Supplier Manual

Table of Contents

Supplier Qualification 3
Business Award Process 3
Corporate Responsibility 4
Policy On Business Gifts 5
Supplier Contact (Supplier Portal) 5
Grievance Process 5
Product Safety, Statutory, and Regulatory Requirements 6
Pass-Through Characteristics (PTC) 6
Conflict Materials 7
IMDS Requirements 8
Certificate of Analysis 8
Traceability 9
Special Processes 9
Supplier Schedules 9
Risk Mitigation 10
Contingency Plan 11
Customer Owned Tooling 11
Customer Specific Requirements 11
Supplier Shipping Policy 12
Receiving Requirements 12
Labeling and Bar Code Requirements 13
Invoicing Requirements 16
Supplier Process Validation Responsibility 16
NC/Corrective Action Information 17
Cost Recovery Information 17
Supplier Performance Measurements 18
Cascade Engineering Supplier Rating 24
Supplier Manual Revisions 27

This manual is intended to be comprehensive and "all-encompassing"; however, certain circumstances will prompt questions. If you have any questions regarding any part of this manual you are encouraged to contact your respective supplier quality engineer or commodity buyer.

All Communications with Cascade Engineering will be in English.

Supplier Qualification

Qualification/Development of all Cascade Engineering Direct Material Suppliers

- Prior to any exchange of intellectual property it will be necessary to have a signed Supplier CDA (Confidential Disclosure Agreement)
- **Supplier Information Form** is filled out by potential supplier (on CE Website https://www.cascadeng.com/supplier-information-form/) and submitted to Purchasing.
- Cascade Engineering purchases under Cascade Engineering's Terms & Conditions (on CE Website https://www.cascadeng.com/terms-conditions/
- Quality and environmental certification must be to the current certification version. Quality certifications must be with Registrars recognized by GACI (Global Accreditation Cooperation Incorporated) for ISO certifications and IATF (International Automotive Task Force) for IATF certifications.

Business Award Process

Actions below will be part of our sourcing activities.

- Supplier Risk Model will be completed/updated as required
- Supplier certifications will be reviewed and must be current
- Supplier performance scores will be reviewed
- If needed, a CDA may be executed
- A Dunn & Bradstreet or Experian Report may be generated
- A master supply agreement may be initiated
- An onsite visit may be scheduled depending on Supplier Risk Model scoring
- A second party audit may be conducted depending on Supplier Risk Assessment scoring

- A Supplier Readiness meeting will be held, as customer requirements dictate, to discuss/review the topics listed below. This list is a framework and other topics will be added as necessary.
    - Customer Specific Requirements
    - APQP Requirements
    - Supplier Self Audit
    - Supplier Product Requirements checklist
    - The expectation to cascade all requirements to all levels of each sub-tier supplier's supply chain

Corporate Responsibility (Supplier Code of Conduct)

Corporate Responsibility is the ongoing commitment by business to act ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Cascade Engineering is committed to responsible purchasing and expects our suppliers to embrace, educate and cascade responsible purchasing practices throughout their supply chains. All suppliers are required to complete the *AIAG Supply Chain Sustainability eLearning* and *AIAG Supply Chain Sustainability Knowledge Assessment* that can be found at www.aiag.org. This is a no-cost eLearning and assessment to help direct you to internal process improvements.

Should Cascade Engineering discover or be notified of a potential compliance breach, we will do the following:

- Complete an assessment on the reported breach, including suppliers, employees and customers as necessary to determine validity.
- If the breach is determined valid, Cascade Engineering will develop an action and communication plan that outlines the impact to all stakeholders, and the action that will be taken to rectify and/or prevent another breach.
- All suppliers delivering products to Cascade Engineering that is part of a Stellantis product must read and fully comply with Stellantis Global Responsible Purchasing Guidelines. A copy of this document can be found in the document library in the supplier portal.
- All suppliers to Cascade Engineering are required to comply with Cascade Engineering's Corporate Responsible Purchasing Policy. This document is located in the document library in the supplier portal. FOCSUPDEV-0052.

Policy on Business Gifts

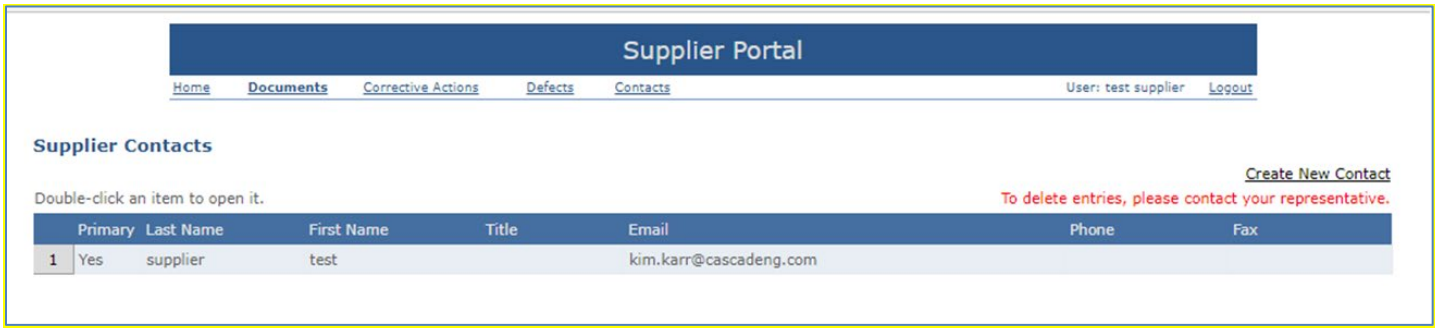
Cascade Engineering employees may not solicit any gift, entertainment or other gratuity. Cascade Engineering may not accept gifts, entertainment, or other gratuities from anyone seeking a contract with or purchase by Cascade Engineering other than customary business courtesies that are reasonable in frequency and valued at $100 or less. Any business gift or item of value greater than $100 must be approved in writing by the Sr. Director Supply Management prior to acceptance.

