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Zippertubing Supplier Manual

The Zippertubing Company

7150 W Erie Street

Chandler, AZ 85226

(800)321-8178

purchasing@zippertubing.com

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Part I: Purchasing Procedures

A. Handbook Guidelines

1. The guidelines in this manual are intended to promote a mutually beneficial relationship between The Zippertubing Company (ZT) and its suppliers, where both strive to meet the demanding requirements of today's marketplace.
2. In accordance with our ISO: 9001 & IATF 16949, ZT is responsible for the evaluation and selection of suppliers on their ability to supply products in accordance to our internal specifications and/or customer requirements.
3. Using the processes described in this manual, it is ZT's intention to monitor and evaluate the performance of its suppliers in several key areas:
 - Quality
 - Delivery performance
 - Responsiveness to requests
 - Adherence to documentation and packaging requirements
 - Pricing
 - Ability to meet ISO: 9001 and/or IATF 16949 requirements

B. Scope

1. The purchasing procedures outlined in this manual are applicable to suppliers of primary materials and services, where these goods or services directly affect the quality of the ZT offered product for sale to its customers.
2. The procedures outlined in this manual are not applicable to suppliers of maintenance, repair and operating supplies, and any other suppliers of office and building supplies.

C. Quotes and Pricing

1. Suppliers must provide prices in writing, by either email or formal quotation before a purchase order (PO) can be issued.
2. Discrepancies between quotes and actual prices must be resolved before the product ships and an invoice is issued.
3. ZT reserves the right to re-negotiate prices on changing information due to suppliers, customers or changes in the marketplace.
4. Suppliers may also request that ZT review current pricing levels in response to changes in suppliers' information.

D. Purchase Order

1. Purchase orders cannot be issued to suppliers that are not listed in the vendor database.
2. Suppliers are not authorized to supply materials, products or services without in authorized PO.

E. Acceptance of order

1. It is the Supplier's responsibility to review the PO and confirm the following to the Buyer within 24 hours:
 - The order has been received
 - The schedule date can be met. (Note: the PO reflects the expected delivery date and not the ship date.)
 - The pricing is as agreed. Discrepancies in PO pricing must be communicated at the time of receipt of a PO; otherwise the vendor accepts the price listed on the PO.
2. The Supplier is responsible to meet all of the requirements agreed to and indicated in the provided documents.

F. Specifications

1. Suppliers must adhere to the product-specific specifications supplied by ZT, in form of a material specification or drawing.
2. Suppliers are responsible for determining whether they have the correct technical specification to perform the required work. Note: If the required specifications cannot be met, it is the Supplier's responsibility to notify Purchasing to acquire the correct specifications before filling the PO.
3. The Supplier may be granted a limited time deviation from the requirements with written approval from ZT's purchasing and quality departments.
4. Suppliers must ensure that that all product, processes and services they provide conform to any statutory or regulatory requirements in the country of receipt, shipment and final destination.
5. Suppliers are required to pass any statutory and regulatory to include special product or process characteristics to their suppliers to cascade requirements down the supply chain to the point of manufacture.
6. Suppliers are required to have a documented procedure to notify Zippertubing of any discrepancies with previously delivered products.

G. Schedule

1. The schedule for delivery of goods provided will be mutually agreed upon at the time the PO is issued.
2. Immediately upon identifying any factors that might contribute to a change in the agreed-upon schedule, it is the Supplier's responsibility to notify the Buyer of any possible modification.

Part II: General Requirements

A. Quality Requirements

1. Supplier's for automotive parts must meet our ISO 9001 and IATF 16949 requirements as follows:
 - Must be IATF 16949 or have a plan to achieve certification with a minimum of an ISO: 9001 certification.
 - Automotive suppliers are required to submit a PPAP (Level 3 or as defined) on all parts supplied to ZT.
 - Level 4 PPAP (PSW & Insp / Test Results, per requirements on MS-Spec) must be completed and submitted annually on all supplied materials.

- ZT will be auditing automotive suppliers, generally once in a 5 year period or more frequently based on supplier performance, second and third-party audit findings and risks associated with products provided.
- For VW specific suppliers, supplier must nominate a PSB.
- 2. Supplier's for non-automotive parts must meet our ISO: 9001 requirements as follows:
 - ISO: 9001 Certification (preferred) or at a minimum must have a Quality Management System in place.

