or Service Providers

  Accuride has high expectations of how our suppliers, customers, and service providers do business with us. Therefore, neither Accuride nor Suppliers will directly solicit or attempt to hire any individual who is employed by the other party in violation of any contractual or other obligation of non-solicitation.

### 3.2.4 Monitoring and Compliance

Suppliers shall conduct periodic internal reviews and inspections to ensure their compliance with this Supplier Code of Conduct and its applicable requirements. If a Supplier identifies areas of non-compliance, the Supplier is expected to notify Accuride Procurement & Logistics Department as to its plans to remedy any such non-compliance.

Accuride or its designated representatives may engage in periodic monitoring activities to confirm Suppliers' compliance with this Supplier Code of Conduct, including on-site inspections of facilities, use of questionnaires, review of publicly available information, or other measures necessary to assess Supplier performance and compliance. The Supplier performance assessment will be used as a factor in the selection of bidders or restrict Supplier access to new Accuride business opportunities. Accuride will also employ third party monitoring services to ensure suppliers remain in tolerance of regulatory and statutory requirements.

Suppliers are responsible for ensuring that the standards and requirements of this Code are communicated and understood by their personnel working on or in support of Accuride projects, jobs, contracts, agreements and orders. Suppliers will be held responsible for the conduct and actions of their employees.

The implementation of this Policy is a shared responsibility between Accuride and its Suppliers.

Suppliers are to promptly disclose to Accuride, on a confidential basis, all current and potential incidents which give rise to the appearance of conflicts of interest and instances of illegal, unethical or fraudulent behavior by any party, including Supplier employees or Accuride employees, related to any of Accuride's procurement and contracts business. Suppliers are to cooperate with Accuride in any inquiries or investigations pertaining to past, current or potential instances of apparent unethical or fraudulent behavior or conflicts of interest related to any Accuride business activity.

Supplier employees that become aware of violations of this Policy are obligated to notify Accuride. Supplier employees are to report violations and irregularities directly to their internal Supply Chain Management. Based on the assessment of information made available to Accuride, Accuride reserves the right (in addition to all other legal and contractual rights) to disqualify any potential Supplier or terminate any relationship with a current Supplier found to be in violation of this Supplier Code of Conduct, without liability.

### 3.2.5 Application

This Supplier code of Conduct is a general statement of Accuride's expectations and requirements with respect to its Suppliers. This Policy should not be read in lieu of, but in addition to, any Supplier obligations set forth in a) requests for

proposals, invitations to bid or other solicitation documents, or b) agreement by and between Accuride and the Supplier. In the event of a conflict between this Policy and any Accuride solicitation documents or applicable agreements, the terms of Accuride's applicable solicitation documents or agreements shall prevail. The requirements of this policy are not subject to waiver. Neither Accuride, its Suppliers, nor their personnel or representatives are authorized to propose or approve conduct inconsistent with this Code of Conduct.

## *3.3 Accuride Commitment Human Rights Promotion and Trafficking Prevention Plan*

### 3.3.1 Accuride's Supply Chain group will:

- Through Accuride's supplier terms and conditions and Human Trafficking Prevention certification, support an awareness program to inform supplier employees about:
  - The US Government's zero-tolerance policy with regard to trafficking in persons;
  - The trafficking-related activities in which the supplier is prohibited from engaging; and
  - The actions that will be taken against employees for violations.
  - Use the certification program to identify and prevent supplier and sub-suppliers at any tier from engaging in trafficking in persons, and to monitor, detect, and terminate any agents, subcontractors or subcontractor employees that have engaged in such activities.

### 3.3.2 Accuride's Human Resources will:

- Support the reporting mechanism contained in the Accuride Human Rights Policy found in the employee handbook.
- Provide a recruiting and wage plan that only permits the use of recruitment companies with trained employees, prohibits charging recruitment fees to the employee, and ensures that wages meet applicable host country legal requirements or explains any variance.
- Provide a housing plan, if the contractor intends to provide or arrange housing that ensures that the housing meets host country housing and safety standards or explains the variance.
- Support and maintain the Accuride human resource policies supporting the prevention of human trafficking, including the requirements described in 78 FR 59317-59325.

