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PTM Corporation Supplier Quality Manual





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1.0 Introduction

This manual is furnished to communicate the requirements of being a PTM Corporation supplier. Any additional plant or specific regional requirements will be communicated to the supplier by their respective customer facility.

Additions and revisions to this manual will be forwarded to suppliers of record as they occur.

Sign and return the acknowledgement receipt of the PTM Corporation Supplier Quality Manual to the Purchasing Manager. Attached to this document.

The guidelines described in this manual apply to all PTM Corporation suppliers of prototype parts, production and serviced components, as well as suppliers furnishing materials, equipment and services.

2.0 Code of Ethics

PTM Corporation and its employees are not to receive any gifts, gratuity, or benefits from our suppliers beyond normal business practices or local customs and are not to exceed \$35 USD of value. At no time can any employee except cash.

3.0 Quality System Requirements

Suppliers and sub-suppliers must operate to one of the automotive quality systems (either TS16949 or ISO 9001:2000). At a minimum supplier must be registered to ISO9001:2000. Preference will be given to suppliers that are currently registered to TS16949:2002.

4.0 Environmental Policy

PTM Corporation is involved in meeting today's environmental standards. PTM Corporation promotes suppliers to be compliant with ISO14001 standards. Preference will be given to suppliers that are registered to ISO14001.

5.0 PTM Corporation Access to Supplier Facility

The supplier must allow PTM Corporation and our customers' on-site review during normal business hours of all processes, including those of sub-suppliers and sub-contractors as specified within the terms and conditions of the purchase order with a minimum of 24 hours notice. (See Survey exhibit A Attached.)



6.0 Quality Performance

All material, components, parts and services furnished to PTM Corporation are required to meet and maintain zero defects. Supplier will be rated on PPMs, rejections, on-time delivery, and responsiveness. If defects or nonconforming material is/are found, the supplier's willingness to work with expedience to rectify the concern with our PTM representative will be taken into consideration when reviewing PTM Corporation's approved suppliers.

7.0 Delivery Requirements

All suppliers are required to meet 100% on-time delivery, including quantity and timing requirements by the PTM Corporation facility. Default requirements are 1 day early and 0 days late. If the supplier fails to meet these requirements the supplier will be responsible for any premium freight as well as downtime at PTM Corporation and/or our customers.

8.0 Corrective Action Requirements for Suppliers

PTM Corporation will notify supplier of problems regarding quality, deliveries, packaging, and services in writing. Initial response is not to exceed 24 hours. This initial response will include, at a minimum:

- Utilization of the 8D format
- The problem description
- Containment actions taken or in-process. Sorting on-site at PTM Corporation facility by the supplier or a third party company and/or replace with properly identified certified material to meet the production need of the affected PTM Corporation plants. Supplier has the right to determine how defective product will be returned.
- Containment of all in transit material
- Desired disposition of affected material at all PTM Corporation locations.
- Probable or determined root cause

Failure to respond to a corrective action could result in supplier audit on site.

The completion of the final corrective action report will be furnished to PTM Corporation within 14 days of the initial request. The final corrective action report should include all documentation of problem solving tools used, including updated FMEA's and Control Plans. Within the corrective action evidence of the effectiveness of the actions taken should include; process audits, product audits and dock audits. Depending on the extent of the corrective action taken a new PPAP may be required.

An administration fee of \$250.00 USD will be charged for each valid issue raised by PTM Corporation.



As a result of a claim by PTM Corporation's customer; PTM Corporation expects the supplier to keep PTM Corporation indemnified in full against all direct, indirect or consequential liabilities (all three of which terms include, without limitation, loss of profit, loss of business, and/or depletion of goodwill), loss, damages, injury, costs and expenses (including but not limited to; legal and other professional fees, sorting, or travel) awarded against or incurred or paid by PTM Corporation as a result of or in connection with the suppliers failure including any penalties or other costs or damages.

9.0 Advance Product Quality Planning and Control Plan

Suppliers are to utilize the AIAG "Advanced Product Quality Planning and Control Plan" reference manual to perform quality planning. Participation by the supplier may be required during PTM Corporation design, prototype, and pre-production quality planning meetings. The supplier must have available the resources necessary to carry out proper AQP activities.

10.0 PPAP

Suppliers shall fully comply with all requirements set forth in the AIAG "Production Part Approval Process" (PPAP) 4th addition reference manual and any specific requirements on the purchase order. This requirement is applicable to subcontracted material and services.

PTM Corporation reserves the right to request inclusion of the sub supplier's PPAP within the suppliers PPAP submission.

The PPAP submission package can be emailed, faxed or shipped to your PPAP contacts information. All sample part containers shall be clearly labeled as "PPAP parts" as defined by the receiving plant.