B. Documentation

1. Each box or pallet must be identified with the following information. Additional information may be designated on individual PO's.
 - Manufacture's Name
 - Manufacture's Date
 - Lot Number
 - Material Part Number
 - ZT part number
 - Quantity per package
 - ZT PO Number
2. The following documents will be included with shipment. Additional information may be designated on individual PO's.
 - Certificate of Conformance
 - Packing Slip with the following information:
 1. Manufacture's Name
 2. Manufacture's Date
 3. Lot Number
 4. Material Part Number
 5. ZT part number
 6. Quantity per package
 7. ZT PO Number
 - Test Reports / MSDS Sheets (as required)

C. Packaging

1. All material must be packaged appropriately to prevent damage during transport. Such packaging material may include the use of appropriate cushioning material, dividers, fillers, etc. Boxes must be closed and taped, top and bottom.
2. Boxes must be of sufficient strength to protect the contents during transit. Boxes should be sized to fit the material in order to prevent movement of the product during transport.
3. If product cannot be boxed and ships directly on a pallet then the pallet must be in good condition prior to use. Pallet shall have no broken boards or protruding nails. A corrugated slip sheet should be placed over pallet slats before material is stacked.
4. Pallet should be shrink wrapped and/or strapped to prevent shipping damage to product. When possible use corner boards to stabilize product.

5. It is the Supplier's responsibility to ensure product is adequately secured and packaged through the use of any combination of stretch wrap, corner boards, and/or strapping to prevent damage during transit.

D. Shipping

1. Please see Routing Guide for shipping instructions.

E. Inspection, Acceptance and Rejection

1. All incoming material is inspected. The following items are checked:
 - Verify packing slip includes: PO number, part number & quantity
 - Physical count of part/material
 - Visually inspect the quality of product
 - Verify that Certificate of Conformance was supplied
 - If dimensional check or test required, QA handles inspection
 - *As Required*, other special items listed on PO (i.e. MSDS sheets, First Article reports, PPAP's)
2. If part/material passes above criteria part is moved to stock.
3. If part/material doesn't pass above criteria, ZT purchasing will notify supplier that a discrepancy was found during the receiving process.
 - Depending on severity of issue, the following may occur:
 1. Corrective action issued
 2. Product rejected and returned to supplier at supplier's cost

F. Chargeback for Non-Conforming Material

1. Failure of purchased material that causes additional cost to ZT may be billed back to the Supplier or withheld from payment.
2. ZT will notify suppliers of those costs to be recovered, including detailed information regarding expenses incurred.
3. Suppliers will have a 48-hour period to challenge the indicated and communicated costs before they are levied. After that point the supplier will not maintain the ability to challenge the costs associated with the cost of poor quality material.

Part III: Evaluation of Suppliers

A. Purpose

1. This section describes the requirements for evaluation of both new and existing suppliers, whose products or materials directly affect parts ZT offers for sale to its customers.
2. Suppliers will be notified regarding what products they will be supporting, automotive or non-automotive. Automotive and non-automotive each has their own requirements.
3. To improve our communication and performance with suppliers we have established the Supplier Rating System using the Report Card as a vehicle to provide feedback to our suppliers on their performance. This feedback will focus on Delivery, Quality (rejected parts), and Service/Responsiveness.

4. Automotive Supplier performance will be evaluated twice a year. Non-Automotive supplier performance will be evaluated once a year. The distribution and calculations of these points are explained in detail under the supplier performance rating system.

B. Evaluation of New Suppliers

1. New suppliers must undergo an initial evaluation to ascertain their stated capability to meet quality requirements. This is accomplished via the submission of a Vendor/Supplier Survey.

C. Evaluation of Existing Suppliers

1. The performance of existing suppliers will be evaluated through the score card to ensure that quality requirements are being achieved. The evaluation criteria are defined in the supplier performance rating system.

