



SUPPLIER

Policy Manual

DRIVING INNOVATION
EST. 1967

www.team-ind.com

105 Park Ave. NW
Bagley, MN 56621-9558

Phone: (218) 694-3550
supplychain@team-ind.com

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Supporting Documents (request most recent version of document from TEAM)	Supplier Policy Manual Reference Section
TEAM F-8.4-04 Mutual Non-Disclosure Agreement (English)	1.1
TEAM F-8.4-02 Mutual Non-Disclosure Agreement (Chinese)	1.1
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Introduction

TEAM Industries is committed to a process of continually improving all aspects of our business, including the design, manufacturing, and support of our products. This will ensure continued customer satisfaction, long-term competitiveness and growth of TEAM and its Suppliers.



Supply Chain Mission

To select Suppliers that align well with the culture of TEAM Industries and provide exceptional service, delivery, and quality components at the lowest total cost. To build Supplier relationships that most effectively fulfill our overall business needs, while maintaining professional and ethical business practices.

This document is a supplement to and does not replace or alter conditions covered by the Terms and Conditions of Purchase. Consequently, any deviation to a particular requirement stated in this document must be separately defined in the Terms and Conditions. Suppliers shall follow all statutory and regulatory requirements.

1. Supplying to TEAM

1.1 TEAM Industries Supplier Approval Process

Becoming a new Supplier to TEAM is managed by the Supply Chain Commodity Manager (CM) that is appropriate for the type of part. The path will vary by Supplier and is determined by the CM. When TEAM identifies the need for a new Supplier, research is performed to find potential Supplier(s). The bullets below are basic requirements for our approval process.

- All Suppliers are required to complete a Mutual Non-Disclosure Agreement (**TEAM F-8.4-04**). Supplier will send to the appropriate Supply Chain person (typically CM).
- Supplier self-audit (**TEAM F-8.4-01**) – The CM will determine the need for a Supplier self-audit. The self-audit is intended to provide a general understanding of the nature of the Supplier's business system and capabilities.
- On-Site Quality System Assessment (**TEAM F-8.4.2-02**) – The CM will determine the need for an on-site QSA. TEAM reserves the right to conduct systems and/or process audits at the Supplier's site or at any sub-supplier site to evaluate production and process capability of parts produced according to TEAM's requirements. Depending on the results of an audit, the Supplier or its sub-supplier may be required to establish and implement an action plan which shall be defined and agreed upon within the context of the audit.
- Supplier Minimum Process Audit – Certain processes may require additional audits to ensure Supplier is processing material in a way that is consistent with TEAM's recommendations. Necessity will be determined by CM and TEAM Metallurgical Specialist.
- The CM will determine the timing and need for Request for Quote. This is the Supplier's opportunity to bid/quote product needed by TEAM. Attention to print details is critical during RFQ response. Suppliers are required to clearly note exceptions to print requirements that ARE outside of their capabilities.
- After RFQ activity the CM will perform a review of Supplier capability, compatibility, and quote response. Upon positive review, the Supplier is required to review and acknowledge the Supplier Policy Manual.
- Supplier is added to the Approved Supplier List (ASL).
- Documents required to become and remain an approved Supplier.
 - Mutual NDA (**TEAM F-8.4-04**)
 - W-9 - Taxpayer ID Number and Certification
 - Supplier Policy Acknowledgement (page 18 of this document)
 - Risk Resiliency Index
 - Contact list
 - Part Qualification (PQR) Check Sheet (**TEAM F-8.4.1-02**)
 - Audit(s) as required by CM



1.2 Supplier Performance and Reporting

TEAM Industries monitors and measures Supplier performance monthly with a Supplier Performance Report. The CM determines which Suppliers will receive the monthly report. The Supplier must be proactive in mitigating risk and in communication with TEAM when there is a concern in any area of performance.

Supplier performance metrics will be used to determine:

- Candidates for additional business
- Need for improvements
- Need for corrective action

Supplier Performance Reports monitor the following key areas of measurement:

- Quality (PPM)
- Delivery (% on-time)
- Cost Savings Suggestions

Supplier performance parameters are based on rolling six months of data.

