MANAR
Supplier Quality Manual

GTR	KEY	MMI	Tennplasco
Edinburgh, IN	Madison, IN	Edinburgh, IN	Lafayette, TN

Supplier is responsible for verifying the most current revision at www.manarinc.com/supplierguide.

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1.0 Introduction & MANAR's business philosophy:

MANAR is an on-demand contract manufacturer and plastics custom injection molder that serves the automotive, medical device, healthcare, and other fields. MANAR is built on a foundation of innovation, respect, dedication, and corporate social responsibility.

MANAR's Divisions
GTR Enterprises LLC (Corporate Headquarters)
KEY Manufacturing, LLC
Manar Medical Inc.
Tennplasco, LLC

Suppliers play an integral role in helping set the benchmark for world-class quality products and services for our customers year after year. We consider our suppliers an extension of our MANAR family and prioritize fostering partnerships built on trust and collaboration. We are committed to always doing the right thing and passionately pursue excellence in everything we do. Every interaction is met with humble confidence, knowing that together and with strong partnerships, we can achieve great success and exceed expectations.

2.0 Purpose and Scope

This Supplier Quality Manual defines expectations for all suppliers (including customer-directed suppliers) providing products or services to MANAR. Vendors providing supplies not utilized for manufacturing purposes do not fall within the scope of this manual.

Suppliers agree to meet the conditions outlined and will self-monitor their compliance to the requirements listed in this document. It should be noted that each MANAR division may have additional local requirements. Any exemptions to these requirements must be authorized in writing by MANAR Quality.

The latest revision of this manual will be available at www.manarinc.com/supplierguide.

3.0 Code of Conduct

Suppliers must be aware of contribution to product and service conformity, contribution to safety, and the importance of ethical behavior.

Manar suggests the following business practices from Suppliers

Human rights, fair labor conditions, forced/child labor

- Suppliers will respect employee privacy and rights and prohibit exploitative behavior.
- The supplier will provide a working environment free of discrimination, intimidation, harassment, or coercion directly/indirectly related to age, gender, race, nationality, social/ethnic origin, orientation, religion, or state of health or disability.
- The supplier will not use forced labor, child labor, slavery, or trafficking of people at any stage of its activities.

- Suppliers will ensure a safe work environment for their employees.

- **Honesty and Good Faith Practices**
  - Suppliers are expected to act in good faith and conduct ethical business.
  - The supplier will refrain from extortion, bribery, and breach of confidentiality.
  - Drawings, technical data, specifications, process requirements, and work instructions are considered proprietary information and must be kept controlled and confidential.

Statutory and Regulatory Conformity
The supplier's product or service will meet all statutory and regulatory requirements for the locations where it is manufactured and where it will be used. These requirements shall be documented, and records maintained. MANAR may request documentation to support compliance requests and IMDS (International Material Data System) reports.

- **Conflict minerals**
  - The Dodd-Frank Wall Street Reform and Consumer Protection Act aims to prevent the use of conflict minerals that may finance armed groups in the DRC (Democratic Republish of Congo) and neighboring countries. Conflict minerals are tin, tantalum, tungsten, and gold, originating from conflict-affected areas to finance armed conflicts or that are being mined under serious human rights violations.
  - MANAR is committed to complying with relevant laws and regulations and requires disclosure of and avoiding the use of conflict minerals throughout its supply chain.

- **RoHS, IMDS, and REACH Requirements**
  - Many of MANAR's customers require compliance with various worldwide directives involving restricted and hazardous materials. Because of this MANAR must also require the same of its supply base. MANAR requires its suppliers to comply with all local, state, and federal laws and regulations regarding all environmental protection, electricity, and safety in the country of manufacture and in the country where the product is being distributed.
  - Suppliers should develop procedures, as appropriate and as determined by their position in the supply chain, to be RoHS, IMDS, or REACH compliant, or any combination thereof.
  - Suppliers must report RoHS, REACH, & any other required compliances or directives (if required).

- **Counterfeit product**
  - Suppliers must ensure that all products from any source or through any sub-supplier or outside processing are genuine and not counterfeit.

- **Trade Compliances**
  - Suppliers must report trade compliances. Example – USMCA, CAFTA, etc.

- **Environmental Responsibility**

- The supplier is encouraged to minimize environmental pollution in their operations when possible.
- Hazardous substances used by the supplier will comply with all applicable laws and regulations prohibiting or restricting the use or handling of specific substances.
- The supplier shall identify and manage substances that pose a hazard if released to the environment and comply with applicable labeling laws and regulations for recycling and disposal.
- The supplier shall responsibly dispose of non-hazardous waste generated from operations per applicable laws and regulations.