D. Supplier Performance Rating System

1. Scoring Criteria – Deliveries

- The Delivery category accounts for 30 points of the overall Scorecard. Delivery ratings are calculated on the basis of the amount of shipments that have errors versus the total amount of shipments in a given period. This information is then calculated into a percentage.
- Delivery ratings are determined on the occurrence of the following criteria only when it is determined to be the Supplier’s responsibility:
 1. Late deliveries
 2. Premium freight occurrences
 3. Damaged parts
 4. Customer disruptions including yard holds and stop ships (x2)
 5. Over shipment of the quantity ordered
 6. Short shipment of the quantity ordered
- The potential for more than one occurrence per PO line item does exist.
- If no shipments are received in the given month, a notation will appear on your Scorecard in the comment section.
- The system automatically calculates the delivery percentage and associated points based on the following formula: $\text{Delivery \%} = \frac{[(\text{total shipments} - \text{number of occurrences}) / \text{total shipments}] \times 100$
- Example: A Supplier sends 36 shipments for the month, of those 36 shipments, 1 shipment is late, and 1 shipment is short of the quantity ordered. This counts as 2 occurrences. The delivery percentage calculation will be $[(36-2) / 36] \times 100 = 94.4 \%$.

Delivery Rating	Score
98.0 – 100.0 %	30
95.0 – 98.9 %	27
90.0 – 94.9 %	25
85.0 – 89.9 %	20
80.0 – 84.9 %	17
75.0 – 79.9 %	15
70.0 – 74.9 %	13
60.0 – 69.9 %	10
59.9% or below	0

2. Scoring Criteria – Quality/Rejected Parts

- The Quality/Rejected Parts category accounts for 30 points of the overall Scorecard rating.
- Quality/Rejected parts where notification needs to be sent to our customer will be assessed (x2) in the ratings.
- Quality/Rejected parts that result in dealer returns, warranty, field actions or recalls will be assessed (x5) in the ratings.
- Supplier Quality/Rejected Parts is calculated on the basis of the amount of non-conforming materials versus the total amount of materials received in a period.
- Example: A Supplier ships 1,500 parts, of those 30 are found to be nonconforming. The Scorecard calculation will be $30/1500 = 2.00\%$. The Supplier’s score for this example will be 25 points. See table below:

Q/RP Rating	Score
0.0 – 1.50 %	30
1.51 – 2.50 %	25
2.51 – 3.50 %	20
3.51 – 4.50 %	15
4.51 – 5.50 %	10
5.51% or more	0

3. Scoring Criteria – Service/Responsiveness

- The Service/Responsiveness category accounts for 40 points of the overall Scorecard.
- Service ratings are determined on the basis of the following criteria with each being rating in the range of 0-5:
 1. Communication – Response
 2. PO Process/Acknowledgements
 3. Expedites and Reschedules
 4. Invoice Issue Resolution
 5. Documentation supplied with each shipment
 6. RFQ’s Timely
 7. Cost reduction efforts
 8. Overall ease of doing business

Rating	Score
Meets always	5
Meets most of the time	4
Meets sometimes	3
Meets rarely	2
Does not meet	0

4. Overall Expectations

➤ **Green** – Grade of 90-100 is passing

➤ **Yellow** – Grade of 70-89 needs improvement

➤ **Red** – Grade of 0-69 immediate improvement or supplier will be disqualified

➤ If you fall below the passing expectation the following may occur depending on severity of issue.

1. Corrective action issued
2. Supplier audit
3. Supplier disqualification

Part IV: Sustainability

Responsible Sourcing and Supplier Sustainability

The Zippertubing Company (ZTCO) is committed to sourcing components and materials from companies that share our values concerning human rights, ethics and environmental responsibility.

ZTCO is committed to staying informed about all issues that impact the sustainability of our industry. ZTCO works closely with our suppliers, scientists, policy-makers and other industry experts. We ensure that we do not purchase materials that are illegally sourced and we comply fully with Conflict Mineral Reporting, Reach and RoHS directives, and human rights requirements. A survey regarding CMR, Reach/RoHS, and Prop. 65 will be distributed to all suppliers on an annual basis.

We operate with as much transparency as possible and require the same of all of our suppliers. We focus on sourcing materials that meets or exceeds globally recognized standards of sustainability. We are focused on continual education and training of our staff, customers and colleagues.

