



# Business Requirements Manual

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Requirements and Expectations for Doing Business with Us

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**Bamal Fastener Corporation and Affiliated Companies**

*Rev. October 8, 2018*

Contained within this manual are the requirements to conduct business with Bamal Fastener Corporation. By working together with our Suppliers and following the contents of this manual, we can drive cost and waste out of the supply chain resulting in improved products and increased levels of service and customer satisfaction.

## **Supplier Business Requirements**

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Documents mentioned in this manual may be found on our website:

- Purchase Order Terms and Conditions
- PPAP Requirements
- ISIR Requirements
- Supplier Manual Acknowledgement Form
- 8D Form for Problem Solving

## Supplier Business Requirements

### Introduction

Founded in 1953, Bamal Fastener Corporation is a privately held distributor of standard and special fastening systems and other C-class items. By providing customized supply-chain and materials-management solutions that focus on total cost reduction, the company has evolved from a small storefront in Detroit, MI to an industry leading, international organization.

For over 59 years, Bamal Fastener has supported production, aftermarket and MRO requirements for world-class clients in the automotive, heavy truck, military, appliance, durable goods, commercial and industrial markets. From simple dock-to-stock programs to line-side delivery VMI service, our focus on quality and customer service combine to create a truly unique supply experience.

Bamal Fastener Corporation is certified to ISO9001:2015 and is headquartered in Charlotte, NC. The company and its affiliates are strategically located to serve its customers and operate facilities throughout the United States and Mexico.

We look forward to working with you!

### Purpose of this Manual

The purpose of this manual is to define the quality requirements for doing business with Bamal Fastener Corporation. By working as a team and actively participating in Advanced Product Quality Planning, we can drive unnecessary cost and waste out of the supply chain and improve our products and services, resulting in increased levels of customer satisfaction. This manual is not intended to create more work for the Supplier, it is intended to standardize and streamline the processes through which business is conducted. This will result in easier implementation of change and new business, and reduce the amount of confusion and communication with qualification and operational requirements.

#### **Bamal Fastener Corporation and Affiliated Companies' Quality Policy:**

*"Bamal Fastener Corporation strives to be a world leader in the fasteners business by exceeding the expectations of our internal and external customers and continuous improvement of the quality management system."*

### Scope

The contents of this manual apply to all Suppliers of production components, finished goods, outside processing or processing aids used in the manufacturing of parts supplied to Bamal Fastener Corporation. If you have any questions about the applicability of this manual to the goods you supply to Bamal Fastener Corporation, please contact your purchasing representative for clarification.

### Responsibility of Supplier

Bamal Fastener requires its Suppliers to review, understand and follow the requirements outlined in this manual. If the Supplier has any questions or concerns arising from this manual, they are to immediately contact their purchasing or quality representative at Bamal for clarification. Suppliers to Bamal Fastener are required to return a signed copy of the Business Manual Acknowledgment Form to Bamal purchasing or quality representatives upon request.

## Supplier Business Requirements

### I. Doing Business with Bamal

- A. Code of Conduct
1. Bamal Fastener expects its Suppliers to uphold standards and practices that are consistent with our company's values. All Suppliers are expected to follow local and federal laws\*\*\*, support a fair and tolerant workplace, and adhere to internationally accepted standards for fair and safe labor.
- B. Business Practices
1. All business awarded by Bamal Fastener is based on best cost of ownership with a consideration to quality systems and capabilities, past delivery performance, current capabilities, and the strength of our current relationship with the Supplier.
  2. Bamal Fastener Corporation considers any discussions pertaining to current or prospective business as confidential, and it is expected that the Supplier do the same.
- C. Business Hold
1. Bamal may place a Supplier on hold and/or initiate re-sourcing activities for any of (but not limited to) the following reasons:

- Poor Quality Performance
  - Lack of resolution, repeated incidences, failure to adhere to this manual, etc
- Poor Delivery Performance
  - Consistent over or under shipments, late shipments, excessively early shipments, etc
- Unethical or unprofessional business conduct
  - Trading confidential information, "selling direct" to Bamal customers without permission, forging quality documents, attempting to bribe Bamal employees, etc

