



**Yokohama Industries Americas Inc.  
Sealant Division**

103 Kuhlman Boulevard

Versailles, KY 40383

# Supplier Quality Development Manual

---




## Table of Contents:

|                                   |   |
|-----------------------------------|---|
| Revision History                  | 3 |
| Introduction                      | 4 |
| Purpose                           | 4 |
| Scope                             | 4 |
| Intent                            | 4 |
| Social Responsibility             | 4 |
| Quality System Requirements       | 4 |
| Supplier Selection                | 5 |
| Conflict Minerals                 | 5 |
| NAFTA                             | 5 |
| MBE/WBE                           | 5 |
| Quote Submission                  | 5 |
| Change Request                    | 5 |
| PPAP/BMAP                         | 6 |
| APQP                              | 6 |
| Capacity                          | 6 |
| Contingency Plans                 | 6 |
| Purchase Orders                   | 6 |
| Product Traceability              | 6 |
| Certificate of Analysis           | 7 |
| Shipping Paperwork                | 7 |
| Packaging/Labeling                | 7 |
| Delivery                          | 7 |
| Control of Non-confirming Product | 8 |
| Corrective / Preventative Action  | 8 |
| Supplier Performance Monitoring   | 9 |
| Reference Items                   | 9 |

| Revision No:        | Revision Date: | Section Affected: | Revision Details:                   |
|---------------------|----------------|-------------------|-------------------------------------|
| <b>19-Aug-2002</b>  | 1.0            | All               | Initial version                     |
| <b>08-Jan-2007</b>  | 2.0            | All               | Updated titles                      |
| <b>06-Feb-2015</b>  | 3.0            | All               | Updated name, titles                |
| <b>08-Sept-2015</b> | 4.0            |                   | Updated Quality System Requirements |
| <b>09-Sept-2015</b> | 5.0            | Table of Contents | Updated Table of Contents           |
| <b>18-Sept-2015</b> | 6.0            | All               | Completely redone                   |

Approvals:

X 

Al Harrington  
Operations Manager

X 

Laura Lacy  
Customer Service & Materials Manager

X 

Debbie Wade  
Materials Coordinator/Buyer

X 

Kevin Perry  
Assistant Quality Manager

### Introduction:

Yokohama Industries Americas Sealant Division, a subsidiary of the Yokohama Rubber Co., Ltd., is a global supplier of high performance glass bonding adhesive systems to the transportation industry. Utilizing a global network of resources, we are able to provide a competitive array of urethane adhesives and primers used for bonding stationary glass, such as, windshields, back glass, and side glass into automobiles, buses and military vehicles. Our product line of Thermoplastic Hotmelt Adhesives are used in the fabrication of automotive lamps and have become an automotive standard, meeting some of the most stringent standards in the industry. Our manufacturing plant, which is centrally located in Versailles, Kentucky, allows us to provide high performance, top quality, Adhesive & Sealant products at a competitive cost.

### Purpose:

The purpose of this manual is to clearly define Yokohama Industries Americas, Inc. basic expectations and requirements to all suppliers to the Sealants & Adhesives Division. This manual is in addition to any specific requirements that have been communicated to your company from YIA.

### Scope:

This manual covers expectations and requirements for ALL suppliers or service providers that could potentially affect YIA's product quality.

### Intent:

It is YIA's intent to form and maintain long-term relationships with our suppliers with the highest level of professionalism and integrity, based on quality, cost, delivery, and continuous improvement that is mutually beneficial to YIA and our suppliers. No undue or inappropriate influence will be allowed to affect our decisions.

### Social Responsibility:

Suppliers are required to comply with all applicable health, safety, and environmental regulations, as well as promoting activities to reduce their impact on the environment. YIA recommends all suppliers maintain ISO-14001 certification or develop a plan to achieve ISO-14001 certification.

### Quality System Requirements:

At a minimum, all raw material suppliers & sub-suppliers must be certified to ISO9001:2008. YIA also expects suppliers to be working towards ISO/TS-16949 compliance. Any supplier not certified to ISO/TS-16949 may be subject to an annual management system audit by a qualified YIA auditor or designee. A copy of either the ISO9001:2008 or ISO/TS-16949 certificate should be provided to YIA. Suppliers are required to communicate YIA's requirements to sub-suppliers and have responsibility for monitoring sub-suppliers processes.

Supplier Selection:

Suppliers will be chosen based on availability of the required material, quality, cost, service, delivery performance, technology, and stability.

Conflict Minerals:

The U.S. Securities Exchange passed legislation in 2012 requiring certain manufacturers to file reports disclosing whether manufactured products contain conflict minerals that come from sources that support or fund inhumane treatment in the Democratic Republic of the Congo or adjoining countries. Suppliers are required to provide accurate information regarding the use of these conflict minerals if so requested to by YIA. Reference: <http://www.conflict-minerals.com> or <http://www.aiag.org>.