- **PPM Goal is 0 defects**

PPM Commodity Type Criteria Maximum	
General parts, components, machined castings, machining, and outside operations.	200
Iron Castings	4,500
Forgings	1,000
Sand and Perm-Mold Castings	9,000
Aluminum Die Castings (not machined)	5,000
Outside Operations with Cosmetic Requirements	300

- **Delivery performance goal is 100% on-time**
 - Acceptable delivery performance 98% on time and above.
 - Unacceptable delivery performance is 97% on time and lower.
 - An on-time delivery is no more than three (3) days early and zero (0) days late.
 - The due date on the PO is the date that product is due at the “Ship to” location
- **Consequences for not meeting performance criteria.**

When a Supplier falls outside of the Delivery or PPM metrics for 4 out of 6 months:

- 1st occurrence = Commodity Manager will work with Supplier to address areas of concern.
- 2nd occurrence = May impact potential for quoting new business.
- 3rd occurrence = Formal evaluation to determine if removal from ASL is needed.

At any time, the Commodity Manager has the authority to require a corrective action and/or put a Supplier on probation.

1.3 Supplier Risk Management

TEAM Suppliers must work toward a risk aware culture in their business. This allows you to have a competitive advantage and benefits both our companies. Transparency and a willingness to improve are critical when charting your risk and resiliency in the report below. Base your responses on your Company’s risk history and potential for future risk. Please note that evidence and rationale for any score may be requested for review. Based on the overall level of risk within your company, TEAM may elect to ask for a response plan. A copy of the **Risk Resiliency Index** is included in the supporting documents.



#	Supplier Resiliency Index	Score
1	Financial stability	
2	Level of collaborative dependence	
3	Delivery lead times	
4	Quality	
5	Transportation vulnerabilities	
6	Available capacities	
7	Subcontractor availability	
8	Information delays (IT/System/Telephone)	
9	Price fluctuations	
10	Natural disaster susceptibility	
11	Government/regulatory impacts	
12	Workforce availability	
13	Turnover rate	
	1-low risk, 5-high risk	Total >
Risk Levels	1 2 3 4 5	

General guideline for risk rating:

1 – Rare, lowest probability of failure occurrence, high probability of early detection, contingency unutilized.

2 – Unlikely, low probability of failure occurrence, high probability of early detection, contingency rare.

3 – Possible, moderate probability of failure occurrence, medium to high probability of early detection, contingency utilization probable.

4 – Likely, high probability of failure occurrence, medium to low probability of early detection, contingency utilized.

5 – Almost Certain, failure current/recurring, medium to low probability of early detection, contingency failure.

1.4 Supplier Code of Conduct

TEAM's Supplier Code of Conduct (**TEAM D-8.4-01**) requires Suppliers to adhere to high standards of safe working conditions, fair and respectful treatment of employees and ethical business practices.

1.5 Certificate of Insurance (COI)

TEAM Industries, Inc. requires any Supplier, Subcontractor or Contractor entering, or performing work on our premises to review a short safety orientation and have insurance coverage in case of an accident. Please have your insurance carrier provide TEAM with a current Certificate of Insurance showing the following minimum insurance requirements. Certificate of Insurance must be provided before the Supplier, Subcontractor or Contractor is allowed on the premises.

Insurance Requirements

Workers' Compensation - Statutory, Employers Liability Limits	\$1,000,000	\$1,000,000	\$1,000,000
Automobile (CSL)	\$1,000,000		
Cargo (if trucking)	\$100,000		
General Liability Including Products and Completed Operations	\$1,000,000 Each Occurrence Limit		
	\$2,000,000 General Aggregate		
Umbrella	\$2,000,000		

- TEAM Industries, Inc. must be named as Additional Insured with respect to General Liability.
- Workers' Compensation, General Liability, Automobile and Umbrella policies must include a Waiver of Subrogation in favor of TEAM Industries, Inc. All policies, except for Workers' Compensation, should include Primary & Non-Contributory coverage in favor of TEAM Industries Inc. Certificates should include a copy of the Waiver of Subrogation Additional Insured and Primary & Non-Contributory endorsements.
- 30-day notice of cancellation.
- Certificate of Insurance must state the holder as:
TEAM Industries Inc.
105 Park Ave NW
Bagley MN 56621
- Have COI sent to supplychain@team-ind.com or the above street address.