- D. Requests For Quotes (RFQ)
1. Suppliers are expected to respond to RFQ's in a timely manner.
    - a) Quotes of 0-20 items are due back within 5 business days
    - b) Quotes of 20-50 items are due back within 7 business days
    - c) Quotes of 50 or more items are due back within 10 business days
- E. Purchase Orders and Invoicing
1. All Bamal Fastener purchase orders and Supplier invoices are subject to the standard Purchase Order Terms and Conditions, which are available for download from our website [www.bamal.com](http://www.bamal.com)
  2. Bamal requires its Suppliers that operate on a surcharge program to provide a copy of the invoice to the appropriate buyer for the items prior to shipment of any order. The amount of the surcharge must be included on that invoice. Details as to how the surcharge is calculated must be shown on the invoice. Failure to send the invoice prior to the shipment, or sending a separate invoice for surcharges, may result in a delay in payment or possibly non-payment.
- F. Pricing
1. Unless otherwise directed, Suppliers in North America shall provide pricing FOB their facility. International Suppliers shall provide pricing FCA Shipping Port (as specified) unless otherwise directed.
  2. Suppliers to Bamal are required to provide, at minimum, 60 days' notice of any price changes. Price changes inside of this 60 day window will not be accepted and may result in the cancellation of current and future purchase orders. Suppliers understand that any price increase will result in a thorough market test of the item affected, and possibly all items that Bamal purchases from the Supplier. Bamal may or may not provide "last look" on pricing prior to proceeding with any re-sourcing activities.
- G. Payment Terms

## **Supplier Business Requirements**

1. Standard payment terms for domestic Suppliers to Bamal Fastener are NET 60. Suppliers understand that they will be given preferential treatment if they can exceed these payment terms.
  2. Standard payment terms for overseas Suppliers to Bamal Fastener are NET 60 days from receipt of shipment at Bamal's warehouse. This is to allow Bamal ample time to inspect product and ensure that it meets or exceeds customer blueprint requirements. Suppliers understand that they will be given preferential treatment if they can exceed these payment terms.
- H. Substance Reporting Requirements
1. At times, Bamal Fastener Corporation may require its Suppliers to provide information pertaining to raw materials and raw material Suppliers. Upon request, Suppliers will be expected to supply this information as expeditiously as possible or as otherwise directed. This information includes, but is not limited to, the following:
    - a) Conflict Minerals
    - b) REACH
    - c) ROHS

## **II. Supplier Selection**

- A. Criteria
1. Bamal Fastener selects Suppliers based on their financial health, business practices, cost, payment terms, quality, manufacturing and design support, as well as the strength and history of the Supplier's relationship with Bamal.
- B. Supplier Surveys
1. Upon request, Suppliers are required to complete a management and quality self-assessment survey using the provided Bamal forms. Once completed, Bamal may elect to perform an on-site audit of the Supplier to verify or adjust scoring on the survey. It is important that the Supplier understands that they should be as accurate as possible in scoring itself so that both Bamal and the Supplier are aware of the strengths the Supplier possesses as well as target areas for improvement.
- C. Non-Disclosure Agreements
1. Upon request, Suppliers are required to sign and return a copy of the Bamal Fastener standard Non-Disclosure Agreement (NDA). Suppliers may be excluded from participating in quotes prior to receipt of a signed copy of this document by Bamal.

## **III. Quality System Requirements**

- A. Accreditation
1. Suppliers are expected to be certified by an accredited third party registrar or certification body to a globally recognized quality standard such as ISO9001:2015 or IATF16949. Suppliers are required to provide a copy of their certificate upon request, and any change in registration or approval status must be communicated to Bamal Fastener Corporation in a timely manner (including renewals).
  2. If the Supplier is not IATF16949 certified, then consideration for automotive work will typically not be granted. The only exceptions to this rule will be those Suppliers approved by Bamal Fastener management.
- B. Quality Planning