Supplier Contacts (Supplier Portal)

Suppliers must maintain their company's current contact information through the Supplier Portal (https://supplierportal.cascadeng.com). The expectation is that contacts are updated annually at a minimum.

The following are a list of requested contacts:

- Customer Service
- Finance
- Scorecard Recipient
- Plant Manager
- President
- Quality Assurance
- RFQ/Sales
- VP of Operations



Grievance Process

Cascade Engineering feels interaction with our Suppliers is very important and always wants to preserve relationships with our supply base. With that intent in mind, the following process should be used whenever a supplier feels they have a grievance or concern. Any questions may also be sent in writing to the Sr. Director Supply Management if going through the process does not seem appropriate.

Cascade Engineering's ethics hotline is available via phone, email or postal mail. Please visit our website for specifics.

Type of Issue	*Order of Escalation*			
Delivery	Materials	Materials Manager	Plant Manager	Purchasing Commodity Lead
Supplier Quality	Plant Quality Engineer	Quality Mgr. / Supplier Quality Mgr.	Plant Manager	Purchasing Commodity Lead
Commercial	Purchasing Commodity Lead	Sr. Commodity Manager	Director of Supply Chain and Purchasing	VP of Operations
Ethical	Sr. Commodity Manager	Director of Supply Chain and Purchasing	VP of Operations	Sr. VP of Department of Business Services
Supplier Performance	Sr. Purchasing Specialist	Purchasing Commodity Lead	Sr. Commodity Manager	Director of Supply Chain and Purchasing

Product Safety, Statutory, and Regulatory Requirements

Suppliers must ensure they meet all customer specific product Safety, Statutory, and Regulatory requirements in the country of receipt, country of shipment and customer-identified country of destination, if provided. Requirements will be identified and communicated through the launch process, drawings and customer manuals. Compliance may be subject to audit verification.

Customer manuals are available through the Supplier Portal (https://supplierportal.cascadeng.com).

Pass-Through Characteristics (PTC)

Cascade Engineering requires compliance to all Customer Specific Requirements, including Pass-Through Characteristics (PTC). As defined by AIAG, PTC are product characteristics that are manufactured by a supplier and used in an organization's process without further modifications or validation. PTC's are

functional components that are not used by the Tier 1 supplier during their process, but are used by the OEM. If there are quality issues from the Tier 2 supplier, they will only be detected on the OEM.

If applicable, PTC requirements (including validation frequency) shall be defined by Cascade Engineering on the part print, and be communicated and approved during the PPAP process. Controls for any PTC communicated on the part print must be documented in the Tier 2 component's control plan, and compliance may be subject to audit verification. Cascade will not approve a PPAP if adequate controls of PTC's are not communicated or documented. All PPAP packages for Tier 2 components shall be included in Cascade's PPAP to OEM/customer, and approval of Cascade's PPAP denotes approval of control for any PTC's.

Conflict Materials

Background

In August 2012, the U.S. Securities and Exchange Commission adopted final rules to implement reporting and disclosure requirements related to "Conflict Minerals," as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Publicly traded U.S. companies that make products in which 3TG metals (tantalum, tin, tungsten and gold) are necessary to product functionality or production are required to assess their supply chains and publically report on whether those materials are sourced from countries in and around the Democratic Republic of Congo (the "Conflict Region").

Position

Cascade Engineering supports efforts to end human rights abuses wherever they may occur, and acts in accordance with our vision of respecting global communities. We conduct business in a manner intended to avoid intentionally or knowingly contributing to such abuses. At Cascade Engineering we strive to uphold one consistent standard of ethical conduct on a global basis, while respecting the culture and business practices of every country and community we touch. In the global business environment in which we operate, our long-term success is dependent on each of us executing business decisions with the highest ethical standards. Consistent with this commitment, our objective is to use conflict free materials and components in manufacturing our products. We expect our global supply chain partners to do the same, whether or not they are subject to the regulations on "Conflict Minerals."

The reporting of Conflict Materials will be ongoing. Our expectation is that you notify us anytime a new component is purchased that requires a new Conflict Materials assessment. We will send you a new survey to complete.

IMDS Requirements

Cascade Engineering, in support of our customers' requirements, participates with the International Material Data System (IMDS). IMDS is a global data bank that contains information on materials used by the automotive and heavy truck industries. This is an international endeavor to better track and report the material content of manufactured products.

In support of this effort, Cascade Engineering must report all materials present in finished products. These are collected, evaluated, and stored in the IMDS system. IMDS helps the suppliers to meet the regulatory requirements placed on manufacturers and to comply with global regulations and environmental laws.

Cascade Engineering may require IMDS as a part of the supplier PPAP submission. This will include a chemical composition breakdown for raw materials (this data can be retrieved from the material certs) for all components supplied.

- If you have not already established a user ID for IMDS, please go to the following website: www.mdsystem.com
- You will also want to check your material certifications for restricted chemical substances on www.gadsl.org
- Cascade Engineering does not offer training to its suppliers, however, commercial training is available on www.mdsystem.com
- You must enter the appropriate Client ID # for IMDS to automatically route your completed forms to the IMDS Client Manager.
    - Client ID # 6229 for Cascade Engineering

Certificate of Analysis

Cascade Engineering requires Certificate of Analysis when required by our customers, process technicians, or quality personnel. C of A's must be maintained by the supplier and available to Cascade Engineering if requested. If specific programs require Certificates of Analysis with shipments, suppliers must submit per the requirement.