ZTCO abides by all local and federal laws regarding employment and human rights. As such ZTCO will perform supplier analysis to ensure all suppliers abide by local laws and universal human rights with regards to all issues outlined below:

- Child Labor
- Wages and Benefits
- Forced Labor
- Freedom of Association

Privacy

The Zippertubing Company cares for the protection of personal data. The following data privacy requirements are applicable for when a supplier is processing personal information on behalf of ZTCO. Data privacy at a local level must always be undertaken within the context of applicable legal and contractual requirements.

- Top management shall set direction for and show commitment to privacy.
- Supplier shall ensure protection and privacy of Personal Information related to Services in accordance with relevant data protection legislation and regulations.
- Personal Information shall not be accessed without prior authorization.
- Reasonable steps shall be taken to ensure Personal Information is correct and accurate.

Financial Responsibility and Accurate Records

The Zippertubing Company suppliers should accurately record, maintain and report business documentation to the required regulatory authorities. Business documentation includes but is not limited to, financial accounts, quality reports, time records, expense reports, etc.

Conflicts of Interest

The Zippertubing Company suppliers should avoid all conflicts of interest or situations giving the appearance of a conflict of interest with their dealings with ZTCO. We expect our suppliers to report to ZTCO any situations of potential or apparent conflicts of interests that may arise concerning ZTCO.

Counterfeit Parts Policy

The Zippertubing Company (ZTCO) only sources their materials from original manufacturers and approved distributors of the original manufacturer. ZTCO requires the same of our suppliers; only source materials from original manufacturers or approved distributors of the original manufacturer.

“Counterfeit Parts” are a part, component, module, or assembly whose origin, material source of manufacture performance, or characteristics are misrepresented.

Approved Suppliers agree and shall ensure that Counterfeit Parts are not delivered to ZTCO.

Approved Suppliers must notify ZTCO with the pertinent facts if the supplier becomes aware or suspects that it has provided Counterfeit Parts. In the event that Counterfeit Parts are delivered to ZTCO the supplier will replace all associated Parts at no cost to ZTCO.

Part V: Attachments

ROUTING GUIDE

Attention Traffic Department and Customer Service Department

Dear Vendor,

In an effort to control rising freight costs, effective May 12, 2014, please begin using the following guidelines for consolidating our orders before shipping our product. Our goal is to consolidate as much product as possible into a single shipment, while maintaining our required ship dates. We enjoy the successful trading partnership we have and appreciate your cooperation in adhering to our routing guidelines.

These instructions supersede all previous routing instructions. It is our policy to charge back freight charges and offset expenses in the event our routing instructions are not followed.

It is critical we have correct shipping addresses and contact names. Please update this information for us whenever a change occurs.

Sincerely,

Zippertubing's Purchasing Department
The Zippertubing Co.
7150 West Erie Street
Chandler, AZ 85226
purchasing@zippertubing.com
Office: 1(800)321-8178
www.zippertubing.com

ROUTING GUIDE

USA & CANADA

0-100 lbs.

1. UPS Ground acct# X5551X
2. FED EX Ground acct# 386567611

100 lbs. + (LTL)

1. Old Dominion Freight – 1-800-800-1431 // www.odfl.com // For more than 7 pallets request for the Volume Rate (Linear Rate).
2. YRC – 1-800-610-6500 // www.yrcfreight.com

FTL

- Contact ZT Purchasing Department

Overseas Transportation

1. YUSEN Logistics
2. Senator International
3. DHL – Account No. 964203011 (By ZT request only)

1. Consolidate multiple packages that incur single piece charges. Whenever possible, smaller cartons should be packed into an appropriate Master Carton. Please put "MUST OPEN TO RECEIVE" on the Master Carton. Consolidating multiple smaller packages into one a Master Carton may help reduce the rate and delivered cost dramatically.

EXAMPLE: 5 cartons @ 1 lb., Zone 2 = \$4.20 x 5 or \$21.00; 1 carton @ 7 lbs. (allowing for Master Carton weight), Zone 2 = \$5.05

2. Dimensional Weight Rating occurs when "less dense" or "lightweight" product is packaged into a carton that is excessively large. Packages that are 3 Cubic Feet (5184 Cu. Inches) or greater are subject to the Dimensional Weight Rating rule and may incur a resultant "billable weight" rating or actual weight rating, whichever is greater.