Any modifications after PPAP to part, process or facility must be communicated and approved by PTM Corporation prior to commencement of activity. The activity must include resubmission of PPAP.

Failure to follow the PPAP requirements for PPAP submittal will render the supplier responsible for all associated costs incurred by PTM Corporation and our customers.

Environmental compliance requirements (IMDS, RSMS, EVL...) registration is required by the PPAP submission and must be included with the PPAP package for approval.

Dependant upon regional requirements certificate of origin documentation may be required as a component of PPAP submission.

Annual PPAP revalidation is to be submitted to PTM Corporation 24 hours before the annual due date for accurate review.

All PPAP submissions are defaulted to Level 3 unless otherwise specified in writing.



Heat Treat and Plating Suppliers are required to send CQI-9 Heat Treat System Assessment. Also needed CQI-11 self-assessment for plating and CQI-12 for coating These will need to be updated annually.

11.0 Statistical Process Control

Evidence of control and on-going capability as a minimum, data will be required for submittal at PPAP revalidation. SPC monitoring is required where applicable for prototype, PPAP and continuous improvement monitoring. Minimum capability values are Ppk/Cpk of 2.0 for the pre-production trial runs and Ppk/Cpk 1.67 for PPAP.

Evidence of control and on-going capability may be required for submittal on a regular basis.

12.0 Tooling and Equipment

Detailed tooling and equipment drawings, including processing parameters and list of perishable tooling, must be provided for all PTM Corporation funded investments.

PTM Corporation tooling must permanently be identified and readily visible with the following information; "Property of PTM Corporation" or (PTM's Customer)"Part Number xxx". How to identify the tooling or equipment will be listed on the purchase order.

Tooling and equipment purchased by PTM Corporation must be kept in suitable condition at all times to produce product to meet all specifications. Tooling and Equipment maintenance records must be maintained and be available upon request from PTM Corporation.

The right, title and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, equipment, designs, drawings, gages, specifications, spare parts, trial parts, items owned by PTM Corporation (or by its customer) and other items furnished by PTM Corporation (or by its customer to Supplier for use in manufacturing the goods, or for which Supplier is reimbursed by PTM Corporation (or its customer), shall be and remain the property of PTM Corporation (or its customer). In the event that PTM Corporation issues a Tooling Purchase Order, all right, title, and interest in and to any part of the Tooling, including any and all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts and ancillary products, shall pass to PTM Corporation as soon as it is acquired or fabricated in accordance with a Tooling Purchase Order or other written documentation issued by PTM Corporation ("PTM Corporation-owned Tooling", together with Bailed Tools are collectively referred to herein as "Tools"). During the term of a Purchase Order, all Tools in the possession of Supplier shall be deemed to be Bailed Property and shall not be deemed to be a fixture or a part of Supplier's real property. Supplier shall bear the risk of loss of and damage to PTM Corporations property, including but not limited to any Tools.



13.0 Confidentiality

Except as necessary to perform the Purchase Order, as required by law (upon prior written notice to PTM Corporation), or with PTM Corporation's prior written consent, Supplier will, at all times, keep confidential all information, drawings, specifications and data furnished by PTM Corporation (whether in writing, electronically, orally, or visually) or derived or developed by Supplier for the purpose of performing the Purchase Order. Supplier will not divulge such confidential information, use it for its own benefit or for the benefit of any other party, copy it, or permit copies to be made. These confidentiality obligations do not apply to information lawfully known by Supplier at the time of disclosure by PTM Corporation or obtained by Supplier from a third party entitled to disclose it, or to information that becomes public knowledge other than through disclosure by Supplier.

Supplier will be requested to sign and return a PTM Corporation confidentiality agreement in order to be considered a qualified bidder. Supplier must sign and return a PTM Corporation confidentiality agreement to PTM Corporation Purchasing representative, who sent the Request for Quotation.

14.0 Electronic Data Interchange

Ability to receive and transmit 3-D modeling data with CAD format preferred (including visualizations) is required by PTM Corporation.

Production facility specific requirements for scheduling and release information may be used. These requirements will be communicated to the supplier from the appropriate facility. E-mail or Internet access is mandatory for electronic communications.

15.0 Continuous Improvement

PTM Corporation may require supplier participation in continuous improvement initiatives that may extend to cost, quality and delivery.

16.0 Service Components

PTM Corporation requires availability of components at production prices for a minimum of ten years after the current model completion or based on customer or legal requirements.

17.0 Warranty Requirements

The supplier is responsible for all liability or warranty claims and expenses generated from those claims (internal and external). The supplier must conform to all of the PTM Corporation and customers warranty requirements. The supplier is required to document all warranty concerns, conduct return analysis, testing and provide corrective actions when requested. Further clarification is identified in PTM Corporation terms and conditions of the purchase order.