Suppliers must follow all applicable guidelines, regulations, laws, and policies.

4.0 Supplier Selection and Approval Process

General Requirements

All automotive suppliers shall have a Quality Management System (QMS) certified to ISO 9001 or IATF 16949 unless otherwise approved via written concession. If the supplier is not certified, MANAR may deem it necessary to perform an on-site audit to confirm the supplier is ISO 9001 compliant at a minimum.

It is preferred that non-automotive suppliers have ISO 9001 accreditation; however, it is not required.

Note: Suppliers who hold ISO or IATF accreditation will notify MANAR of any change of status to their certification.
Note: Accreditation is required for commercial laboratory and calibration suppliers (ISO 17025).

Supplier Approval Process

Potential suppliers will be provided with MANAR's Supplier Survey for completion. The supplier will return the completed survey and any supporting documentation necessary (i.e. ISO/IATF certifications, signed NDA, and a signed copy of the MANAR Supplier Quality Manual, etc.). *Suppliers are evaluated and approved based on established criteria and their ability to provide products that meets established requirements.*

MANAR will evaluate documentation for the supplier's existing manufacturing and design/development capabilities, financial stability, adequacy of available resources, and potential risks to product conformity and supply interruptions; delivery and quality performance; and business continuity planning (contingency planning).
Once the survey and supporting documentation are reviewed, MANAR will approve the supplier or determine if an audit is required.

The supplier must provide notification of any changes to the organization's point of contact. The supplier's contingency plans should ensure continued operations for MANAR. In the case that the supplier foresees a major disruption, they will notify MANAR and provide possible alternative solutions.

Supplier Risk Level

High-risk suppliers include those that include, but are not limited to the following criteria and may be subject to additional monitoring by MANAR:

High-risk supplier criteria
A new supplier to the organization (New is defined as < 1 year)
A new location or site
History of poor quality and ineffective SCARs
Historical issues that resulted in quality spills at the customer.
Responsible for 1+ incidences of historical field action.
Historical poor launch performance
New Manufacturing Technology
Automotive suppliers not certified to ISO 9001/IATF 16949

Supplier Performance Evaluation

Delivery and Quality performance will be monitored for supplier performance.

Delivery	Quality
98% On-Time	**100%**
Shipments are allowed up to 5 working days before or 3 days past the due date without impact to OTD %.	

A supplier corrective action report will be issued:

- if three consecutive months of shipments are late.
- The same quality issue has occurred for two consecutive shipments or if deemed a critical issue by MANAR quality.

Quality, Purchasing, and GM may review and request the supplier be placed on probation.

High-risk suppliers will be provided with quarterly scorecards.

Suppliers may be placed on probation if corrective actions(s) are ineffective or KPI targets continue to not be met. The supplier may be contacted to establish a supplier improvement plan. Inadequate results may lead to removal from MANAR's approved vendor list.

5.0 Delivery Expectations and Shipment Documentation Requirements:

Delivery Expectations

Suppliers should practice a first-in-first-out (FIFO) system of inventory management. Delivery terms with suppliers are stated on the purchase order. On occasion, Manar may experience schedule fluctuations due to customer demand. Suppliers are asked to handle 20% of fluctuation in schedule changes.

MANAR will accept shipments of materials that vary +/- 5% of the original PO quantity. **Shipments exceeding 5% of the PO quantity must be approved in advance**.

Suppliers will immediately notify MANAR's receiving location of expected delays or short shipments. Tooling suppliers shall contact the following representatives at the respective site:
TNP –Engineering Manager
KEY- Account Manager
GTR- Tooling Manager
MMI – Processor

If the supplier fails to meet on-time delivery and the delay is at fault of the supplier, then the supplier will be responsible for any additional costs resulting from expedited transportation.

Packing Slip requirements:

- Part Name/Description
- MANAR Part Number
- Quantity
- Purchase Order number

Manufacturer Lot number (for resin)

Additional document requirements:

- Material Safety Data Sheet (MSDS) (if applicable).
- Material Suppliers:
  Material Certificate of Conformance/Analysis with shipments or email ahead of shipments. Associated lot/batch number(s) should be documented on the CoC/CoA.
- Number of containers
- Revision label (if available)
- Manufacturer Lot Number(s)

6.0 Lot Control/Traceability

An effective system of traceability must be in place to ensure the delivered product can be traced from a finished product in the customer application back to specific lots, sub-components, parts, blanks, and raw material. All inspection/test results for materials used should be traceable to the lot(s) provided.

A lot/batch number shall appear on all labels, and where applicable, on each item shipped. Records of lot shipments shall be maintained for the life of the program or a minimum of 7 years.