1.6 Environmental Responsibilities

TEAM manages the use of natural resources in the most effective and efficient manner to reduce environmental impacts and costs. TEAM Suppliers are required to comply with all Federal, State, and local regulations regarding the environment, and to be environmentally responsible citizens of their respective communities.

1.7 Quality Management Systems

TEAM Industries strongly encourages Suppliers to implement a documented Quality Management System such as the ISO 9001 or IATF 16949 model. The following standard information is provided for your convenience.

AIAG Publications:

<https://www.aiag.org/quality/iatf-16949-2016>
<https://www.aiag.org/quality/automotive-core-tools/ppap>
<https://www.aiag.org/quality/automotive-core-tools/APQP>
<https://www.aiag.org/quality/automotive-core-tools/FMEA>
<https://www.aiag.org/quality/automotive-core-tools/MSA>
<https://www.aiag.org/quality/automotive-core-tools/SPC>
Automotive Industry Action Group (AIAG) – <https://www.aiag.org/>
American Society for Quality (ASQ) – <https://asq.org/>

1.8 Purchase Order Terms and Conditions

Purchase Order Terms and Conditions (**TEAM D-8.4-04**) creates an agreement by both parties to meet their obligations to each other, maintain a positive relationship, and mutually benefit from every transaction we share. Each purchase order issued by TEAM references these Terms and Conditions and Suppliers are legally bound to adhere to them when a purchase order is acknowledged and/or accepted.

1.9 Electronic Drawings

It is best practice to use TEAM supplied drawings for manufacturing and inspection. If it is necessary to create new drawings to specify the requirements at each manufacturing step, to translate from one language to another, or to convert the units used (inches versus millimeters), we strongly urge Suppliers to use TEAM's original electronic drawing as the basis to reduce the possibility of errors. TEAM will provide these files at the Supplier's request.

1.10 IDEAS Program

TEAM promotes the use of TEAM's IDEAS program to encourage Supplier-initiated cost reduction and improvement suggestions. IDEAS can be submitted using (**TEAM F-1085**) Suggestion Form. IDEAS will help create an environment that promotes open communication and mutual benefit between TEAM, its Suppliers, and its customers.



2. Supplier Quality

2.1 Part Qualification Requests (PQR)

To successfully meet our customers' needs and requirements, TEAM Industries supports the PQR process. The term PQR will be used to encompass any/all part qualification processes (PPAP, ISIR, FAIR etc.).

It is the responsibility of the Supplier to satisfy the PQR requirements of TEAM Industries. TEAM identifies specific PQR requirements (i.e., sample product and documentation) as defined by TEAM Industries and its customers. TEAM plant procedures and/or work instructions will ultimately dictate the PQR requirements to the Supplier and / or Subcontractor. It is the Supplier's responsibility to obtain any relevant TEAM standards as referenced on TEAM prints and/or in PQR requirements.

Supplier PQR samples and documentation must be received and approved by TEAM Quality Department prior to shipment of new production parts. Other events requiring PQR are described in the Management of Change section or will be communicated directly.

If for any reason the Supplier is unable to ship PQR samples and/or documentation to obtain approval prior to shipment of production parts, the Supplier must contact the respective TEAM QA Department, and a deviation to ship production parts prior to PQR Approval must be granted on Deviation Form (TEAM F-8.7-01). If a supplier provides parts that are not PQR Approved and a deviation is not granted refer to section 2.5, 2.6 and 2.7 of this document.

The Supplier's contact at each of the TEAM facilities for Supplier PQR submittals is the TEAM Quality Department. All PQR samples and documentation must be shipped directly to the QA Department at the appropriate plant and will be provided at zero cost to TEAM, unless otherwise negotiated.

Advance notice of PQR shipments shall be communicated to the respective TEAM QA Personnel. If QA cannot be reached, please contact your respective TEAM Buyer. PQR shipments must include a packing slip referencing the associated Purchase Order number. Sample Parts, Documentation and the Container must be identified and tagged, clearly advertising PQR materials.