NOTE: Especially when shipping "less dense" product, it is desirable to optimize package sizes to keep under 3 Cubic Feet. This way, actual weight rating will be used.

EXCEPTIONS TO CONSOLIDATION PROCESS

1. Vendors that ship freight prepaid.

Supplier Purchase Order Terms and Conditions

1. SHIPPING INSTRUCTIONS: (a) On date of shipment, send original bill of lading, air bill or express receipt reflecting this order number to Buyer. (b) Do not deliver ahead of schedule unless authorized by Buyer. Describe shipments in accordance with the carrier's tariffs to obtain the lowest freight rate. Do not insure or declare value on shipment beyond F.O.B. point. When a shipment is subject to freight rates dependent upon value, annotate the bill of lading, air bill or express receipt to show that the shipment is released at the maximum value which applies to the lowest rate provided in applicable tariffs.

Consolidate all shipments to be forwarded on one day. Articles furnished in excess of the quantity specified or in excess of any allowable overage will be retained by Buyer at no additional cost, unless Seller notifies Buyer within 45 days after shipment that it desires the return thereof. Seller will reimburse Buyer for the full cost of returning such over shipment of a minimum charge of \$50.00 whichever is higher. Mail the invoice to Buyer's Accounting Department when articles are shipped. STATE SHIPPING POINT ON ALL INVOICES. Each case or parcel and accompanying packing list of contents must show Buyer's order number. If no packing list accompanies the shipment, Buyer's count will be conclusive on Seller.

2. EXTRA: No charge will be allowed for transportation, packaging, packing or returnable containers unless stated. All shipments must be packaged so as to permit efficient handling and to provide protection in shipment, and if tendered to a common carrier for delivery, must also conform to the packaging requirements applicable to such carrier. Damage to any articles resulting from improper packaging will be charged to Seller.

3. SPECIFICATIONS: All articles ordered to Buyer's specifications will comply with such specifications current as of the date of this order unless otherwise specified by Buyer.

4. WARRANTY: Unless otherwise agreed to in writing by the parties, Seller warrants that articles ordered to specifications will conform thereto and to any drawings, samples or other description furnished or adopted by Buyer, or, if not ordered to specifications, will be fit and sufficient for the purpose intended, and that all articles will be merchantable, of good material and workmanship, and free from defect. Such warranties, together with Seller's service warranties and guarantees, if any, shall survive inspection test, acceptance of, and payment for the articles and shall run to Buyer, its successors, assigns and customers. Buyer may, at its option, either return for credit or refund or require prompt correction or replacement of the defective or nonconforming article or part thereof. Return to Seller of any defective or nonconforming article and delivery to Buyer of any corrected or replaced articles shall not be corrected or replaced unless specified on Buyer's written order. Articles require to be corrected or replaced shall be subject to the provisions of this clause and the clause hereof entitled "Inspection" in the same manner and to the same extent as articles originally delivered under this order.

5. INSPECTION: All articles are subject to final inspection and acceptance at Buyer's plant notwithstanding any payments or other prior inspections. Such final inspection shall be made within a reasonable time after delivery.

6. RELEASE OF NEWS INFORMATION AND ADVERTISING: Seller shall not, without the prior written consent of Buyer: (a) make any news release, public announcement, denial or confirmation of all or any part of the subject matter of this order, or any phase of any program hereunder, or (b) in any manner advertise or publish the fact that Buyer has placed this order.

7. TERMINATION: Buyer may terminate this order, in whole or in part, if Seller fails to comply with any of the provisions hereof, or if Seller becomes the subject of a proceeding under state or federal law for relief of debtors or makes an assignment for the benefit of creditors.

8. PATENT, TRADEMARK, COPYRIGHT, DATA RIGHTS INDEMNITY: Seller hereby indemnifies Buyer, its successors, assigns agents, customers, and users of the articles against loss, damage or liability, including costs and expenses which may be incurred on account of any suit, claim, judgment or demand involving infringement or alleged infringement of any patent, trademark, copyright or data rights in the manufacture, use or disposition of any articles supplied hereunder provided Buyer shall notify Seller of any suit instituted against it and to the full extent of its ability to do so, shall permit Seller to defend the same ability to do so, shall permit Seller to make settlement in respect thereof. Buyer does not grant indemnity to Seller for infringement of any patent, trademark, copyright or data rights."

