



Grayline Supplier Requirements

1. INTRODUCTION

This document is intended to communicate Grayline's requirements and expectations for suppliers of direct materials and packaging. Direct materials are defined as raw materials and purchased parts which become part of Grayline's end products.

This document is an addendum to Grayline's purchase order document. Acceptance of the purchase order shall be construed as acceptance of these requirements.

Grayline's quality management system is registered to ISO9001 and includes elements from ISO/TS 16949.

2. SUPPLIER QUALITY SYSTEM REQUIREMENTS

Grayline expects its suppliers to maintain an adequate quality management system. Suppliers of direct materials to Grayline must, at a minimum, be registered to ISO9001 by an accredited 3rd party certification body. Grayline encourages our suppliers to work toward compliance to ISO/TS16949. Copies of the supplier's certificate of registration must be provided to Grayline. Changes in registration status must be communicated to Grayline.

The certification requirement may be waived by Grayline in certain circumstances (see SP4-02, Supplier Selection and Approval).

Significant changes in ownership, management structure or other changes which might impact on the Supplier's quality management system must be communicated to Grayline.

3. PPAP

When requested, Grayline requires level 4 PPAP submissions (see AIAG Production Part Approval Process Manual, 4th Ed.). Grayline will provide the supplier with a PPAP request detailing the requirements.

4. REGULATORY CONFORMITY

Grayline requires that all purchased products and materials must conform to all applicable statutory and regulatory requirements.

5. NOTIFICATION OF CHANGES

Suppliers must notify Grayline of any significant changes in their process or materials according to section 3 of the AIAG PPAP Manual. This notification must occur before production materials which incorporate the change are shipped to Grayline. Upon notification, Grayline Quality will determine if a PPAP submission is required.

6. SAFETY, ENVIRONMENTAL AND REGULATORY REPORTING

a. SAFETY DATA SHEETS (SDS)

Safety Data Sheets are required for all materials provided to Grayline. If the supplier updates their SDS an updated copy should be sent to Grayline.



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b. **INTERNATIONAL MATERIAL DATA SYSTEM (IMDS)**

When requested, Grayline requires that suppliers provide information on the substances which comprise all purchased direct materials. This information is to be submitted to Grayline via the International Material Data System (IMDS)(www.mdssystem.com) or other mutually agreeable format. Grayline's company ID on IMDS is 9839. Information submitted must meet current IMDS recommendations.

c. **CONFLICT MINERALS**

All resin, resin additives, tubing and braided sleeving products supplied to Grayline must be free of Conflict Minerals as defined by the US Securities and Exchange Commission according to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. For any products supplied to Grayline which contain Tantalum, Tin, Gold or Tungsten, an Electronic Industry Citizenship Coalition Conflict Minerals Reporting template or other acceptable format must be completed and submitted to Grayline.

d. **ROHS2**

All resin, resin additives, tubing, braided sleeving and packaging products supplied to Grayline must be compliant with EU Directive 2011/65/EU (RoHS 2). These products must not contain lead, mercury, cadmium, hexavalent chromium, PBB's or PBDE's in excess of the threshold levels defined in the Directive.

e. **REACH**

Per EU Directive 2006/1907/EC (REACH), any of the Substances of Very High Concern (SVHC) contained in any resin, resin additives, tubing, braided sleeving or packaging products supplied to Grayline must be reported at the time of the first order or immediately after a used substance is added to the Candidate List.

7. LOT TRACEABILITY

Suppliers of resin, resin additives, tubing, and braided sleeving must maintain a lot traceability system. Each lot or batch must be identified with a unique lot number which should allow traceability to raw materials used and to production and quality records.

8. PACKAGING AND LABELING

Packaging of products purchased by Grayline must be adequate to protect the materials from damage, loss, degradation and/or contamination during shipping and storage.

Labels must be clear and legible. The label must include the product part number, description, lot number and manufacturing date.

Suppliers must not mix part numbers within the same carton, container, etc.

9. FIFO

Suppliers must ship materials to Grayline in production order - First In-First Out (FIFO).



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10. CORRECTIVE ACTIONS

Suppliers are expected to have a formal disciplined problem solving system such as 8D.

In the event that Grayline finds defective material, a Purchased Material Reject (PRM) will be issued to the supplier. Upon receipt of the PMR, the supplier is expected to take immediate actions to contain the problem. Notification of these containment actions to Grayline is due within 48 hours. A full corrective action report is due within 14 calendar days. The report must include:

- A description of the problem,
- Root cause,
- Containment actions taken,
- Actions taken to correct the root cause and prevent recurrence.

The Corrective action report can be submitted using the supplier's corrective action format provided it includes all required information.

11. DELIVERY

Grayline expects 100% on-time delivery of purchased materials. The date specified on the purchase order is the date that Grayline expects the materials to arrive at Grayline. Suppliers must confirm all PO's. Confirmation of the PO means that the supplier agrees to deliver by the date requested. If the requested date cannot be met, the supplier must contact Grayline Purchasing to negotiate a revised date before confirming the PO.

If a delivery date is confirmed but it is determined later that this date will not be met, the supplier must notify Grayline Purchasing as soon as possible. Grayline may require late materials to be shipped in an expedited manner at the supplier's expense.