In accordance with AIAG PPAP Manual, PPAP samples must be derived at random from a significant continuous production run which entails one to eight hours of continuous production and a minimum quantity of 300 pcs produced, unless otherwise specified by the authorized TEAM representative. TEAM Purchase Order will dictate the PPAP sample quantity that must be provided from this run along with supporting documentation. These samples must be manufactured to the applicable TEAM drawings and must be produced in the intended production environment with none other than the intended production tooling, process, gauging, operators, and materials. Supplier signature of Part Submission Warrant (TEAM F-8.5.1-01) affirms this.

- Measurement results should be submitted in whichever units are used on the TEAM-supplied drawing. If the drawing is in metric units, submit the results in metric units. If the drawing is in imperial units, submit the results in imperial units.
- Submitted results, with numbered features specified, must be derived from a TEAM-supplied drawing.
- It is critical that the actual measured sample parts be sent with the corresponding measurement results.
- Electronic submission of documents is acceptable.
- The Supplier must provide a sample barcode label that meets the requirements outlined in **Section 3.3 Bar Code Labeling** to satisfy PQR for new parts and for new revision submissions.

TEAM strongly encourages suppliers to use FMEA (Failure Modes and Effects Analysis), as a quality planning and improvement tool.



2.2 Maintaining Process Control

The Supplier shall maintain process capability and performance as approved during the PQR. To accomplish this, the Supplier will ensure that the appropriate process control documents are implemented and adhered to. Manufacturing processes must be sufficiently capable as proven by process capability studies. TEAM has established a minimum sample size requirement of 32 pieces.

Suppliers should reference the **TEAM Standard 730036** Special Features & Characteristics on Engineering Drawings.

General Print Requirements (without special feature designation):

When requested, the supplier will show dimensional and tolerance capabilities to the following guidelines.

- Process Capability: $Cpk \geq 1.33$ at PPAP. *
- Process Performance: $Ppk \geq 1.33$ at PPAP.
- Cpk and Ppk values are only valid when the process has gone through the appropriate development and is a stable process with no special cause variation. If the supplier does not have the opportunity to produce enough product to establish a stable process and eliminate special cause variation, run charts must be provided with capability data.

2.3 Management of Change

When a Supplier wishes to change a product or process as established by the latest PPAP, the Supplier must notify TEAM in advance of any intended product or process changes and must receive TEAM approval prior to implementation. The appropriate methods for notification and approval are detailed in this section.

Supplier Process Change Request – SPCR (TEAM F-8.3.6-02)

TEAM Suppliers shall notify the TEAM Supplier Quality Engineering Department of any process changes, manufacturing location changes, material composition changes, tooling changes or modifications (excluding normal maintenance), sub-supplier changes, warehousing, packaging, or delivery method changes, including evaluation of potential effects on product safety. The Supplier may be responsible for resubmitting PPAP if any of the above occurs. The Supplier must submit a SPCR (**TEAM F-8.3.6-02**) to the TEAM Quality Department contact for approval prior to proceeding with any of the changes listed above. Suppliers must also make this requirement of their supply chain.

If TEAM has ordered a change, the Supplier must still submit a SPCR (**TEAM F-8.3.6-02**) to the TEAM Quality Department contact for approval prior to proceeding with implementation.

Request for Engineering Change and/or Print Changes – ECR (TEAM F-8.3.6-01)

TEAM Suppliers shall contact their TEAM Quality representative with all requests for engineering design changes and must submit an ECR (**TEAM F-8.3.6-01**) for any proposed design changes.

TEAM Industries will provide feedback regarding specific requirements for testing and/or approval/rejection of the proposed change via ECR Form disposition. All engineering design changes must undergo PPAP resubmission.

