



WILBERT
plastic services

Supplier Manual

Linking Expectations with Fulfillment

The Market Place



WILBERT plastic services

Our Customers

Our Suppliers

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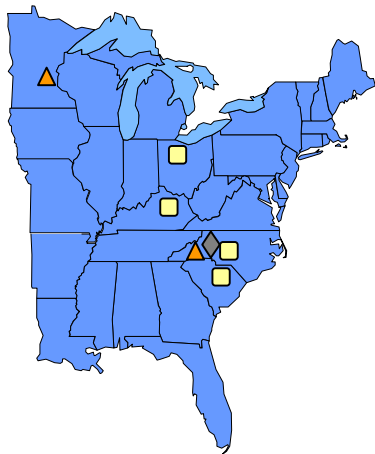
WILBERT plastic services Supplier Manual

1. Introduction

The intent of this manual is to define the requirements necessary to ensure a successful partnership between WILBERT plastic services, (WPS) and our suppliers. This manual documents the required quality standards for products and services purchased from suppliers, and outlines WPS expectations.

By conducting business with WPS, you are acknowledging adherence to this manual.

Locations



MANUFACTURING:

▲ Thermoforming:

- Belmont, NC
- White Bear Lake, MN

Injection Molding

- ● Bellevue, OH
- ● Forest City, NC
- Harrisburg, NC
- Lebanon, KY
- St Matthews, SC

- ◆ **CORPORATE OFFICE:** Charlotte, NC

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QA Director

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WILBERT plastic services Supplier Manual

2. WILBERT plastic services Guiding Principles

WPS Philosophy

WPS is dedicated to delivering defect free, competitive products and services, on time, to meet the requirements of our customers. WPS is committed to its Quality Management System, its Quality Objectives and will continually improve its effectiveness to allow WPS to be the supplier of choice in the markets we participate.

Consistent with our corporate values, WPS will treat all its suppliers and their representatives fairly and impartially.

WPS Vision Statement

To create value and integrated plastics solutions for our customers with integrity, efficiency, and a passion for service.

WPS Supply Chain Philosophy

Quality, Delivery, Service, Integrity and Value are the cornerstone criteria by which we measure our suppliers and ourselves as we strive to fulfill our customers expectations.

WPS supplier development program will actively and continuously seek out competitive suppliers to enhance our ability to manufacture more effectively and provide solutions for our customers. Suppliers who partner with WPS may expect to obtain the fiscal and planning benefits of a long-term relationship.

WPS Quality Policy

WILBERT plastic services is committed to “**Operational Superiority and Innovation**” by continually improving our processes and Quality Management System to ensure our customers receive **Quality product, On time, at a Competitive price.**

The WPS Supply Chain is responsible for all aspects of procurement, logistics, and delivery. The choice of suppliers in any of these areas may be the result of investigation and deliberation amongst various departments within WPS but all price negotiation and commitment to purchase authority rests solely with the Supply Chain department.

The management of WPS is committed to attaining the quality goals and objectives stated in this manual. It is the ultimate responsibility of supplier’s management to ensure that this vision is understood, implemented, and maintained at all levels of the organization.

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3 . General

English is the language to be used for all forms of communication, including corporate and day-to-day operations.

The requirements contained within this manual supplement the requirements found in ISO 9001 or ISO/TS 16949 and apply to all suppliers who supply Wilbert plastic services, (WPS).

3.1 Exceptions

Conformance with these requirements may only be waived in writing through the WPS Supply Chain and/or WPS Quality Assurance Management.

3.2 Required References

At times WPS facilities may reference industrial or International references that are required. These could be specifications, procedures, etc. that may have to be purchased by the supplier from third party document sources.

4 . Supplier / Customer Partnership Agreement

WPS realizes that only by developing strong relationships with our suppliers and by linking Customer Expectations with Supply Chain Fulfillment, will we be able to achieve the goal of exceeding the expectations of our internal and external customers.

4.1 Expectations of Suppliers

In an effort to establish a basis for these relationships, the following guidelines were established for our supplier.