Traceability

Cascade Engineering requires compliance to all Customer Specific Requirements, including Traceability requirements. For materials and items that are part of a Finished Good that the customer specifically requires traceability back to the raw material sources, this requirement cascades to each supplier and their supply chains. Read the customer specific requirements for each end customer available in the supplier portal and understand the requirements. If Cascade Engineering requests traceability records for a material or components, the supplier must provide it.

Special Processes

All parts shipping into any Cascade Engineering facility that undergo any of the listed special processes below must be identified and an AIAG CQI Assessment submitted if requested if the end customer requires CQI documentation. Cascade Engineering expects you to know applicable CQI's relevant to your processes and to have CQI documentation current and available if requested. This is an annual requirement that includes special processes performed at your facility or at an outside facility that you contract with to make our part. This applies to all suppliers, with the exception of distributors. Customer manuals are available through the Supplier Portal (https://supplierportal.cascadeng.com).

CQI-9 – Heat Treating	CQI-11 – Plating	CQI-12 - Coating
CQI-15 – Welding	CQI-17 - Soldering	CQI-23 – Plastic Molding
CQI-27 - Casting	CQI-29 - Brazing	CQI-30 – Rubber Molding
CQI-34 – Software Assurance Approval	CQI-35 – Wiring Harness	

Supplier Schedules

Supplier requirements will be communicated through Supplier Schedule/Material Releases, Purchase Orders, inventory levels, or Kanban. Requirements can be retrieved through EDI or email. Emailed releases are sent in an excel format. Materials will work with each supplier to communicate what method will be used. Electronic methods are always preferred.

Contained on the Purchase Order or Supplier Schedule/Material Release is the following information:

- Your company name, address, and Cascade Engineering assigned supplier number
- Your company contact information (if information is incorrect it is the suppliers' responsibility to call with corrections
- Cascade Engineering's right to inspect
- Release ID (Cascade Engineering assigned, date of release update)
- Purchase Order number – must be on all shipping and invoicing documents
- Part number and description – must be on all boxes and documents
- Delivery dates. This date reflects the date product needs to deliver to Cascade Engineering unless your schedule specifically reflects ship dates.
- Qualifier:
    - F = FIRM – indicates quantity and date product must arrive and will not change unless mutually agreed upon
    - P = PLAN – indicates quantity and date product is planned based on customer demand visibility, is subject to change, and is for supplier planning purposes only
    - PAST DUE – indicates quantity is past due and may be subject to reduced scorecard rating, disruption chargeback, and/or expedited freight charges
- Quantity Due

Cascade Engineering expects suppliers to utilize a robust capacity planning process. If there is a period of two continuous weeks or more where Cascade Engineering's needs push the supplier's capacity utilization to 120%, we would like to be notified. That notification should include the supplier's plan to manage the short and long term capacity constraint.

If there is a period of four continuous weeks where Cascade Engineering's needs push the supplier's capacity utilization to 100%, we would like notification and a capacity plan constraint communicated.

Please note that, notwithstanding anything contained in any purchase order, statement of work or other communication from Cascade Engineering, volumes and the duration of awarded programs are dependent on customer demand and are not guaranteed by Cascade Engineering. Quantities listed as estimates by Buyers are best estimates of the quantities of supplies required and are subject to change from time to time, with or without notice to Seller and shall not be binding upon the Buyer. Unless otherwise expressly stated in the Order, Buyer makes no representation, warranty, guaranty or commitment of any kind or nature, whether express or implied, to Seller in respect of Buyer's quantitative requirements for the supplies or the term of supply of the supplies.

Risk Mitigation

Suppliers shall have risk assessments that include sub tier evaluation as part of their sourcing activities. These need to be available upon request to Cascade Engineering.

Contingency Plan

Cascade Engineering requires suppliers to have contingency plans in place that will ensure uninterrupted flow of products and services. These need to be available upon request to Cascade Engineering. They need to address the following criteria:

- Key equipment failures
- Interruption from externally provided products, processes and services
- Recurring natural disasters
- Utility interruptions
- Labor shortages
- Infrastructure disruptions
- Cyber attacks
- Validate that the manufactured product continues to meet customer specifications after the re-start of production following an emergency in which production was stopped and if the regular shutdown processes were not followed.

Customer Owned Tooling

Customer owned tooling, gauges and test fixtures must be identified as prescribed by the customer, including identification with appropriate asset tags or similar identification. Final payment of tooling will be contingent upon verification of proper identification and completion of PPAP as defined by AIAG PPAP Level 3 requirements. Cascade Engineering (including Purchasing, Quality, and Tooling Engineer) will be promptly notified of any loss, damage, or nonconformance of customer property.

Customer Specific Requirements

Suppliers must monitor and meet Cascade Engineering Customer Specific Requirements. Customer Specific Requirement compliance may be subject to audit verification. Customer manuals are available through the Supplier Portal (https://supplierportal.cascadeng.com).

Suppliers are responsible for their sub-tier suppliers' compliance to all customer specific requirements.

Suppliers are responsible to ensure their employees are qualified to perform their assigned responsibilities/duties and provide documentation to Cascade Engineering upon request.

Suppliers must meet OEM service requirements, including pricing.

Supplier Shipping Policy

Please be advised that if you fail to ship parts according to the releases, it is your responsibility to immediately notify your Cascade Engineering contact. By doing this, Cascade Engineering may be able to work with you and address your inability to ship the correct quantity on time.

The logistics routing guide can be found at https://www.cascadeng.com/sourcing-and-logistics/.