9. ASSIGNMENT: Neither this order nor any rights or obligations herein may be assigned by Seller nor may Seller subcontract in whole the performance of its

duties hereunder without, in either case, Buyer's prior written consent. The terms and conditions of this order shall bind any permitted successors and assigns of Sellers. Any consent by Buyer to assignment shall not be deemed to waive Buyer's right to recoupment and/or set off of claims arising out of this or any other transactions with Seller, its divisions, affiliates or subsidiaries, or to settle or adjust matters with Seller without notice to permitted successors and assigns.

10. CHANGES: Buyer may at any time, make changes in the specifications, designs or drawings, samples or other description to which the articles are to conform, in methods of shipment and packaging, or place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this order, whether changed or not changed by any such order, an equitable adjustment must be made in writing within thirty (30) days of the receipt of any such notice, provided, however, that Buyer may, in its discretion, receive and act upon any such claim so made at any time prior to final payment under this order. Nothing in this clause shall excuse the Seller from proceeding without delay to perform this order as changed.

11. GRATUITIES: Seller warrants that neither it nor any of its employees, agents or representatives has offered or given any gratuities to Buyer's employees, agents or representatives with a view toward securing this order or securing favorable treatment with respect thereto.

12. NOTICE TO BUYER OF LABOR DISPUTES: (a) Whenever Seller has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of this order, Seller shall immediately give notice thereof, including all relevant information, with respect thereto, to Buyer. (b) Seller agrees to insert the substance of this clause, including this paragraph (c), in any subcontract hereunder as to which a labor dispute may delay the timely performance of this order.

13. EFFECT OF INVALIDITY: The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.

14. RIGHTS, REMEDIES AND WAIVER: The rights and remedies provided Buyer herein shall be cumulative, and in addition to any other rights and remedies provided by law or equity. Seller shall be liable for all incidental or consequential damages, including but not limited to, loss of profits, capital or production and personal injury or property damage, whether arising out of contract, negligence, strict tort or breach of warranty. A waiver of a breach of any provision hereof shall not constitute a waiver of any other breach. The laws of the state shown in the Buyer's address, printed on the face of this order, shall apply in the construction hereof.

15. DISPUTES: Any dispute arising under this order which is not settled by agreement of the parties may be settled by appropriate legal proceedings. Pending any decision, appeal or judgment in such proceedings or the settlement of any dispute arising under this order, Seller shall proceed diligently with the performance of this order in accordance with the decision of Buyer.

16. TAXES AND OTHER EXACTIONS: Seller assumes exclusive liability under all laws that impose taxes or other exactions on the manufacture or sale of the items to be furnished hereunder. Time is of the essence in the performance of the order by Seller. Except if title has heretofore passed to Buyer or Buyer's heirs under other provisions of this order, title to the articles shall pass to Buyer upon delivery of the articles to the F.O.B. point names herein.

17. EXCUSABLE DELAYS: Buyer shall not be liable for damages for delay in delivery arising out of causes beyond its reasonable control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of the Government in either contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

18. OUTSOURCED CALIBRATIONS: Calibration House must be able to show traceability to NIST Standard and Accreditation to ISO 17025.

19. QUALITY REQUIREMENTS: Suppliers of automotive parts must be ISO 9001 certified and must have a plan in place to achieve IATF 16949 Certification. For suppliers of non-automotive parts ISO 9001 Certification is preferred, but at a minimum must have a Quality Management System in place.

This order constitutes Buyer's offer to purchase the materials, services and articles, all of which are herein called "articles," described elsewhere in this order in accordance with its provisions which include the provisions hereto and provisions incorporated herein by reference.

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Vendor/Supplier Survey

Section 1: Vendor/Supplier Information

Vendor/Supplier Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Number of Years In Business: _____ Onsite Survey Self-Survey

Phone: _____ Fax: _____ Web Site: _____ E-mail: _____

Section 2: Check all that apply and give brief description

Repair Service: _____

Product Supplier: _____

Manufacturing/OEM: _____

Distributor: _____

Section 3: List all process Capabilities by Mil or Manufacture Process Specification Number

If you are ISO 9001 certified, IATF 16949 certified, or third party approved, just complete and verify the information in sections 1, 2, 3, 5, 6 & 7, and provide Zippertubing with a copy of your Certification.