- Embrace the concept of never ending continual improvement and zero non-conformances in all aspects of the business.
- WPS suppliers agree to take full responsibility for problems if and when they occur as a result of defective material being supplied to WPS.
- Ship product 100% on time and defect free.
- Work with and fully support WPS in our customer relationships.
- Fully comply with the requirements set forth herein and other appropriate specifications.
- React with a sense of urgency when these expectations are not met. Take immediate steps to resolve deficiencies to prevent their recurrence within time allocated by the WPS.
- Proactively communicate with WPS, especially regarding all changes including but not limited to schedules and services.
- Any sub-supplier/contractor, material substitutions, process, and/or product changes must to be approved in writing by WPS prior to change.
- Abide by all local environmental laws and regulations

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- Act in open and ethical manner, and treat WPS with trust through all communications.
- Adhere to all Local State, and Federal laws as well as all applicable employment laws.
- Support cost reduction requests.
- Provide a safe work environment.
- Maintain confidentiality of all communication and information exchanges, including but not limited to prints, specifications, samples, applications, etc.

4.2 Supplier Selection

WPS evaluates and selects new (potential) suppliers based on their ability to meet the requirements of WPS by:

- providing cost effective solutions
- superior defect free products
- expert knowledge of product and manufacturing processes
- provide responsive and proactive support
- be an industry environmental steward within their community

Each WPS facility will maintain an Approved Supplier List. No production materials, services, etc. that have a high impact to product quality, (as determined by WPS) will be purchased from a supplier unless they are on the Approved Supplier List.

WPS determines the methods for assessment and how additions are made to the Approved Supplier List. An assessment can be performed by one or more of the following:

- Submission of an ISO and/or TS16949 certification, (suppliers for automotive product must be at a minimum third party registered to ISO 9001 unless waived by the customer)
- Completion of a WPS quality survey
- An on site audit of a suppliers' QMS by a WPS representative
- Third party audit results, (i.e. from Ford, General Motors, Daimler Chrysler, BMW, Mercedes)
- Customer directed supplier, (a supplier that is designated by the customer)
- Previously grandfathered based on past history (prior to 12/31/09)

To become an approved supplier the supplier must first exhibit proof of a functioning Quality Management System, (QMS) that gives the assurance of a commitment to quality and to continuing improvement. The supplier's Quality Manual (policies and procedures) shall be available for WPS to review upon request.

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4.3 Price, Terms and Conditions

Price:

- Any increases to the prices will be effective 30 days after the later of the effective date of the increase and the date written notice is provided to WPS.
- The supplier agrees to provide WPS full price lists at least two weeks prior to the effective date of a price increase pursuant to this agreement. The price increase will not be implemented until such time.

Terms:

- Payment is per agreement with WPS.

4.4 Non-Conforming Product

When a non-conformance is detected at the suppliers' location, the supplier must determine the extent of the problem and take prompt action to correct the condition while preventing shipment of any non-conforming product to WPS.

The Supplier must immediately notify WPS of any suspect quality problems in transit or already released to a WPS facility.

4.5 Discrepant Material Reports (DMR)

DMR's are broken down into three distinct categories:

Accumulated DMR	\$100.00 + cost of defective product
Full Shipment DMR	\$200.00 + cost of defective product
Full Shipment DMR + Sort	\$750.00 + cost of defective product

- **Accumulated DMR**
 - These are supplier products that fail in to small quantities, oftentimes over several days or weeks for a given lot
 - In the case of raw sheet, the accumulated DMR's are referred to as "Non - DMR's"
- **Full shipment DMR**
 - This DMR is reserved for supplier product that is identified as nonconforming for an entire shipment but without any internal sorting being performed by the plant
- **Full shipment DMR + Sort**
 - A DMR where, at the plant managers discretion, processing is performed that would incur a flat rate for sort, rework, or run for yield

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4.6 Supplier Chargeback Guidelines (Quality)

Receipt of non-conforming material/product at WPS may result in a chargeback to the supplier on a fair and equitable basis.