If you do not contact us before your shipping date and you do not ship the correct parts in the correct quantity with the correct paperwork, we reserve the right (in addition to other remedies that may be available) to immediately issue a non-conformance or corrective action. If, as a result of a non-conformance, our plant(s) experiences downtime or our customers are affected, we may immediately engage in cost recovery efforts.

Your compliance to this policy will help prevent jeopardizing our customers due to outages and/or incorrect product.

It is **your responsibility** to contact us if you are not seeing updated releases. If there is a system problem, we can address the situation and make the necessary corrections.

Receiving Requirements

Cascade Engineering requires the following to ensure on time receiving:

1.	Complete Bill of Lading / Packing Slip (or both if required) to include the following:		
	Destination Address	Bill of Lading Number	Cascade Engineering's Part Number
	Supplier Name	Actual Ship Quantity	Lot Number(s) – if applicable
	Delivery Date	Part Description	Cascade Engineering Purchase Order Number
	PO Line Number		
2.	Bar Code Label on all cartons		
3.	Advanced Shipping Notification (ASN) as available		

Lack of proper paperwork can have the following effects:

- **Product may be refused**
- **Payment can be delayed**
- **Receiving is difficult and can be delayed**
- **Production could be jeopardized**
- **An NC may be issued**
- **Performance score may be affected**

Labeling and Bar Code Requirements

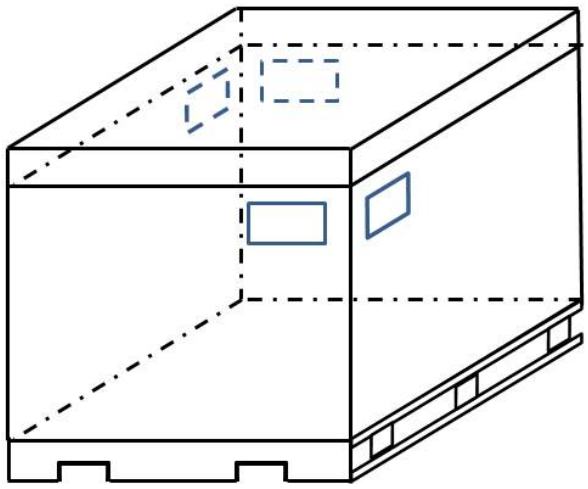
All incoming product shall have bar code labels that are readable by Cascade Engineering. Standard 4 x 6 AIAG label format. When using a standard barcode app, Code 39 or Code 128 should be used depending on the length of the part number. (Code 128 works better for longer part numbers.) Code 39 is sometimes referred to as Code 3 of 9. See Examples.

All incoming product must be labeled with the following:

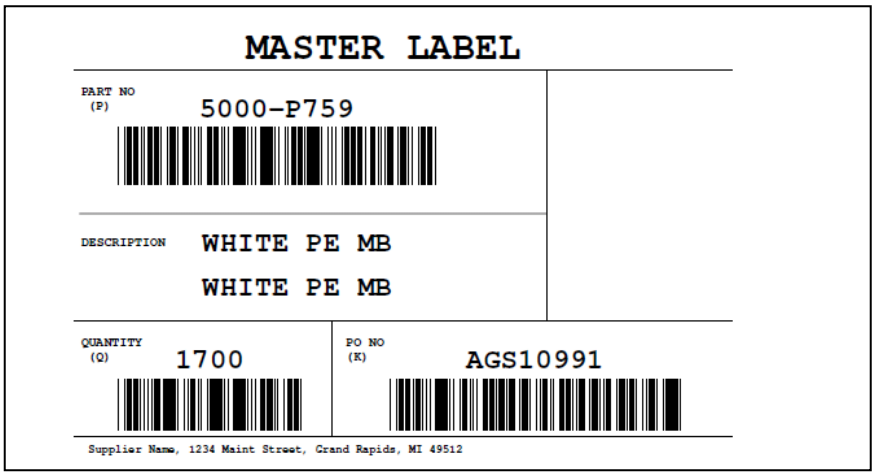
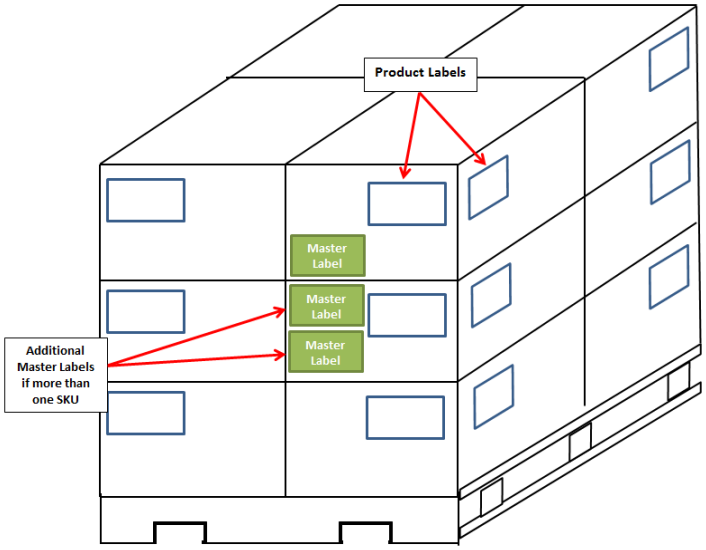
1) Two or Four Product Labels per carton. See below.
2) One Master Label per SKU on skid.
3) Cascade Engineering part number, quantity, and purchase order number must be a print size of ½".