Deviation for Temporary Process Change – Deviation Request (TEAM F-8.7-01)

TEAM Suppliers must request a formal deviation from TEAM for parts temporarily produced by a process which deviates from that established by the latest PPAP, in the event parts may be suitable for production or service. TEAM approval must be granted on **TEAM F-8.7-01** prior to any deviated process parts being shipped to TEAM. Suppliers must identify each lot of deviated process parts by placing a copy of the approved deviation document to each container or box shipped to TEAM. Approval of a deviation does not absolve the supplier of the same liability associated with normally processed parts.



The following details clarify what changes require TEAM notification and approval prior to implementation.

Process Change:	Notification and approval are required when there is a change in production, testing or inspection method, equipment, or technique. Suppliers must provide evidence that the new method, equipment, or technique provides results either superior or equivalent to the previous method, equipment, or technique as it pertains to satisfying TEAM engineering requirements. SPCR Form (TEAM F-8.3.6-02) submission and approval required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Manufacturing Location Change:	Notification and approval are required when production tooling and/or equipment is transferred to a different plant site, between buildings or facilities, or moved to a different location within the same plant (unless designed to be mobile). Unless there are environmental concerns for which to account for environmentally sensitive processes, equipment that is designed for mobility, i.e., on wheels with quick disconnect, does not require notification when moved within a single facility. SPCR Form (TEAM F-8.3.6-02) submission and approval required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Material Source or Composition Changes:	Notification and approval are required when approved material is acquired from a new source, or when a different material is used, whether or not in bulk, as source and material changes may influence product performance and/or appearance attributes. For source changes of approved materials, SPCR Form (TEAM F-8.3.6-02) submission and approval are required. For Temporary Material Composition changes, Deviation Form (TEAM F-8.7-01) submission and approval are required. For Permanent Material Composition changes, ECR Form (TEAM F-8.3.6-01) submission and approval are required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Tooling Change Or Modification:	<p>Notification and approval are required for new or modified tools, dies, molds, patterns etc., including additional or replacement tooling.</p> <p>Notification and approval are required prior to upgrade or rearrangement of existing tooling or equipment. For example: upgrades that include reconstruction and/or modification of a tool or machine or to increase the capacity, performance, or change an existing function. Rearrangement is an activity that changes the sequence of product/process flow from what was documented in the process flow diagram. This is not meant to be confused with normal maintenance, repair, or replacement of parts.</p> <p>Notification and approval are required prior to production resuming after tooling has been inactive for twelve months or more. For changes and modifications which do not affect part geometry or performance, SPCR Form (TEAM F-8.3.6-02) submission and approval are required. For changes and modifications which affect part geometry or performance, ECR Form (TEAM F-8.3.6-01) submission and approval are required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.</p>



Sub-Supplier Changes	Notification and approval are required for any change of sub-supplier for parts, materials, or services. Suppliers maintain responsibility for the approval of those subcontracted and sub-supplied parts, materials, and services. SPCR Form (TEAM F-8.3.6-02) submission and approval required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Warehousing Changes	Notification and approval are required for changes to storage, labeling and/or preservation of product, as well as any changes related to safety stock agreements between Supplier and TEAM. SPCR Form (TEAM F-8.3.6-02) submission and approval required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Packaging Changes	Notification and approval are required for changes to container and box dimensions and weights, product quantities per unit, and packaging, dunnage or other materials being used for the storage and shipment of goods to TEAM. SPCR Form (TEAM F-8.3.6-02) submission and approval required. TEAM may require certain PPAP elements to be resubmitted for a qualifying event.
Delivery Method Changes	Notification and approval are required for any change for in-bound freight to TEAM that is outside of previous arrangements. Notify respective TEAM Commodity Manager for approval/direction.

2.4 Management of Sub-Suppliers

When a Supplier chooses to outsource any process, it is the Supplier's responsibility to ensure process control is maintained. Requirements outlined in **Section 2.3 Management of Change**.

It is the Supplier's responsibility to provide TEAM with evidence of sub-supplier control, including process reviews and audit results, upon request. TEAM reserves the right to audit Supplier and sub-supplier procedures, processes, and minimum process requirements at any time.

2.5 Nonconforming Material

TEAM Industries expects all product to be in compliance with pertinent drawings, specifications, and/or purchase order requirements. Product that does not comply with drawings, specifications, and/or purchase order requirements is defined as Nonconforming Material.