NAFTA:

If requested from, suppliers are required to provide a NAFTA Certificate of Origin, Manufacturer's Affidavit, etc. for the product(s) provided to YIA.

MBE/WME:

If a supplier is a certified Minority or Woman Owned Business, a copy of the certificate is required to be provided to YIA. The certificate should include the certifying organization, certificate number, and expiration date.

Quotation Process:

YIA's Buyer may request a quote through a variety of ways (i.e. email, official RFQ form, etc.). (If an official Request for Quotation (RFQ) form is issued, all documentation related to that quote submission should reference that RFQ Number.) However the quote may be requested, all quotes should describe in detail, the item(s) being quoted, additional costs for tooling, lead times, minimum orders quantities, or any other pertinent information as necessary. Standard response time is 2 weeks, unless otherwise requested by YIA's Buyer. It is completely at the discretion of YIA's buyer, whether or not to consider any quote that is received after the due date or is incomplete. YIA reserves the right to accept or reject any quote.

Change Request:

ANY DEVIATION FROM THE ORIGINAL SPECIFICATIONS AS APPROVED BY YIA TO ANY RAW MATERIAL/CHEMICAL/PACKAGING ITEM SUPPLIED TO YIA MUST BE APPROVED IN WRITING BY YIA PRIOR TO SHIPPING. This includes any change to the material specification, process change, engineering change, packaging change, tooling change, or any change that may affect the quality of YIA's finished goods. A Supplier Change Request should be submitted as quickly as possible to YIA's Quality Assistant Manager and if requested, sample material for testing. An updated PPAP may be required.

### PPAP/BMAP:

A supplier may be required to submit a PPAP per AIAG manuals (Section 2 PPAP, Appendix F BMAP) for any material if so requested from YIA. PPAP's may be requested for new items, changed items, manufacturing location change, equipment change, new supplier, or if a previous PPAP was rejected. YIA's Quality Assistant Manager will issue the request detailing what is required for the submission. Due date for submissions will be 2 weeks from request date. Suppliers to YIA are responsible for managing PPAP for all sub-suppliers. Copies of sub-supplier PPAP's must be made available to YIA upon request. YIA may allow a "grandfather" exemption to certain suppliers and/or materials based on the historical performance of that supplier / material in supplying to YIA prior to TS certification.

### APQP:

Suppliers are required to follow the AIAG APQP process for any new product launch, new manufacturing process, or significant changes to existing product or process for materials that will be supplied to YIA.

### Capacity:

Suppliers shall maintain adequate production capacity / flexibility to guarantee that any failure (material, mechanical, or process) does not jeopardize deliveries to YIA. Suppliers should not accept any additional business from other customers that would place their ability to meet their commitment to YIA at risk. Suppliers are required to notify YIA in the event of any failure.

### Contingency Plans:

Suppliers should have a documented Contingency Plan in place to ensure that deliveries to YIA are not jeopardized in any way for a minimum of 120 days in the event of any type of failure in the supply chain (material, mechanical, process, or catastrophic event). A copy of this contingency plan shall be made available to YIA upon request.

### Purchase Orders:

YIA's Buyer will issue Purchase Orders to suppliers. Suppliers are required to confirm material, pricing, delivery date, carrier, terms, etc. and send acknowledgement within 24 hours of receipt of PO. A revised Purchase Order will only be sent at the request of the supplier. If YIA's supplier is not the manufacturer, but instead purchases from a sub-supplier, it is YIA's supplier's responsibility to ensure the sub-supplier's conformance to YIA's requirements.

### Product Traceability:

Suppliers are required to have a documented procedure for product traceability throughout all stages of processing. Suppliers are required to follow FIFO. Product and corresponding paperwork provided to YIA must be identified with the lot number for that material.

### Certificates of Analysis:

Certificates of Analysis for each lot/shipment to YIA are required to be sent to YIA's Quality Assistant Manager at least 1 day prior to delivery at YIA (email or fax) and a copy must also accompany the actual shipment. Certificates of Analysis must include the specification ranges and actual measurements, as well as the lot number, and supplier information. **Data provided on the C of A will be used in YIA's process to calculate flow rates, etc., which can critically affect quality of YIA's product. Should any data on the C of A be incorrect when submitted to YIA, the supplier will be held responsible for any non-conforming product or costs incurred as a result.**

### Shipping Paperwork:

All deliveries must be accompanied by a packing slip which includes the Purchase Order Number, Lot Number, material, size and quantity of packages, as well as the Certificate of Analysis for each lot number in that shipment.