Product Label Details		
1	Cascade Engineering part number	Barcode (P) prefix
2	Part Description	Non-Barcode
3	Quantity	Barcode (Q) prefix
4	Cascade Engineering purchase order number	Barcode (K) prefix
5	Inspection status	Leave blank if not inspecting
6	Lot number or serial number (if applicable)	Barcode (S or 1T) prefix
7	Tare Weight (optional)	Non-Barcode
8	Labels should be on 2 adjacent corners of the box at a minimum for a box 24" or smaller	
9	Boxes/Gaylords larger than 24" on a side must have 4 labels (one on each side)	
10	Boxes on a skid should have labels facing out on all 4 sides of skid	

In the case of returnable containers, all previous stickers must be removed or blocked out. Labels need to be on adjacent corners. It is the supplier's responsibility to notify Cascade Engineering of packaging that needs repair, re-work or disposal.

Lot # Label Example	PART NO. (P) 5000-P759 INSPECTION STATUS: OK TO USE DESCRIPTION: WHITE PE MB WHITE PE MB MANUFACTURED: 3/10/2010 LOT NO. (1T) 12345 TARE WEIGHT: 52 LBS QUANTITY (Q) 1700 PO NO. (K) AGS10991 Supplier Name, 1234 Maint Street, Grand Rapids, MI 49512
Product Label Placement Example	

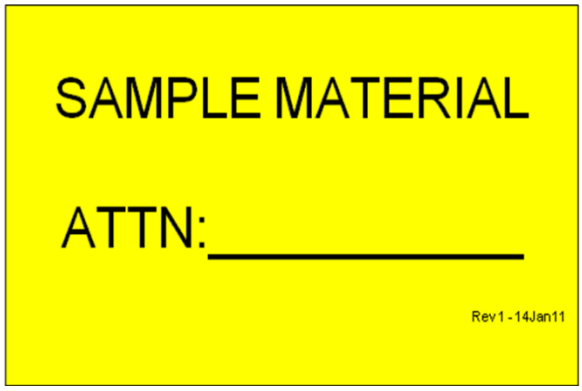
Master Label Details		
1	Cascade Engineering part number	Barcode (P) prefix
2	Part Description	Non-Barcode
3	Quantity	Barcode (Q) prefix
4	Cascade Engineering purchase order number	Barcode (K) prefix

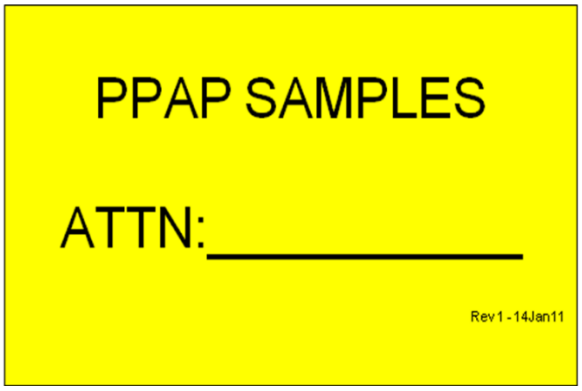
Master Label Example	
Master Label Placement Example	

ENGINEERING AND PPAP SAMPLES

Engineering samples provided to Cascade Engineering must be labeled clearly on the package and parts with the following guidelines:

- 3 x 5 inch yellow label
- Affix to front and back of each package
- Include the following on the label:
  - SAMPLE MATERIAL or PPAP SAMPLE
  - ATTN:_____





Invoicing Requirements

All invoices must include the following information:

1. Cascade Engineering part number
2. Cascade Engineering purchase order number
3. Cascade Engineering purchase order line
4. Quantity shipped
5. Price
6. Packing slip / BOL number

Any non-conforming invoices will be returned unprocessed.

Cascade Engineering standard payment terms are net 60.

All invoices are to be sent to:
cepayables@cascadeng.com

Supplier Process Validation Responsibility

If production is stopped and regular shut down processes were not followed, it is required that the supplier have re-start processes in place to ensure that the manufactured products continue to meet all specifications after restart. This could be the result of, but not limited to, natural disasters, cyber-attacks, equipment failures, fire, utility interruptions, pandemics, and labor shortages.

NC/Corrective Action Information

Corrective Actions need to be responded to through the Supplier Portal (https://supplierportal.cascadeng.com), as requested.

An NC, 3L5Why or corrective action is initiated to a supplier when it is determined that it is necessary to formally address a problem (not all problems will require a corrective action, 3L5Why or NC). The severity of the problem will determine the response required. A 2nd Party audit may be conducted as a result of a corrective action. The audit scope will be defined and provided to the auditee prior to the audit.

- Initial response must be given within **24 hours** and must include:
  - Problem confirmation and results of inventory review at supplier location if containment is required.
  - Brief description of containment plan and implementation timing (if required).
- RMA issued:
  - RMA number must be issued within 5 working days.
- Final response must be given within 10 working days and must include:
  - Root cause of the problem and method used for discovery and verification
  - Corrective and preventative actions and implementation dates
  - Completed 3L5Why (if required).
- Rework and disposition will be coordinated by the plant Quality Engineer or designee. Delivery issues will be coordinated with Materials.

Cost Recovery Information

General Costs – A $150 charge may be assessed for each NC, 3L5Why or corrective action issued.

Rework / Containment Costs – Should a problem be detected with your product you will be given the option to come into Cascade Engineering and sort the product yourself, send in an independent sort company, or have product returned and replaced at your expense. The freight expense is considered premium shipment costs. Cascade Engineering will charge you **$75 per hour** per person for rework until your choice of options has arrived to correct the problem.

Errors in Production Documentation (missing cert, mislabeled cartons, etc.) – Any shipment that arrives without required documentation or with incorrect information, may be refused at our option. If this refusal results in a shutdown, shutdown charges (below) will be assessed.