## *3.4 Conflict Minerals Statement*

Accuride Corporation recognizes, consistent with the public policy underlying enactment of the Conflict Minerals provision (Section 1502) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"), the significant legal and non-legal risks associated with sourcing tin, tantalum, tungsten and gold (the "Conflict Minerals") from the Democratic Republic of the Congo and adjoining countries ("Conflict Countries"). Accuride Corporation requires and by, providing goods, services or other consideration to Accuride Corporation or its designees, the supplier is affirmatively agreeing, representing, and warranting that supplier and its subcontractors shall comply with Section 1502 of the Act and its implementing regulations. In particular, the supplier commits to have in place a supply chain policy and processes to undertake the following:

1) A reasonable inquiry into the country of origin of Conflict Minerals incorporated into products, goods and materials it provides to Accuride Corporation;
2) Due diligence of its supply chain, as necessary, to determine if Conflict Minerals sourced from the Conflict Countries directly or indirectly support unlawful conflict there;
3) Risk assessment and mitigation actions necessary to implement the country of origin inquiry and due diligence procedures.

Seller shall also complete any forms (electronic or hardcopy) that Accuride Corporation reasonably requires to enable Accuride to comply with Section 1502 of the Act and its implementing regulations. Timely submission of the forms is expected to meet deadlines set forth by Program Administrator. The Supplier shall take all other measures as are

necessary to comply with Section 1502 of the Act and its implementing regulations as they currently exist and as they may be amended over time.

Please direct all inquiries to: conflictmaterials@accuridecorp.com.
Accuride is registered on the I Point Conflict Minerals Platform under the registration ID# 7457.
Accuride collects and reports conflict mineral information using the EICC-GeSi template.

## *Glossary*

| Term | Definition |
|---|---|
| | |
| **APQP** | Advanced Product Quality Planning. A structure activity that plans tracks and reports the development of a process to manufacture a component/material/assembly to meet customer requirements. |
| **COPQ** | Cost of Poor Quality. |
| **AIAG** | Automotive Industry Action Group. A North American automotive organization, which publishes standards. |
| **ASN** | Advance Shipping Notice. |
| **Ppk** | Long-term process capability generally conducted over several months. |
| **Cpk** | The capability index for a stable process. Also referred to as short-term capability. |
| **CR** | Cost Recovery. |
| **CS** | Controlled Shipping. |
| **DFMEA** | Design Failure Modes Effect Analysis. A document generated during the design phase that identifies and establishes controls for potential failures in a component/material/assembly. |
| **DV** | Design Validation. Testing that ensures that a component/ material assembly meets the users' requirements. |
| **EDI** | Electronic Data Interchange. |
| **ELV/IMDS** | End-of-Life Vehicle/International Materials Data System. ELV is a regulatory requirement to eliminate hazardous materials from current production components. IMDS is the data system used to collect and report on the materials that make up components and assemblies. |
| **LRA** | Launch Readiness Audit. An audit conducted one or more times throughout the APQP process to determine a supplier's state of readiness to start serial production. |
| **OEM** | Original Equipment Manufacturer. Applies to automotive corporations, i.e., BMW, Ford, Daimler-Chrysler, GM, Volkswagen, etc. |
| **PFMEA** | Process Failure Modes Effects Analysis. A team process that identifies and controls potential failures before the product goes into production. |
| **PPAP** | Production Part Approval Process. A defined process for the validation of new materials and subsequent process changes. |
| **PV** | Production Validation. Testing that ensures that the manufacturing process produces product that meets the customer's requirements. |
| **Shall** | Use of the word "shall" indicates mandatory requirements. |
| **Should** | Use of the word "should" indicates recommended requirements. |
| **LP** | Launch Plan. A supplier's plan to provide increased assurance that the products will meet the introduction schedule. |
| **SQA** | Supplier Quality Assurance. A quality engineer who is primarily responsible for suppliers' quality after the start of production. |
| **IATF 16949** | Replaces ISO/TS16949 quality standard. |

# 4.0 Revision History

| Revision Date | Revision Level | Changes | Responsible Person |
|---|---|---|---|
| October 25, 2007 | | Initial version | B. Noll |
| December 7, 2007 | 1 | Revised Section 2.2.6 to address low volume parts and corrected wording for clarification. | B. Noll |
| March 17, 2011 | 2 | Revised 2.3.4 to reflect current practice. | T. Baker |
| March 5, 2012 | 3 | Revised Entire Document | G. Merhar |
| March 24, 2014 | 4 | Revised Entire Document | G. Merhar |
| February 17, 2017 | 5 | Revised Entire Document | G. Merhar |
| June 29th, 2017 | 6 | Updated Scorecard Ratings | G. Merhar |
| January 27th, 2020 | 7 | Updated Entire Document | E. Haffenden |
| August 6th, 2021 | 8 | Updated Entire Document | G. Merhar |

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