Should a nonconformance be discovered at TEAM, the Supplier will be contacted. The Supplier is expected to employ all means to ensure that TEAM Industries' and its customers' production schedules are not affected by nonconforming material.

Nonconforming Material found at TEAM may be resolved by:

- The Supplier sending personnel on-site to conduct sorting or rework activities.
- The Supplier contracting a third-party service to provide on-site sorting or rework.
- The return of product to the Supplier for sorting or rework via RMA/RGA
- TEAM Industries performing sort or rework on behalf of the Supplier. The Supplier will be billed through our cost recovery process (See **Section 2.7** for Cost Recovery Details)
- Scrapping at TEAM or returned for scrapping at the Supplier's expense via RMA/RGA.

Replacement parts and shipping arrangements must be determined based on the scheduled production requirements of TEAM Industries.

If a Supplier identifies a nonconformance prior to reaching TEAM, it is at the Supplier's discretion to scrap the parts or submit a deviation request to TEAM. A deviation request must be approved by TEAM in order ship or rework nonconforming parts. See Deviation Request (**TEAM F-8.7-01**).



2.6 Corrective Actions

When an incident occurs with product quality, on time delivery, or failure to meet a system requirement, TEAM Industries may require a written corrective action response.

TEAM supports the 6-D Corrective Action process for our Suppliers (**TEAM F-10.2-01**).

The written Corrective Action Report must be supplied to the SQA representative at the requesting TEAM facility in a timely manner. Timely is defined as:

- Short term: Within 24 hours of notification to submit a Containment Plan
- Long term: No more than 15 business days. If more time is required, an extension shall be requested at least 2 days prior to the due date. A copy of the Corrective Action Report complete through Root Cause Analysis is expected by 15 business days, even if the corrective action requires additional time to implement and verify.

Note: Occasional circumstances may require a corrective action in less than 15 business days. In such cases, the issuing plant must communicate the specific target date for the Corrective Action Report.

For guidance on initiating and completing the corrective action, contact your TEAM Supplier Quality Engineer. Other corrective action formats may be acceptable if they include, at a minimum:

1. Clear Problem Statement
2. Containment Plan
3. Root Cause Analysis
4. Short-Term and Long-Term Corrective Actions
5. Dates of Implementation
6. Verification of Corrective Action Effectiveness

2.7 Cost Recovery

TEAM reserves the right to recover expenses incurred due to the receipt of nonconforming material and/or delivery issues resulting in, but not limited to:

- line shutdowns
- sorting, rework, elevated inspection levels
- value added (including materials damaged in processing)
- tooling damaged in the processing of defective material
- costs and penalties assessed by customers
- special transportation / expedited shipping costs
- additional inspection required to provide verification of adherence to corrective action
- overtime to make up for lost production.

Standard cost recovery for sorting/rework activities performed by TEAM is \$65/hr. A \$250 incident fee will be applied per new issue occurrence and for each clean point infraction (broken containment).

Supplier Debit Invoice (**TEAM F-8.4.1-01**) will be used to capture, advertise, and generate invoicing for the recovery of such expenses from the Supplier.

**** Rates in effect at the time of publication of this revision. Rates are subject to change as necessary to cover the labor and burden of TEAM Industries in the management of Supplier Nonconformance or poor performance.**

2.8 Quality Verification Labels

Following any Nonconforming Material delivery to, or Corrective Action from TEAM, Suppliers shall clearly mark the next two shipments, or one month's worth of shipments, whichever is greater, to be free of the defect(s) by applying TEAM Quality Verification Label (**TEAM F-8.4.2-03**) to each container of certified product, printed in color, on 8.5" x 11" paper, fully populated with details, signature and date.



2.9 Tooling /Gauging

This section addresses TEAM purchased/supplied tooling and gauging for use by Supplier in connection with the supply of parts to TEAM including, but not limited to the following: Tooling, Dies, Fixtures, Gauges, Jigs, Patterns, Cavities and Molds.