Shut down Costs – In the event that a Cascade Engineering press is shut down due to non-receipt of product or receipt of defective product, an hourly charge equal to the rate per hour of that press will be charged to the supplier until the press is back up and running. **Hourly press rates range from $150 per hour to $750 per hour depending on press size and labor required.**

Unless covered by the number of tryouts quoted on the tooling RFQ, the tool supplier will be responsible for additional costs associated with production downtime for the issues that are the responsibility of the supplier. The costs will be applied as stated above.

Customer Rejects – Cascade Engineering will recover all customer charges as they relate to supplier quality defects/rejects along with any charges Cascade Engineering incurs for overtime.

Premium Shipment Costs – If you incur any premium shipment costs, a copy of the invoice must be sent to Cascade Engineering, Attention Logistics Department. All premium freight costs must be tracked per Quality requirements. Please include an explanation of the expense.

Excessive Problem Solving Costs – If a supplier issue requires extended use of Cascade Engineering salaried resources in order to close out the issue, the supplier will be notified and asked to provide on-site support for the duration of the issue or will be charged for the use of Cascade Engineering's resources. **Hourly rates for salaried and engineering resources will be charged at a rate of $75 per hour.**

Travel Costs – Travel time and expenses of Cascade Engineering employees (hourly and salaried) required for support (plant visits, customer updates necessary at the customer location, etc.) of supplier issues may be charged back to the supplier.

Other Remedies – The foregoing will not limit any of the other rights or remedies that may be available to Cascade Engineering under the parties' contract or applicable law.

Supplier Performance Measurements

Suppliers delivering/servicing production materials regularly will be measured monthly on the following criteria.

Sections	Value
Delivery	20 Points
Quality	30 Points
Disruptions	30 Points
Value	15 Points
Management System	5 Points

Delivery: Requirement: 100% on time delivery **20 points**

Dates on supplier schedules/purchase orders are "in house" dates. Suppliers may be allowed to ship up to 2 days early. This will be discussed on a per item basis. Late deliveries will be counted against the total score. (Exceptions will only be considered if arrangements are made prior to the due date and do not jeopardize our customer schedules.)

A. Quantity – Received quantity must equal Cascade Engineering order release quantity.
   a. Under shipments and late deliveries may result in a 5 point deduction
   b. Over-shipment and shipments arriving more than 2 days early may result in a 2 point deduction

B. All shipments must contain a Bill of Lading/Packing Slip. Non-conforming paperwork may result in a point deduction. All Bill of Ladings/Packing Slips must comply with the requirements listed in the *Receiving Requirements* section.

C. Premium Freight – Must be tracked and reported to Cascade Engineering. Points may be deducted if premium freight is utilized. If premium freight is caused by Cascade Engineering's actions, premium freight will be tracked, but no point deduction will follow.

Quality: Requirement: 100% quality product **30 points**

All incoming product must meet applicable specifications. "Applicable specifications" refers to the specifications that are approved during the latest PPAP. Specifications include all safety, statutory and regulatory requirements applicable. Before shipment starts, a Level 3 PPAP following the current AIAG manual must be submitted and approved for all new products unless otherwise defined by the Quality Engineer. Any changes to product must be re-submitted and approved prior to production/service changes, **including but not limited to changes in suppliers, materials, processes, tooling, inspection criteria, or manufacturing facility.** *If required, a safe launch plan may be required based on a minimum of 3 consecutive production runs with zero defects, or 5 consecutive production runs with zero defects if under 1,000 total pieces.* If any change is initiated without approval, all costs, including but not limited to rejections, warranties and sorting, will be the responsibility of the supplier. Product that is received out-of-spec will be considered late. Line accumulations will be charged back once per month or more often if needed.

Suppliers are responsible to ensure their employees are qualified to perform their assigned responsibilities/duties and provide documentation to Cascade Engineering upon request.

Defective or out of spec materials

The supplier is responsible for monitoring and managing the quality of their products.

- Cascade Engineering follows our Receiving Inspection Instruction (CE-030400-WI)
- If a supplier ships, or suspects they may have shipped, defective material to Cascade Engineering or its customers, they are required to notify Cascade Engineering immediately in writing and implement containment activities

PPM Results		
PPM =	Total Actual Verified Defective Parts / Total Number of Received Parts	X 1,000,000

Delivery PPM Performance	Point Value
0 PPMs	30 Points
1 – 125 PPMs	25 Points
126 – 249 PPMs	15 Points
250 – 1,000 PPMs	10 Points
1,001 – 2,000 PPMs	5 Points
2,001 +	0 Points

Disruptions: Requirement: No disruption costs **30 points**

Disruptions are events that affect service to Cascade Engineering's manufacturing plant or customer's plant. These types of events are listed below. The maximum point loss in this category is -30 points. All suppliers will be given 30 points to start the period. Deductions may be taken for disruptions.