All others who are not certified must complete sections 1 through 7 of this survey.

Section 4: Quality Assurance

	Yes	NO	N/A
Do you have a documented Quality Assurance Program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a documented Quality Assurance Manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a document for maintaining, tracking and updating QA Manual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are QA organizations authorities and responsibilities clearly defined?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does QA organization clearly have the authority to with hold items that do not meet quality standards?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is the QA Manual and/or inspection plan approve by company management?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the QA organization have direct access to appropriate levels of management so quality conflicts can be resolved and corrected?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a written internal audit system process in place?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 4: Quality Assurance Continued

	Yes	NO	N/A
Does the QA organization train employees in acceptable QA methods and practices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are there ample QA personnel to maintain control of quality?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the QA organization have a documented system in place for quality auditing of vendors/suppliers?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the QA organization require that vendors/suppliers have an adequate Quality Assurance Program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your QA organization periodically inspect stock rooms?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility have written procedure for controlling engineering documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the QA organization maintain control over calibration of inspection equipment?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the QA organization maintain control over tooling?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are measuring devices, gages and other equipment available for inspection and shop personnel and are they calibrated and controlled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is there a receiving inspection program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do receiving inspection records indicate acceptance or rejection of incoming material?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are incoming material identified to acceptable purchase order or material certifications?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does your facility have a secure bond/quarantine area for discrepant material?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are records maintained to reflect vendors/suppliers, manufacture or repair facility quality performance rating?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Is inventory rotated on a first in first out (FIFO) cycle?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility maintain control for customer supplied material?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility have a shelf life material control program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility perform in-process inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 5: Sustainability

	Yes	NO	N/A
Does the facility have a Sustainability Policy?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility maintain policies or procedures to ensure Responsible Sourcing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility have a completed Conflict Minerals Reporting Template?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility produce any materials regulated by California Proposition 65?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility produce any materials regulated by REACH?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility produce any materials regulated by RoHS?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility maintain an effective Counterfeit Part Prevention Program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Does the facility abide all local laws regarding Employment and Human Rights?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section 6: List Major Customer(s)

Section 7: Person completing supplier/vendor survey.

Name: _____ Title: _____ Date: _____

Internal use only.

Approved By: _____ Title: _____ Date: _____

Disapproved By: _____ Title: _____ Date: _____

Supplier Score Card

Supplier Information					
Supplier Name:		Time Frame:		Total Score	100
Spend YTD:		Commodity:		Max Possible 100	
Supplier Type: <input type="checkbox"/> Automotive		<input type="checkbox"/> Non-Automotive			
Deliveries			Quality / Rejected Parts		
Total Deliveries	10		Quality Parts Rejected	0	
On-time Deliveries	10		Customer Notification (X2)	0	
Late Deliveries	0		Warranty, Recalls (X5)	0	
Premium Freight	0		Total Parts Rejected	0	
Customer Disruptions (X2)	0		Total Parts Delivered	1000	
Yard Holds and Stop Ships (X2)	0				
Total Late Deliveries	0	Score			Score
Percent On-Time	100.0%		Percent	0.00%	
		30			30
		Max Possible 30			Max Possible 30
Service / Responsiveness					
	Range	Points		Range	Points
Communication - Response	0-5	5	C of C's Supplied	0-5	5
PO Process/Acknowledgements	0-5	5	RFQ's Timely	0-5	5
Expedites and Reschedules	0-5	5	Cost Reduction Efforts	0-5	5
Invoice Issue Resolution	0-5	5	Overall ease of doing business	0-5	5
					Score
					40
					Max Possible 40
Communication					
Goals: _____					
Area's of concern: _____					
Feedback for Zippertubing: _____					

Conflict Mineral Policy

The Zippertubing Company is committed to sourcing components and materials from companies that share our values concerning human rights, ethics and environmental responsibility. On August 22, 2012 the Securities and Exchange Commission ("SEC") published final regulations implementing the "conflict minerals" reporting obligations under section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Zippertubing Company is actively implementing the procedures, systems and reporting requirements necessary to comply with these regulations.