### Supplier Business Requirements

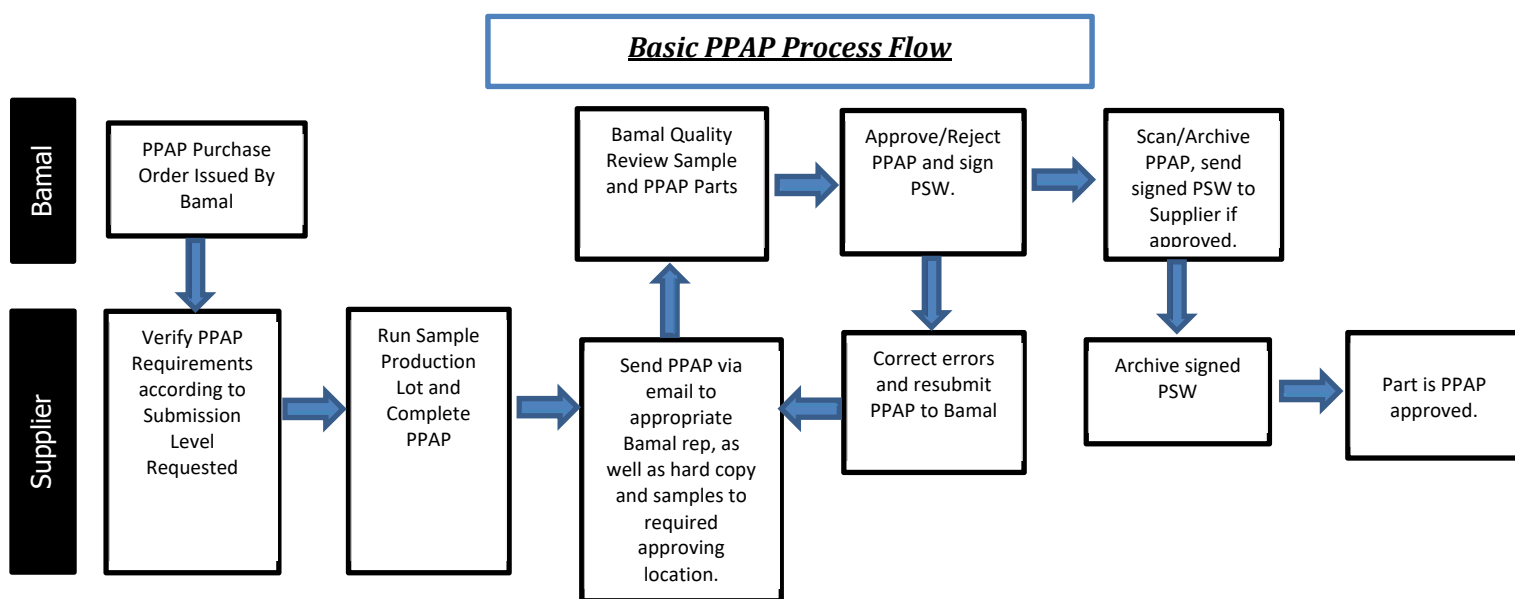
1. Suppliers are expected to follow an Advanced Product Quality Planning (APQP) system. The goal of the system to ensure that the mass production of items supplied to Bamal is consistently high in quality. Suppliers shall frequently monitor trends in their performance to identify opportunities for continuous improvement projects.
  2. Suppliers are expected to maintain a PPM level of 200 or better unless previously agreed upon in writing between Bamal (or its affiliates) and the Supplier.
- C. Record Maintenance
1. Suppliers are required to maintain quality records for products supplied to Bamal for a minimum of 5 years. PPAP records must be maintained for the duration of supply plus 2 years. Records for any item identified as being safety related or critical on the drawing must be maintained for a minimum of 10 years.
- D. Lot Traceability
1. All parts supplied to Bamal Fastener must be lot traceable back to raw material lot numbers. Manufacturing records must include details of the equipment, maintenance performed, operators, and any changes that may have taken place that could have affected product performance.

### IV. Part Qualification

There are three basic part submission rules that Bamal Fastener will specify at the time of the RFQ, and will be confirmed on the purchase order:

- Production Part Approval Process (PPAP)
- Initial Sample Inspection Report (ISIR)
- Standard Commercial Item (SCI)