Disruption Type	Point Value
Repeat delivery issue	10 Points
Repeat quality issue	10 Points
Customer claim	10 Points
Poor communication causing a disruption	10 Points
Late delivery causing CE or Customer shutdown	10 Points
Late PPAP	10 Points
CPR (Configurable Problem Report) initiated	5 Points
Late CPR response	5 Points
Missed ASN	5 Points
Documentation error	5 Points
Defective Barcode	5 Points
Supplier expense premium freight	2 Points

Deviation request	2 Points
Opening an NC (Non-conformance)	2 Points

Value: Goal: Products & Services that create a world class supply chain **15 points**

Cost Reductions	
Innovation – Cascade Engineering has a history of developing innovative products, processes and materials since 1973. We believe that innovation can come from anyone, anywhere, at any time. We encourage all of our suppliers to exchange ideas with us in an effort to provide creative solutions that ultimately deliver better product, processes or material solution at the lowest total cost. **VE/VA** – We believe that every product, process or material in use today can be improved. These improvements can be substantial or incremental but in both cases the end result is to make something better. As a current supplier to Cascade Engineering, we value your capabilities and welcome your thoughts on how we can make things better together.	
Value	**10 Points Possible**
10 is the maximum points for this section while 0 is the minimum. Points will be awarded and/or deducted as follows: • This program will begin 9/2019 and continue as a rolling 12 months. • 10 is the maximum points for this section. • Points in this section will be reviewed quarterly. • Cost savings proposals can earn up to 10 points. • Implementation of a cost increase outside of signed agreements or unrelated to market movements deducts 10 points. It will apply for 12 rolling months or until a cost savings is implemented or a savings idea is proposed. • Holding costs for 12 months earns 7 of the 10 possible points.	

DSS (Diversity/Safety/Sustainability)
Cascade Engineering is an Anti-Racist Company and strives to be a leader in diversity activities & programs internally, within our communities, and with our customers & suppliers. Cascade Engineering tracks and measures our diverse spend against our goals. Cascade Engineering also supports a Racism-Free supply chain and we ask our suppliers to do the same. Cascade Engineering values safety in everything that we do throughout our entire supply chain. Cascade Engineering focuses on sustainability as a part of everything we do. We have created a question set to learn more about what your company is doing in the areas of Diversity, Safety, and Sustainability. Points are allocated based on questions regarding your company practices or policies that have 'Approved' responses. Point valuation listed below. NOTE: This assessment may be audited at your location.

Value	5 Points Possible
0 Approved	0 Points
1 – 3 Approved	1 Point
4 – 6 Approved	2 Points
7 – 9 Approved	3 Points
10 – 13 Approved	4 Points
14 – 17 Approved	5 Points

Management Systems: 5 points

Suppliers of direct (production) materials are expected to have an effectively implemented quality system.

All direct material suppliers for automotive production shall be third party registered by an accredited third-party certification body to ISO 9001 as a minimum with the ultimate objective of becoming certified to IATF automotive standard.

All direct material suppliers for medical device production shall be third party registered by an accredited third-party certification body to ISO 9001 as a minimum with a goal of becoming certified to ISO 13485 standard.

If a supplier is not certified to the ISO 9001 certification at a minimum, then said supplier would be allowed to supply product as long as Customer specifies we use the non-certified supplier (a customer sign off acknowledging this situation would be required).

All suppliers for non-automotive production shall be third party registered by an accredited third-party certification body to ISO 9001 if required by Cascade Engineering's customer.

Exceptions must be approved by Cascade Engineering or Cascade Engineering's customer if certification is required by the customer. For distribution companies, their suppliers that provide product for Cascade Engineering must also comply with these requirements.

Cascade Engineering expects all suppliers to have a system in place for management review of Key Performance Indicators. Information regarding the performance of these indicators shall be made available to Cascade Engineering upon request.

Cascade Engineering is committed to continuous reduction of negative impacts on the environment by utilizing an Environmental Management System. The support of suppliers throughout the supply chain is needed to meet this commitment. The point system is listed below.

Quality Management System	**4 Points Possible**
Registered to IATF 16949 or ISO 13485	4 Points
Registered to ISO 9001	3 Points
Not Registered	0 Points
Environmental Management System	**1 Point Possible**
Registered to ISO 14001	1 Point
Not Registered	0 Points

Maximum points available in this section are 5 points. If you are IATF 16949 or ISO 13485 and ISO 9001 certified, you would receive 4 points. NOTE: Your Registrar must be recognized by IATF (International Automotive Task Force) for IATF certifications and recognized by GACI (Global Accreditation Cooperation Incorporated) for ISO certifications.

In the event of revocation of registration, Cascade Engineering must be notified within 48 hours. Submittal of new registration upon expiration of current is the supplier's responsibility.

Cascade Engineering reserves the right to perform a Supplier Audit (FOCSUPDEVWI-0038). An audit may be used for supplier risk assessment, supplier monitoring, supplier QMS development, product audit, or process audits. A 2nd Party audit may be conducted as a result of a corrective action. The audit scope will be defined and provided to the auditee prior to the audit.

Cascade Engineering Supplier Rating

SUPPLIER PERFORMANCE RATING

Point Range	Classification	Comments
95 – 100	Preferred	These suppliers will be first in line for new business opportunities in their commodity.
80 – 94	Acceptable	While this rating is acceptable, suppliers should have a goal to improve and grow into the preferred supplier category.
70 – 79	Substandard	If this rating is achieved for 3 or more consecutive months, Supply Management will issue a formal corrective action and may meet with supplier's executive management.
0 – 69	Probationary	If this rating is achieved for 6 or more consecutive months, Supply Management will take one or more of the following actions: - Formal corrective action to address system failures - Schedule an on-site audit - Begin de-sourcing process

Suppliers who fall below 70 points for six consecutive months may be de-sourced. The commodity manager will consider the following when making a determination to de-source.