All suppliers shall maintain a lot or batch control and traceability identification system to track all main components, materials, and chemicals to their origin. This system shall also be in effect for any product that has been reworked or repaired.

7.0 Label & Packaging Requirements:

Each product container should be labeled and identified with the following:

- MANAR part number
- Quantity
- Lot Number
- Part Revision Level

- Supplier Name

Suppliers are encouraged to use the AIAG B16/B10 Label Standard for all labels.

All raw material or components purchased should have 1 product label securely attached to each individual container. The supplier will package the product to prevent damage throughout the delivery process. MANAR may contact the supplier to change the packaging if damages are incurred.

8.0 Continual Improvement

Product, services, methods, processes, and equipment should be maintained to meet requirements. Manar expects suppliers to support our commitment to meeting or exceeding customer quality expectations by implementing continual improvement practices.

9.0 Documentation and Record Retention Requirements

Records and Documents will be maintained by the supplier at their facility. These records will be stored in a safe, organized manner, easily retrievable. Records will be kept for the life of the product, and then Manar can either get records returned or direct the supplier to shred the documents.

Assistance in obtaining part drawings and specifications, clarification of specifications, and information on components can be acquired through the MANAR Quality department. Information, as it applies to tooling suppliers, can be obtained through the engineering department.

Record retention Requirements:

Minimum record retention criteria:

- PPAP documentation – duration of production and service activity plus 1 year.
- Quality records: 3 years from production date
- Product Safety related records: Minimum of 10 years after product phase-out or end of production
- Conformity of Production Parts Records: 10 years from date of product manufacturer

Any additional applicable legal requirement related to the retention of product safety parts and conformity of production parts must be compliant.

Supplier must maintain and provide documented information upon request. Approval will be requested to dispose documentation in advance if the minimum retention period has not been met.

10.0 Product/Process Development Requirements

Manufacturing components and services may require approval before shipment at the discretion of MANAR Quality.

When approval is required, the product and/or process will be verified and validated through the sampling process (see below). Critical and special characteristics will be identified at this time between MANAR and the supplier. Customer requirements will passed down throughout the supply chain.

Production Part Approval Process (PPAP)

Component Suppliers may be requested to follow the latest revision of the AIAG Product Part Approval Process (PPAP) manual by MANAR Quality.

PPAPs are to be submitted to "Level 3" requirements for new product launches unless otherwise directed in writing. Below is a list of Level 3 standard requirements based on supplier type. Further instructions and samples may be requested from the respective MANAR Quality representative.

	Supplier Type		
	Automotive	**Medical**	**Other**
Ballooned Print	x	x	x
First Article Inspection (FAI) dimensional layout of each cavity	x	x	x
MSA study, Gage R&R studies	x		
Part Submission Warrant (PSW)	x	x	x
Process Flow	x		
pFMEA	x	x	
Control Plan	x	x	
Material, Performance Test Results	x	x	x
Capability Report (≥ 30-piece sample size), Acceptance Criteria: Cpk > 1.33; Ppk > 1.67	x	x	
RoHS Declaration (if applicable)	x	x	x
Materials Certificate (if applicable)	x	x	x

This table is for reference only. MANAR Quality will provide guidelines of requirements.

Supplier is responsible for verifying the most current revision at www.manarinc.com/supplierguide.

PPAP Levels	
Level 1	PSW only
Level 2	PSW w/product samples and limited supporting data
Level 3	PSW w/product samples, and complete supporting data
Level 4	PSW and other requirements defined by MANAR
Level 5	PSW w/product samples & data reviewed at the supplier's manufacturing location

MANAR will review the PPAP submission and provide an approved PSW if the supplier has conformed to all specified requirements. PPAPs submitted under deviation can only be given an interim approval pending resubmission of updated corrected drawings, tooling, etc. and potentially additional sampling.
Note: MANAR may periodically request dimensional or capability data post-approval.

11.0 Process/Product/Engineering Changes

The supplier should notify MANAR of any design, process, material, or sub-supplier sourcing changes at least **30** business days before implementation. No product or production process changes should be made after the initial approval without MANAR's approval.

- Engineering changes to parts or material.
- A new or changed product/tooling (specific part, material, color, etc.).
- Changes in process
- Change in supplier or supplier location (including sub-suppliers).
- Any change that could affect the safety of the product, fit, form, function, performance, and/or durability.

The supplier should have written authorization from the MANAR Quality department prior to making any production/engineering changes. Any product shipped containing deviations without having prior change authorization from the respective MANAR plant will be subject to rejection and/or return at the supplier's expense.