- The supplier will be notified in advance of any potential charges and will be provided the opportunity to replace, sort, or rework their product to address the non-conformance. Any charges will be negotiated and agreed to by the supplier prior to a debit being processed.
 - **Note:** Chargeback may include, but not limited to, sorting product at the customers' location, sorting at WPS, sorting via third party, count discrepancies, scrap, customer chargeback (including any customer line down charges levied against WPS), product recalls, travel expenses, administration fees, shipping/handling fees (including premium shipment), DMR charges, etc
- Defective product will be debited at full manufacturing costs.
- If post receipt issues arise and result in rework costs for a WPS location, then the following will apply. As agreed to between WPS and the supplier at the time of an incident, there will be a minimum \$30.00 per man-hour charge for sort and rework time performed by the WPS facility based on complexity of the issue being resolved.
- Any and all WPS/Customer line stoppages based on both man-hour and machine idle time
- Chargeback's may be transacted as a debit against open invoices

4.7 Supplier Chargeback Guidelines (Non Quality)

Non quality related discrepancies may result in a chargeback of \$50 per occurrence to the supplier. Such discrepancies include:

- Packing slip discrepancies or no packing slip submitted with the shipment
- Incorrectly labeled containers – label vs. actual container content
- Certificate of Compliance/Analysis missing with shipment when required

4.8 Corrective Action

If a non-conformance is detected at WPS, product will be quarantined and dispositioned. After the review and disposition of the product, a formal Supplier Corrective Action Report, (SCAR) may be issued through the WPS Quality Assurance department.

- Upon receipt of the SCAR the supplier is responsible for formally responding to the SCAR within a 14 day period unless otherwise negotiated through the WPS issuing Quality Assurance department
- In all situations where there are deficiencies and/or defects the supplier is to implement immediate corrective action to contain and permanently correct the problem.

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4.9 Returned Non-Conforming Product

The supplier shall have a system of review and analysis of returned non-conforming product. The system shall allow for documentation of the findings including root cause, corrective action, and verification, and shall be made available to WPS when requested.

- **Note:** Return authorization requests are to be provided within 48 hours of the initial request. If a response is not provided by the supplier within the 48 hour period, the non-conforming material may be scrapped by WPS at the suppliers' cost.

5. Quality and Delivery Requirements

5.1 Quality Requirements

Suppliers are expected to provide products, processes and services that meet or exceed WPS quality requirements and are defect free, (0 PPM).

5.2 Delivery Requirements

It is extremely important that the Supplier adhere to the required delivery to allow WPS to provide finished product to our customers by the scheduled due date. The delivery requirements are defined as:

- 100% on time delivery defined as **0 Days Late** and **0 Days Early**
 - Product may be shipped up to 2 days early (and still qualify as being on time) with written approval through the Supply Chain department at the WPS facility issuing the purchase order.
 - Without written approval the shipment may be rejected at the WPS dock and returned to the supplier. The supplier will be responsible for the return freight.
 - Late shipments may be refused and returned to the supplier if the product is no longer required. The supplier will be responsible for the return freight.
 - Advance Shipping Notification, (ASN) is to be sent to WPS once the product is shipped from the Suppliers' facility.
 - The WPS Supply Chain department is to be notified as far in advance as possible if there is the potential of a late delivery or if an actual situation arises.
 - Any changes to the delivery requirements will be relayed to the supplier by the Supply Chain department of the WPS facility issuing the purchase order.
- **Note:** Failure to provide advance notification of a late deliver in a timely manner may result in the supplier being responsible for reimbursement to WPS for incurred costs resulting from machine downtime, expedited shipments, overtime, etc.

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6. Supplier Performance Rating

For select suppliers, WPS will maintain a supplier rating system based on quality, delivery performance, and service. The Supplier Performance Scorecard will be provided at a minimum of once per quarter.