The Zippertubing Company does not directly purchase any conflict materials. Tracing these materials back to their country of origin is a complex task that may require us to, among other things, survey suppliers in our supply chain to understand what programs they have in place for tracing the source of minerals supplied to us or used in products supplied to us and to ensure that reasonable due diligence has been performed. The Zippertubing Company uses and encourages its suppliers to use the OECD Due Diligence Framework as part of the due diligence process to determine the source and chain of custody of the conflict minerals in the assemblies, parts or components they supply to us.

The Zippertubing Company fully understands the importance of this issue and we will take the proper steps to ensure our continued compliance with the reporting obligations.

What is The Zippertubing Company looking for from you, an approved supplier?

1. Company's Conflict Minerals Policy or Program in place
 - CM Policy
 - Proof of initiating or plan to initiate a Conflict Minerals Program
2. CMRT form that shows your current progress
 - **(CMRT Template)** <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template>
 - **(CMRT Guides)** <http://www.responsiblemineralsinitiative.org/training-and-resources/>
 - Complete Smelter information
 - Country of Origin information
3. CMRT response improvement
 - We are looking to track your progress through the year
 - CMRT free of errors, duplicate smelters, or inconsistencies

RoHS / REACH Directive Compliance Survey

May 20, 2019

Dear Valued Supplier,

In a continuing effort to provide high quality and environmentally safe products to our customers the Zippertubing Company is undertaking a survey of all purchased materials to determine if vendor supplied materials are in compliance with current RoHS and European Union REACH Directive SVHC restricted chemical requirements. Please review the attached list of restricted chemicals (Table A) and determine if your product/s contain any of the restricted materials. Please fill out and return the Declaration of Compliance page along with Table A and/or Table B as required by the declaration instructions to The Zippertubing Company no later than June 20th, 2019.

The Zippertubing Company purchasing department will assign a compliance status rating for all purchased materials based on supplier responses to this survey. This status will be considered when determining the acceptability of parts for procurement and use. The Zippertubing Company wishes to maintain a good working relationship with all of our suppliers and to work together to solve any technical issues necessary to insure compliance with the ongoing REACH environmental safety requirements.

If you have questions regarding this matter please contact the undersigned.

Sincerely,

David Turk

Supply Chain Supervisor

The Zippertubing Company

7150 W. Erie Street

Chandler, AZ 85226

David.Turk@Zippertubing.com

(800) 321-8178 x1053

Jesse Shand

Buyer/Planner

The Zippertubing Company

7150 W. Erie Street

Chandler, AZ 85226

purchasing@zippertubing.com

(800) 321-8178 x1021

SUPPLIER CERTIFICATION OF COMPLIANCE WITH CALIFORNIA PROPOSITION 65

Greetings,

California Proposition 65 (officially titled the Safe Drinking Water and Toxic Enforcement Act of 1986, codified at Cal. Health & Saf. Code §§ 25249.5–.13) is a California law that regulates the use of toxic and carcinogenic substances. Under the law, the State of California maintains a list of regulated substances, and if any consumer product contains a listed substance at regulated levels, the product must bear a warning to that effect. The list is updated several times per year. More information about Proposition 65, including the list of regulated substances, can be found on the California Office of Environmental Health Hazard Assessment’s website at:

- <http://oehha.ca.gov/prop65.html>

Please review the latest version of the list and determine which of the following applies to the materials or products you supply to The Zippertubing Company and then sign at the bottom.

- **NO SUBSTANCES** on the California Proposition 65 list (as of the date below) have been knowingly or intentionally added to any materials supplied to The Zippertubing Company.
- **SOME SUBSTANCES** on the California Proposition 65 list (as of the date below) have been knowingly or intentionally added to materials supplied to The Zippertubing Company. Please supply documentation explaining the substances used and the concentration of those substances.

SUPPLIER NAME AND ADDRESS

CONTACT NAME AND POSITION

CONTACT PHONE _____ EMAIL _____

SIGNATURE _____

DATE _____