#### A. Production Part Approval Process (PPAP)



## Supplier Business Requirements

1. When requested with the RFQ and/or required on the purchase order, Bamal Fastener will require PPAP submission and approval prior to accepting mass production. The approval process and documentation will be in accordance with the latest revision of the AIAG PPAP standard. Unless otherwise agreed upon in writing, a Level 3 submission is the default submission level.
  2. The required elements of a Level 3 PPAP submission are located on our website ([www.bamal.com](http://www.bamal.com)) under the Supplier Requirements tab in the Quality section.
  3. IMDS is required to be submitted electronically with all Level 3 PPAPs to Bamal on the International Material Data System ([www.mdsystem.com](http://www.mdsystem.com)) under account #83380.
  4. All criteria identified on blueprint drawings to be Safety Related or Quality Critical must have 30 piece capability studies performed showing a CPk value greater than 1.67. The capability study form is available from Bamal purchasing and quality personnel upon request if you do not have one. There are no exceptions to this rule.
  5. Suppliers that have in-house heat treat, plating or other coating processes must complete the appropriate AIAG self-surveys as listed below. If the Supplier outsources these processes, then they are responsible for having their sub-contractors complete the self-surveys and keeping them on record. Copies of these documents must be made available to Bamal Fastener upon request.
    - a) Heat Treat – CQI-9
    - b) Plating – CQI-11
    - c) Coating – CQI-12
  6. Any PPAP charges quoted by Supplier and billed to Bamal will be payable upon approval of the PPAP by Bamal Fastener's quality department. No exceptions to this rule will be made.
  7. Any parts submitted to Bamal Fastener for PPAP approval shall be packaged appropriately with the corresponding PPAP documentation and labeled CLEARLY with the PPAP label available on our website, printed on ORANGE or YELLOW paper. This is required to prevent the introduction of pre-production parts into the general population of parts.
  8. The Supplier understands that issuance of any purchase order with PPAP requirements in no way authorizes the Supplier to run mass production lots. Bamal will not be responsible in any way for production lots of parts that have been produced prior to PPAP approval and explicit authorization from Bamal to proceed with mass production.
  9. Annual Re-validation of PPAP
    - a) Many of Bamal's customers require annual re-validation of PPAP. As a result of this, Bamal requires its Suppliers to maintain updated PPAP documents on file and provide them within 48 hours of a request for such documents. The provision of these documents to Bamal will be at no charge.
- B. Initial Sample Inspection Report (ISIR)
1. When required in the RFQ package or on the purchase order, Bamal Fastener may require an ISIR. The required ISIR documentation is as follows:
    - a) A full dimensional on 5 samples, samples are to be included with the submission.
    - b) A ballooned drawing
    - c) Material certifications
    - d) Heat treat certifications
    - e) Plating certifications
    - f) RoHS/REACH compliance statement as applicable
    - g) Completed ISIR approval form (as found on Bamal's website [www.bamal.com](http://www.bamal.com))
  2. IMDS is only required to be submitted upon request from Bamal quality personnel. Bamal's IMDS account number is 83380 ([www.mdsystem.com](http://www.mdsystem.com))
  3. Any parts submitted to Bamal Fastener for ISIR approval shall be packaged appropriately with the corresponding ISIR documentation and labeled CLEARLY with the PPAP label available on our

## Supplier Business Requirements

website, printed on ORANGE or YELLOW paper. This is required to prevent the introduction of pre-production parts into the general population of parts.

4. Once the ISIR has been submitted and approved by, no changes to the manufacture or processing of the product are permitted without prior written consent from Bamal Fastener.

### C. Standard Commercial Item (SCI)

1. If the item being supplied will ultimately be sold to a customer with only commercial level quality requirements, it may be sold strictly as a commercial quality item. In this instance, Bamal will only require material and coating certifications. In the event that material and coating certificates are not available, then standard Certificates of Conformance may suffice. Please contact your Bamal quality or purchasing representative if you have any questions regarding this requirement.

## V. Operational Requirements

### A. Packaging Requirements

1. Parts supplied to Bamal Fastener Corporation must be packaged in industry standard size boxes (e.g. 9"x9"x6", 1/4 keg, 1/8 keg, etc). Weight per carton may be no more than 35 lbs (16kg).

2. When wood pallets are used, they must be export compliant with ISPM-15.

3. Pallet dimensions should fall within the following guidelines:

a) Maximum 40"L x 40"W x 27"H

b) Minimum 30"L x 30"W x 27"H

c) DUE TO RISK OF EXCESS CARTON DAMAGE, SKIDS MAY NOT BE DOUBLE STACKED

4. Packaging costs must be included in the piece price, unless otherwise previously agreed upon with Bamal purchasing. A copy of this authorization must be on file at Supplier's location.

5. Parts must be packaged in such a manner that neither the packaging nor the product will be damaged during shipment. Parts are required to arrive at Bamal ready for reshipment to the customer. All parts shall, at a minimum, be protected against short term corrosion products regardless of the finish specification criteria for storage of 90 days in Bamal warehouse under normal conditions. If items are damaged or lost during shipment due to poor packaging by the Supplier, this will result in a non-conformance.

6. Supplier will not be responsible for parts and/or packaging damaged during shipment due to poor handling by the carrier.