Engineering Change Notification

In order to prevent any manufacturing problems when engineering changes are communicated directly to the supplier at the request of the end-customer, component suppliers shall immediately contact MANAR Quality prior to the first revised production shipment. Prior notice shall include change number, lot number, and date of first shipment. The first approved shipment will be identified per the instructions from the specific MANAR facility.

12.0 Training

The supplier is expected to provide appropriate training to ensure that employees are competent

and qualified to produce quality products and services. The supplier shall maintain training records of employees.

13.0 Deviation Request

If a deviation is required for any reason, a request must be submitted to MANAR. The deviation request must be approved before the product is shipped.

14.0 Non-conforming Product

If a shipment of non-conforming or suspected non-conforming product has been detected by the supplier and it is in transit or has been delivered to MANAR, the supplier shall immediately provide notification. Corrective action documentation shall be submitted to MANAR.

Incoming Inspection will be performed by Manar. If defects or contamination are found, the supplier will be contacted to issue a return material authorization (RMA) number. MANAR may accumulate defects that are found on the line during production and contact the supplier to issue an RMA number. Contaminants may include chemicals, dirt, oil/grease, food or beverage spills, etc.

RMA # should be provided within 2 business days.

The RMA should include MANAR's NCMR number(s) and preferred disposition of the NCMR: Return, Scrap, Sort, or Rework, repair. Manar approval may be required for rework activities of non-conforming product if product safety, form, fit, and function may be impacted. Manar approval is required for repair activities before being performed.

If defects or contaminants are found and there is not enough time to return the product, the supplier will be contacted. The supplier can sort at MANAR or pay MANAR to sort the product. A fee of $75 per hour may be charged by MANAR to sort the product.

The supplier shall be debited for any/all product failure costs determined to be the responsibility of the supplier, regardless of if said failure occurred prior to or after shipment to the end-customer. **Supplier will be responsible to pay freight costs for expedited shipments that are resulting due to replacement of non-conforming product.**

15.0 Corrective Action

A corrective action may be issued to suppliers for any non-conformances. The corrective action must include a root cause analysis, action plans, and be returned to MANAR Quality by the due date. Delays in returning the corrective action report (CAR) by the due date will be communicated to MANAR Quality.

16.0 Containment Requirements (Safe Launch)

MANAR may place the supplier on containment if they experience repetitive concerns with a supplier. Containment will be required when consensus within MANAR management

determines that current supplier controls are not sufficient to mitigate the receipt of nonconforming parts/material. If this occurs the supplier will be provided written notification.

It is MANAR's discretion to determine which and how many characteristics will be inspected until confidence has been restored. The standard guidelines for implementation of containment may consider the following:

- Repeated defects
- Duration and severity of the problem
- Incapable processes
- Quality problem at MANAR facility, end-customer, or in the field
- Inadequate containment and/or resolution of non-conformances via the Supplier Corrective Action Report.

Containment Removal Criteria:

In order to be removed from containment, the supplier must provide MANAR with a minimum of 3 defect-free shipments.

- Sufficient quantities (determined by the receiving MANAR location) shipped with zero defects.
- An updated control plan to address the problem.
- Statistical data and/or Cpk and CP data of 1.33 or more for related or requested characteristics.
- Approved corrective action with no recurrence.

17.0 Tooling, Fixtures, and Gauges

Manar may request tools, fixtures, or gages be tagged and identified with specific asset numbers and end-customer information.

Repairs:
Repairs to tools, damage, etc. must be approved by MANAR prior to repairs, except for basic preventative maintenance. Samples must be sent to MANAR after repair for verification and approval.

18.0 Logistics and Freight

MANAR will provide the supplier with logistical information such as ship-to information, mode of transportation, and packaging requirements.

Revisions:

11/18/2021	Added to QMS (Quality Management System).
1/18/2022	Included contaminant requirements
7/26/2022	Added Dodd-Frank Act requirement to MANAR Supplier Guide
11/15/2024	1) Change Title from Manar Supplier Guide to Manar Supplier Quality Manual 2) Add a form number to this document 3) Add footer to direct suppliers are responsible for verifying current revision through our website. 4) Added table of contents and numbered sections throughout the manual. Information from the existing supplier guide has been relocated to the appropriate sections. 5) Major changes include: - addition of supplier code of conduct section (section 3), - criteria to categorize suppliers as high-risk and outlined supplier escalation process (section - Updated OTD tolerances to account for weekends from zero to three days past the due date. - guidelines for scheduling fluctuation (section 5), - addition of supplier name on product labels and recommendation to use AIAG B16/B10 Label Standard (section 7), - Documentation/Record Retention Reqs (section 9), - More explicit guidelines for part approval (section 10), - Guidelines regarding change notification. (section 11). - RMA issuance requirement and in-house sorting fee (section 14). - Containment requirements (section 16).