- Customer-directed supplier
- Remaining life of program
- Level of difficulty in changing the supplier
- Sole source of product
- Total cost to change suppliers

QMS Classification Rating

QMS Classification Model			
Each supplier will have a QMS classification level based on their certification. The target level for each supplier will be the next higher classification OR better with the ultimate goal of achieving IATF16949 certification. All suppliers will begin with level green within their classification. Minimum acceptable level for suppliers in any classification is green. Suppliers in this category are considered low risk. Suppliers in this category are considered moderate risk. Suppliers in this category are considered high risk.			
Classification	**Category**		
A	IATF / ISO13485 Certified	Supplier Performance score is 80 or better Supplier Performance score is below 80 for 3 consecutive months Supplier Performance score is 79 or below for 6 consecutive months	Suppliers in this category need to target remaining IATF certified w/acceptable or preferred supplier performance ratings.
B	ISO Certified w/compliance to IATF / ISO13485 through second-party audits	Supplier Performance score is 80 or better Supplier Performance score is below 80 for 3 consecutive months Supplier Performance score is 79 or below for 6 consecutive months	Target for suppliers in this classification is Classification A with 80 or better performance scores.
C	ISO Certified w/compliance to MAQMSR	Supplier Performance score is 80 or better Supplier Performance score is below 80 for 3 consecutive months Supplier Performance score is 79 or below for 6 consecutive months	Target for suppliers in this classification is Classification A or B with 80 or better performance scores.
D	ISO Certified	Supplier Performance score is 80 or better Supplier Performance score is below 80 for 3 consecutive months Supplier Performance score is 79 or below for 6 consecutive months	Target for suppliers in this classification is Classification A, B or C with 80 or better performance scores.
E	Non-Certified Suppliers	Supplier Performance score is 80 or better Supplier Performance score is below 80 for 3 consecutive months Supplier Performance score is 79 or below for 6 consecutive months	Target for suppliers in this classification is A, B, C, or D with 80 or better performance scores. If customer requires certification, written approval must be obtained to source to non-certified suppliers.

SUPPLIER RISK RATING

Risk Assessment Outline	
Each supplier will be assessed risk based on the following categories. Final score will determine if an audit is required.	
Categories Scored	**Possible Category Points**
Certification ISO9001 / IATF16949 / ISO13485 / None	5
Technical Assistance on Staff, Contracted or N/A	2
Safety/Statutory/Regulatory Requirements required apply to product produced Supplier needs to show evidence of compliance and monitoring	5
Limited Sources Supplying within the Industry	3
New Technology	5
New Supplier to Cascade Engineering	5
New Location or Site	5
Supplier's Performance Score above 80	5
Tooling Condition Risk Any tools with known condition issues will be considered higher risk	5
Supplier Financial Stability	10
Supplier Provided Scorecards Suppliers new to Cascade Engineering will be asked to supply current Scorecards showing delivery and quality performance metrics	5
History of Poor Quality	10
History of Causing Customer Concern	10
History of Causing Field Action	10
Supplier's Self Survey Score	5
Known/documented regulatory issues, fines, legal actions or compliance failures	10

Supplier Manual Revisions

Rev	Date	Description of Changes
FoC 9	08-18-2021	Updates made to the following sections: • Supplier Qualifications • Business Award Process • Product Safety, Statutory, and Regulatory Requirements (added) • Special Processes • Customer Owned Tooling (added) • Customer Specific Requirements (added) • Supplier Performance Measurements • Cascade Engineering FoC Supplier Rating (added QMS & Risk Rating)
FoC 10	08-30-2021	Supplier Process Validation Responsibility section added
FoC 11	09-24-2021	Comments added after Table of Contents and before Supplier Qualification section
FoC 12	01-04-2022	Update to Supplier Performance Rating comments
FoC 13	03-22-2022	Update to Customer Owned Tooling section
CE 01	04-08-2022	• Update manual to Cascade Engineering, removing FoC • Update to Certificate of Analysis section • Update to Supplier Schedules section
CE 02	07-14-2022	• Update to Business Award Process section • Update to Supplier Performance Measurements Quality section
CE 03	09-02-2022	Update to Supplier Schedules section
CE 04	09-22-2022	Update to Special Processes section
CE 05	02-20-2023	Update to Special Processes section
CE 06	06-02-2023	Added supplier portal links for customer manuals, certifications, CQI requirements, and corrective actions. Submission of certifications / CQI documentation via the supplier portal beginning 9/1. Releases sent in excel. Added Supplier Contact (Supplier Portal) section.
CE 07	10-10-2023	Updates made to the following sections: • Supplier Contacts (Supplier Portal) • Certificate of Analysis • Special Processes • Supplier Performance Measurements - Disruption Type added • Supplier Performance DSS point value updated
CE 08	10-10-2023	Added Traceability section
CE 09	07-02-2024	Added communications will be in English

CE 10	09-13-2024	Updates made to the following sections: • Business Award Process (added supplier readiness including AIAG APQP requirements) • Corporate Responsibility (Supplier Code of Conduct) • Supplier Contacts (Supplier Portal) • Grievance Process • Pass-Through Characteristics (PTC) (added) • Customer Specific Requirements (added sub-tier compliance and service requirements) • Supplier Performance Measurements (DSS Point Value) • Supplier Risk Rating
CE 11	03-18-2025	Update to Corporate Responsibility (Supplier Code of Conduct) section
CE 12	07-17-2025	Added Risk Mitigation section
CE 13	04-06-2026	Update to Supplier Performance Measurement – Management Systems section
CE 14	05-27-2026	Updates made to the following sections: • Supplier Qualification • Special Processes • Labeling and Bar Code Requirements (Engineering and PPAP Samples section) • Supplier Performance Measurements (Disruptions section) • Cascade Engineering Supplier Rating (Supplier Risk Rating section)
CE 15	05-28-2026	Updates made to the following sections: • Cascade Engineering Supplier Rating (QMS Classification Rating and Supplier Risk Rating sections)
CE 16	09-08-2026	Updates made to the following sections: • Supplier Qualification • Grievance Process • Supplier Shipping Policy
CE 17	10-07-2026	Update to Supplier Performance Measurements section
CE 18	10-16-2026	Update to Special Processes section