Supplier is required to keep tooling in good and efficient working condition during its normal life so that the manufacture of parts is not disrupted. Maintenance and calibration of TEAM supplied tooling and gauging is the responsibility of the Supplier. Supplier is required to notify TEAM if any tooling or gauging, or any portion therein, requires replacement or major repair, and must obtain TEAM approval prior to undertaking these actions. Any modifications or changes to the tooling or gauging shall vest in TEAM regardless of TEAM reimbursing the Supplier for modifications or changes.

When TEAM places a PO for TEAM purchased tooling or gauging, a request will be sent for the Supplier to identify the tool or gauge as TEAM's property. This notification will include a designated TEAM tool or gauge number.

- Tool/gauge identification may be a metal tag permanently affixed to the tool or gauge, or the information may be stamped or etched into its body or base.
- The lettering must be legible to the unaided eye and will be no less than 1/8" high. Small tools may be an exception, when approved by TEAM, where stamping or tagging is impractical.
- Identification will include, at minimum: **Property of: TEAM Ind. and Tool Number.**

Photo records of tooling and gauging shall be provided with the PPAP associated with new or modified tooling. The photo record shall include at least two pictures: 1) Tool/gauge in its entirety, with tag or marking location visible and 2) A legible picture of the identification tag or marking.

Supplier shall ensure that all tooling/gauging owned by TEAM Industries, wherever located, is not subject to any lien or other encumbrance that would prevent or interfere with TEAM's ability to take possession of such tooling.

2.9.1 Management of Tool Life

When a tool has an expected life span, the Supplier is responsible to report the status of the tool life to TEAM on a quarterly basis. If expected tool life is to be exceeded, the Supplier is required to obtain, in advance, permission from TEAM utilizing a Deviation Request (**TEAM F-8.7-01**) form. This applies to Die Cast tools, Press tools, Molds, etc. If permission is granted to exceed tool life expectancy, extra consideration must be given to ensure product is in conformance to print specifications.

2.9.2 Production to Service

Suppliers are responsible to identify, verify and protect TEAM tooling. Suppliers must notify TEAM of tooling that has been lost, damaged or become otherwise unsuitable for use.

When TEAM customers change a product from Current Production to Obsolete, TEAM expects Suppliers to hold non-production tooling for our customers to allow TEAM to produce service parts. The amount of time this tooling shall be held will vary from customer to customer. When able, TEAM will relay the requirements to Suppliers at the time of the product obsolescence.

TEAM expects Suppliers to notify the procurement department before scrapping any TEAM Tooling and of any repairs to tooling (except for routine tool maintenance).

2.10 Cleanliness/Preservation

Parts must be clean as specified during RFQ/APQP process. Parts must be free of any tight, loose and/or flaking particles that can be rubbed off or that may impact the functioning of the final product. This includes, but is not limited to, carbon deposits, rust, cleaning media, machining chips, grinding dust, shot-peening media, and other foreign matter. Kerosene should not be used on TEAM parts.



3. Shipping, Delivery and Trade Compliance

3.1 Packaging

TEAM expects Suppliers to package product in a manner that will protect it from damage and/or deterioration while in transit to TEAM and during transport and storage within the TEAM facility. Specific packaging arrangements are made at the time of product launch and should be identified on the Quote – Purchase Order documents. Aluminum bracing is NOT acceptable on any wooden crates or pallets, steel is acceptable.

Extra attention must be given to the strength of packaging as it relates to the use of air freight. Packaging should be developed through cooperation with a TEAM Project Engineer, Supplier Quality Engineer, Purchasing and/or Manufacturing Engineer.

When distances and other factors make it economically feasible, TEAM prefers the use of reusable (returnable) packaging.

If the package is intended to be moved by hand, it must meet the following requirements:

- 40 lb. (18.2 kg) maximum weight
- 20 in. (50.8 cm) maximum length
- 20 in. (50.8 cm) maximum width
- 14 in. (35.6 cm) maximum height

Exceptions for current product must be discussed with Purchasing. After the initial approval, if a change to the packaging is required or desired, TEAM's Supplier Process Change Request (**TEAM F-8.3.6-02**) should be submitted.

TEAM supplied packaging shall be used exclusively for TEAM product and may not be used for any other purpose.