6.1 Supplier Rating Matrix

All Suppliers other than Thermoforming Sheet Suppliers

<i>Rating</i>	<i>Quality PPM</i>	<i>Delivery PPM</i>	<i>Quote New Business</i>	<i>Penalty</i>
Preferred	0 – 100	< 1,000	Preferred	None
Acceptable	101 – 750	1,001 – 2,500	Yes	None
Marginal	751 – 2,000	2,501 – 5,000	Yes	None
Probation	> 2,000	> 5,000	No	Probation Status

Thermoforming Sheet Suppliers

<i>Rating</i>	<i>Quality PPM</i>	<i>Delivery PPM</i>	<i>Quote New Business</i>	<i>Penalty</i>
Preferred	< 5,000	< 5,000	Preferred	None
Acceptable	5,001 – 10,000	5,001 – 20,000	Yes	None
Marginal	10,001 – 40,000	20,001 – 40,000	Yes	None
Probation	> 40,000	> 40,000	No	Probation Status

- o **Note:** A deviation may be granted by WPS to a supplier with a probation status allowing them to maintain a marginal ranking in recognition of their improvement efforts, if they:
 - Show quarter over quarter improvement
 - Provide a formal agreed upon improvement plan

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6.2 Probation Status

If a supplier receives a quarterly rating of "Probation" the following actions may be initiated:

- The supplier shall be required to develop a short term corrective action plan to improve their scorecard rating
- The supplier will be ineligible to quote new business across any of the WPS facilities
- The customer may be notified of the suppliers' rating as they have a vested interest in the quality and on time delivery of raw materials and/or components being supplied
- An alternative supplier may be sourced
- Penalties assessed

Probation Rating

Fees Assessed

1st quarter with probation rating
 2nd consecutive quarter with a probation rating
 3rd consecutive quarter with a probation rating

Probation status is initiated
 1% deduction of invoices during the following quarter
 2% deduction of invoices during the following quarter

6.3 Supplier Performance Review Meeting

Suppliers who do not meet the WPS performance expectations may be required to attend an on site Supplier Performance Review meeting to identify the systemic/management issues that need to be addressed in order to provide effective closure to an issue(s). The criteria upon which a supplier may be invited to a Supplier Performance Review meeting include, but are not limited to, unsatisfactory:

- Quality PPM Performance
- Delivery Performance
- Poor Responsiveness
- Corrective Action analysis/response
- Recurring Issues
- Rejected / Late PPAP Submissions

7. Identification, Packaging, and Traceability

7.1 Identification

Each individual skid (or package on a mixed pallet) is to be clearly identified. Labels should be used that clearly identify the product and include at a minimum, the following information in a legible condition:

- Supplier Name
- Part Number
- Purchase Order No.
- Part Name or Description
- Manufacturing location (if multiple locations exist)
- Manufacturing Date or Lot #
- Quantity

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7.2 Packaging

The packaging must be of adequate strength for the weight of the product and protect it from damage during transit and storage while maintaining the integrity of the product, including but not limited to:

- Moisture
- Contamination
- Warp
- Crushing

7.3 Traceability

Suppliers shall establish and maintain a system to provide full traceability and identification for their final product, as well as through all stations of their production and delivery. All materials must be capable of being traced to the original material from which the product was produced.

8. Certifications & Color

8.1 Certifications

Certification of compliance is required for all plastic sheet, resin, hardware/components, paint, and outside process. The specific requirements are indicated in the following matrix.

Additional certificates of compliance and/or analysis may be requested on an as needed basis through the WPS Supply Chain or Quality Assurance department.

- Unless otherwise approved by the WPS Quality Assurance and Supply Chain departments, the required certification is to be provided at the time the ASN is sent.

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8.2 Color

The supplier shall provide a color and gloss match to the WPS supplied master color chip to obtain color approval prior to the first production order. For subsequent shipments, spectrophotometer readings shall be sent with each shipment as required by the WPS facility Quality Assurance department. Unless otherwise specified in writing, the L*a*b* color space shall be used with standard tolerances of $\Delta L \pm 0.75$, $\Delta a \pm 0.5$, $\Delta b \pm 0.5$, and $\Delta E \pm 1.0$.