### B. Labeling Requirements

1. Parts shall be labeled in AIAG or Odette format with barcodes.

2. Many Suppliers are providing custom labeling to Bamal Fastener, and they should follow those guidelines as previously agreed upon. If there are no previously agreed upon guidelines, then the standard carton label contents shall include:

a) Bamal Part Number \*\*\*

b) Supplier Part Number

c) Legible Part Description

d) Lot Number\*\*\*

e) Carton Quantity\*\*\*

f) Carton Weight

g) Purchase Order\*\*\*

h) Supplier Name

i) Initials of Packer

j) Serial Number\*\*\*

k) Packaging or Manufacturing Date



## Supplier Business Requirements

- l) Country of Origin  
\*\*\*Barcode required\*\*\*
- 3. All shipments must include packing slips describing the shipment. These packing slips must include the following information:
  - a) Part Number
  - b) Part Description
  - c) PO Number
  - d) Lot Number(s)
  - e) Total Quantity (or quantity per lot)
  - f) Total weight of the shipment
  - g) Total carton count of the shipment
  - h) Date of the shipment
  - i) Carrier and tracking information
- 4. Shipments may be subject to the following administrative charges if any of the following occur:
  - a) Shipment arrives with incorrect/no labels or incorrect/no packing slip - \$100.00
  - b) Part needs to be relabeled, or repacked due to damage during shipment caused by poor packaging at Supplier- \$25.00 plus \$1.00 per carton.
- C. Routing Instructions
  - 1. Routing instructions are location specific. Please contact your Bamal purchasing representative for instruction.

## VI. Change Management

- A. Notification
  - 1. Any changes to products or manufacturing processes supplied under PPAP or ISIR approval that are initiated by the Supplier require notification in writing 90 days prior to implementation of the change. This requirement is to allow Bamal and the Supplier ample time to complete qualification for the change according to Bamal's or the end-user's requirements.
- B. Types of Change that require notification to Bamal Fastener:
  - 1. Use of other manufacturing processes or raw material other than that which is approved. This includes switching sources for raw material.
  - 2. Production from new or modified tools.
  - 3. Production from tooling and equipment transferred to or from a different plant site.
  - 4. Production following an upgrade or rearrangement of existing tooling or equipment.
  - 5. Change of Supplier for sub-components or sub-contract process (i.e. heat treat, plating, etc)
  - 6. Use of tooling that has been inactive for a time period greater than 12 months.
  - 7. Change in testing or inspection methods.
  - 8. Any other change that could significantly affect product performance, fit, form, or function.
- C. Qualification of Change
  - 1. In general, Suppliers will be required to re-submit PPAP or ISIR on the product that any change notification pertains to. The requirements for qualification of process changes, however, are at the sole discretion of Bamal Fastener's Quality Department. Prior to receiving written approval of any change, the Supplier will be responsible for properly segregating and quarantining changed product to prevent inadvertent shipment to Bamal.
- D. Corrective Action

## Supplier Business Requirements

1. Bamal Fastener Corporation employs the 8D methodology of problem solving. If a Supplier non-conformance is identified to be repetitious or significant in nature, a Correct Action Request will be made. Suppliers are expected to be prompt and thorough in their response to CARs.
    - a) The basic CAR process is as follows:
      - (1) Non-conformance identified by Bamal and determined to warrant a CAR.
      - (2) Bamal issues CAR to Supplier
      - (3) Supplier has 24 hours to deliver containment response to Bamal.
      - (4) Supplier has 5 business days to identify root cause and provide corrective action response.
      - (5) Supplier has 25 business days to provide evidence of corrective action and its effectiveness.
    - b) Responses to the CAR are to be provided on the Bamal Fastener 8D format, which is available for download from Bamal's website [www.bamal.com](http://www.bamal.com)
- E. Chargebacks
1. Bamal Fastener reserves the right to use internal or third-party resources to sort, re-work or replace product in an effort to minimize customer down time. The cost of these activities, as well as any other costs incurred in relation to a quality issue, will be the responsibility of the Supplier. These chargebacks will be outlined in detail at the time of debit and will include supporting documentation as Bamal deems necessary. Examples of these costs include, but are not limited to:
    - a) Down time charges from the customer
    - b) Additional/premium freight
    - c) Increased inspection
    - d) Overtime
    - e) Scrap
    - f) Equipment Repair
    - g) Customer penalties
    - h) Premium and/or replacement parts
    - i) Airfare, lodging, travel expenses, subsistence, etc.
  2. Standard administrative chargeback rates:
    - a) Non-conformance/Quality Rejection - \$50.00
    - b) Corrective Action Request - \$75.00
    - c) PPAP Rejection - \$100.00
      - (1) Subsequent rejections will be subject to additional fees.