### Packaging/Labeling:

Suppliers are required to ship all material in packaging that will prevent damage or contamination during transit. Packaging should be designed with consideration given to transportability, loading/unloading process, and product integrity. Prior to any shipments to YIA, the supplier and YIA will agree upon any specialized packaging (size, type, etc.), if so required by YIA. Material must be secured to the pallet by either stretch wrap (preferred) or strapping in such a way as to prevent shifting during transit. Unless previously agreed upon with YIA, pallets should not be double stacked and should be labeled with a "Do Not Double Stack" label prior to shipping.

Each container must be labeled with the product name, manufacturer, lot number, manufacture & expiration dates (if applicable), container quantity, and in accordance to any applicable regulations or laws.

### Delivery:

Suppliers shall maintain 100% on-time delivery rating. Failure to maintain 100% on-time delivery performance will result in a Correction Action Request for Late Delivery. On-time delivery is considered as follows:

- 1) Bulk or FTL – Must deliver on the actual due date showing on the PO. Early delivery is not allowed unless permission is obtained prior to arrival from YIA's Buyer.
- 2) Small Package or LTL – Must deliver on or before (no more than 1 week with permission) the due date showing on the PO.

Suppliers must notify YIA immediately if they are unable to provide material on the due date. Trucks are unloaded on first come, first serve basis unless a specific appointment time has been assigned by YIA. Suppliers must obtain permission to deliver outside of the normal

receiving hours. Regular Receiving Hours: Trucks must be at our facility no earlier than 8 am EST and no later than 2 pm EST.

Control of Non-Conforming Material:

Suppliers must have a documented system in place to control non-conforming material which includes identification, segregation, review, disposition, and traceability. Should a supplier discover that non-conforming material has been shipped to YIA, it is the supplier's responsibility to notify YIA immediately with the suspect lot number, quantities and dates shipped.

A Defective Material Report will be issued to the supplier for any non-conforming material found at YIA and an immediate supplier response will be required. A supplier may be required to provide replacement material, send in personnel to sort non-confirming materials, etc., all at the supplier's expense. YIA's Buyer will contact supplier to make arrangements for any material that needs to be returned to a supplier at the supplier's expense. The supplier will be held responsible for any financial losses incurred from non-conforming material, missed delivery, incorrect C of A data, etc. (including but not limited to: disposal fees, freight fees, etc.).

Corrective and Preventative Action:

If a Corrective Action Request is issued as a result of non-conforming material, the supplier is required to respond to YIA as follows:

|                                      |   |
|--------------------------------------|---|
| <b>24 hours after receipt of CAR</b> | <b>Acknowledgement, containment action, and temporary corrective action.</b>  |
| <b>14 days after receipt of CAR</b>  | Root cause identified, permanent countermeasure, documentation updated (work instructions, etc.)  |
| <b>30 days after receipt of CAR</b>  | Verification of effectiveness, documentation updated as necessary (FMEA, control plans, etc.), review of applicability of countermeasure to other products/processes (preventative action). |

Final approval of the CAR will be at the discretion of YIA. An on-site visit/audit may be required by YIA before final closure of a CAR.

Supplier Performance Monitoring:

Suppliers will be monitored for Quality and Delivery performance. The results will be communicated to the supplier on a quarterly basis.

Quality:

Points will be subtracted from a supplier's quality rating as shown below:

|     |  |
|-----|--|
| -30 | Product failure in the field due to raw material defect                          |
| -15 | Raw material defect or incorrect C of A data resulting in product failure at YIA |
| -7  | Unusable raw material defect at YIA  |
| -5  | Usable raw material defect at YIA  |



|    |   |
|----|---|
| -5 | Packaging issue resulting in unusable material at YIA |
| -3 | Packaging issue resulting in usable material at YIA   |

A Corrective Action will be required if a supplier's Quality performance rating falls below an 85.

#### Delivery:

Supplier's Delivery performance will be monitored two different ways: the percentage of on-time deliveries and a rating based on the severity of a late delivery. An On-time delivery percentage of less than 100% will require a Late Delivery Corrective action unless waived by YIA's buyer due to special circumstances. Points will be deducted from a supplier's delivery rating as shown below:

|     |   |
|-----|---|
| -15 | Late/Missed delivery resulting in a production shutdown at YIA  |
| -10 | Late/Missed delivery not resulting in a production shutdown at YIA  |
| -5  | Receiving Damage Notification issued to supplier for damage caused as a result of supplier or supplier's carrier                                    |
| -3  | Receiving Discrepancy Report issued to supplier for any discrepancy report at receiving (i.e. quantity, missing PO number, missing paperwork, etc.) |

A Corrective Action will be required if a supplier's Delivery performance rating falls below an 85.

#### Reference Items:

<http://www.conflict-minerals.com>

<http://www.aiag.org>

APQP Advance Product Quality Planning and Control Plan

PPAP Production Part Approval Process

BMAP Bulk Material Approval Process