- **Note:** Formed product is to have a maximum ΔE of 1.5 **after forming** unless approved in writing through the Quality Assurance Manager of the WPS facility placing the PO.

Requirements for Certificates of Compliance

Requirements	Plastic Sheet	Resin	Hardware/ Components	Paint
PO #	X	X	X	X
Part #	X	X	X	X
Revision level	X	N/A	X	X
Product Description	X	X	X	X
Quantity	X	X	X	X
Lot / Batch #	X	X	X	X
Date of manufacture	X	X	X	X
Moisture content (30 day warranty)	1	N/A	N/A	N/A
Thickness/ Gauge w Tolerance	X	N/A	N/A	N/A
Length x Width	X	N/A	N/A	N/A
Weight	X	N/A	N/A	N/A
Gloss	X	N/A	N/A	X
Squareness	X	N/A	N/A	N/A
Flatness	X	N/A	N/A	N/A
Orientation	X	N/A	N/A	N/A
Extrusion Direction	X	N/A	N/A	N/A
Impact Test	X	N/A	N/A	N/A
Max Regrind - %	X	N/A	N/A	N/A
Melt index	2	X	N/A	N/A
Color (ΔE)	2	N/A	N/A	X
Statement of conformance	X	X	X	X

1 – Where required by WPS for hydroscopic material

2 - If required per WPS Extruded Sheet/Purchased Goods Specification, Color ΔE not required for utility grade material

X – Required

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9 . Deviation

In the event that the product deviates from stated requirements, the supplier is required to provide a written request for temporary deviation before the product is shipped. The written request is to be submitted to WPS Supply Chain / Quality Assurance department of the WPS facility issuing the purchase order for approval.

If approval is granted, the appropriate WPS Quality Assurance manager will provide written approval of the temporary deviation. If approval is not granted, the supplier must initiate their internal nonconformance procedures to ensure that the product is not released.

- o **Note:** The supplier may be required to provide formal corrective action outlining the steps that have been taken to prevent a reoccurrence of the problem.

10 . Continuous Improvement

The supplier shall develop an internal annual improvement plan, approved by the suppliers' upper management, which establishes improvement goals, implementation dates and responsible personnel.

10.1 Cost Reduction

Suppliers are expected to reduce costs annually. WPS will work proactively with its supply base to support cost reduction implementation, but expects the suppliers to take the initiative in establishing projects that will generate cost savings. Suppliers will be expected to participate in formal cost reduction reviews as required by WPS upper management. Areas for cost reductions may include, but not limited to:

- Manufacturing costs
- Quality costs
- Delivery costs
- Purchasing costs
- Overhead costs

- o **Note:** Supplier cost reduction goals will be established through the WPS Supply Chain on an annual basis.

All cost reduction activities put forth by the supplier are to be in writing and submitted through the Supply Chain department for internal review and approval. This will also ensure that the supplier receives accreditation for their cost reduction activities.

11 . Sample Submission, Notification, & PPAP Requirements

Sample submissions, if required, will be requested through a purchase order.

The purpose of initial samples is to confirm that all drawing and specification requirements are met, and that the processes are capable of producing the product to specification. The initial samples must be approved in writing prior to volume shipments of production products.

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Suppliers may be required to furnish a minimum of 3 representative samples from production with inspection test reports in advance of first production shipments under the following conditions:

- Initial submission
 - Item form, fit, or function
 - Engineering changes
 - Composition of product
 - Manufacturing processes
 - Replacement or refurbished tooling
 - Change in material or components
 - Change in sub-contractor or material source
 - Contract processing or testing
 - Test methods
 - Finished product labeling
 - Site of Manufacturer
 - Change in equipment or new equipment
- **Note:** Material Safety Data Sheets, (MSDS) are to be supplied where applicable or as requested.

For Automotive, Heavy Truck and select products as defined by WPS, the supplier will be required to utilize the process and forms referenced in the most current AIAG (Automotive Industry Action Group) manuals to demonstrate product and process conformance to product specifications.

In such situations the supplier will be notified in writing and required to provide a level 3 PPAP, (Production Part Approval Process) submission for approval prior to shipment of production product.

The PPAP documentation is to include a dimensional study to demonstrate that a process capability for identified critical / key characteristics is capable of achieving a Cpk of **1.67** or better.

The supplier is expected to perform a capacity study and where required a Run @ Rate based on production requirements plus 10% increase in volume to ensure that their production output will meet the order requirements of WPS. WPS is to be notified of any potential problems / constraints.

Any samples being submitted are to be clearly identified with the following information:

- Name of the sample recipient
- Purchase Order No.
- Part Number
- Manufacturing Date or Lot #
- Quantity

12. Advanced Quality Planning (APQP)

Suppliers are expected to utilize a multidisciplinary team approach when preparing for production of a new product for WPS. This team approach should include:

- Development of Process Flows, Control Plans, & Production FMEA's
- Monitoring of Special Characteristics
- Mistake Proofing
- Actions to reduce potential failure modes

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1 3 . Supplier Development

WPS will be afforded the right to assist the supplier in development of their systems and/or processes when:

- The performance level of the supplier falls below an expected level
- The supplier requests assistance in the development of systems
- Supplier requirements are not being met

Whenever WPS deems it necessary to develop a supplier, an action plan is initiated by the appropriate WPS location and is communicated to the supplier. The supplier is responsible for providing the necessary resources for successful completion of the action plan.

1 4 . Safety, Environment, and Hazardous Materials

WPS suppliers should ensure that all production and manufacturing processes are carried out in conditions that have proper and adequate considerations for the health and safety of those involved. WPS will not do business with any supplier that provides an unhealthy or hazardous work environment, or which utilizes mental or physical disciplinary practices.

Suppliers are to ensure that all materials and products being supplied to WPS satisfy current government and safety constraints on restricted, toxic, environmental, and hazardous materials. All items must be RoHS compliant. Any special requirements will be defined in the WPS purchase order or contract documentation.

Material Safety Data Sheets, (MSDS) must accompany all initial shipments of any materials, which contain toxic and/or hazardous materials and are to be routinely updated. All containers of hazardous products must be clearly labeled.

Hazardous chemicals are defined as any element, chemical compound or mixture of elements and/or compounds that may pose a health or physical hazard.

1 5 . Contingency Plan

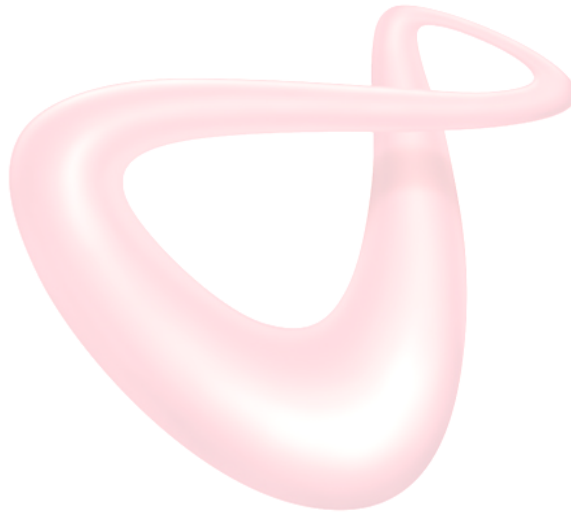
WPS requires suppliers to establish contingency plans to prevent failure of the supplier to deliver product within the terms of the contract / purchase order / release in the event of an emergency such as utility interruptions, labor shortages, key equipment failure, and field returns. WPS reserves the right to review the supplier's contingency plan.

If WPS and/or its customer's production is interrupted by the failure of the supplier to deliver scheduled product within agreed to terms, all costs and/or penalties that are incurred by WPS and/or our customers will be the sole responsibility of the supplier.

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16. Confidentiality

Suppliers shall not disclose to others or use for its own purposes any trade secrets, confidential information, knowledge, designs, data, skills, or any other information derived by doing business with WPS. All communications, documents, and specifications from WPS are considered confidential.



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