Partial trays shall be limited to the top layer, with less than full quantity noted.

Any unsuitable, lost, or damaged product shall be recorded and reported.

Where TEAM specifies that scrap parts must be returned, the Supplier must clearly identify scrap parts. Red or fluorescent orange paint is preferred but tagging is acceptable. Keep scrap parts separate from good parts and package in separate containers.

The Supplier must communicate the TEAM Supplier Packaging Requirements to all appropriate personnel including sub-suppliers.

All susceptible parts will be treated with rust inhibitor which will prevent the formation and accumulation of rust for a minimum of 30-day storage period from the date it is received at the TEAM facility. Safety Data Sheets (SDS) must be supplied and kept current for all products supplied to TEAM Industries.

It may be necessary to take extra precautions during times of extreme cold or high humidity when moisture, rust and corrosion problems tend to increase.

3.2 Shipping, Shipping Documents

Packing Slip must be furnished with all shipments, and include the following:

- TEAM Purchase Order number
- Part number and Revision level
- Quantity in each box and Total Quantity
- Quantities of scrap parts must be recorded on separate Packing Slips or as a separate line on the Packing Slip
- Packing Slip must have a reference number for tracking purposes
- Date of manufacture



Each container shall identify its contents by Part Number, Revision, Quantity, Material Code / Heat Code (where applicable), PO number, and Bar-coded Material ID Tags.

3.3 Shipping Instructions

All shipments are to be made in accordance with the regular method of conveyance indicated below, exceptions must have prior authorization. Deviation from routing indicated below without advance authorization will result in excess freight charges to be debited to your company.

TEAM Purchase Order number and Point of Contact must be listed in the reference section of shipping information.

Product must be received by TEAM Industries by the due date stated on the Purchase Order. TEAM allows shipments to be received 3 days prior to purchase order due date and 0 days after for On Time Delivery tracking.

METHOD OF SHIPMENT	ROUTE VIA	BILL ACCT. #
Parcel Ground Shipment (under 200 total lbs.)	Primary Carrier: UPS Ground	Andrews: E959Y8
		Audubon: 550183
		Bagley: 560096
		Cambridge: 556436
		Detroit Lakes: 1E05E5
		Park Rapids: 558E57
		Rogers: Y725R6
		Ramos Arizpe, MX: Y1275E
International Parcel Air Shipment (under 150 lbs.)	Primary Carrier: UPS Worldwide	Same as above
Less Than Truckload (shipments up to 15,000 lbs.)	Primary Carrier: C.H. Robinson Phone: 1-800-891-0004	Call 1 day prior
Truckload (shipments of more than 15,000 lbs.)	Primary Carrier: C.H. Robinson Phone: 1-800-891-0004	Call 1 day prior
Ocean (LCL & CL)	Primary Carrier: Expeditors Phone: Contact the nearest facility	
If Shipping <u>within</u> the Minneapolis Metro area, Call TEAM Distribution (763) 689-6839 to schedule a pick up.		
<u>Outside</u> of the Minneapolis Metro area, use UPS Ground service under 200 lbs. and C.H. Robinson for all other normal domestic moves.		

To ensure that you are following TEAM shipping guidelines review these supporting documents.

- **C.H. Robinson Intl. General Handling Procedure for all Import Freight**
- **Expeditors Booking Guidelines for all Import Freight.**

Shipping to TEAM Diversified de México S. De R.L. de C.V.

All shipments to TEAM Diversified de México S. De R.L. de C.V. must be accompanied by the following documentation:

- Commercial Invoice & Packing Slip
- Original Certificate of Origin
- MSDS, Quality Certificates, Material Specification Sheets, Etc., as applicable.

A legible copy of the documentation above must be affixed to the shipment, as well as emailed to the PO issuant.



Ultimate Consignee:

TEAM Diversified de México S. De R.L. De C.V.
Ave. Logistica No. 1500
Col. Ramos Arizpe Industrial Park
Ramos Arizpe, Coahuila Cp.25904 Mexico
Phone: +52 (844) 150 0500
TAX ID / RFC #: TDM 120423 7Y9

Shipments via UPS:

Please follow the example below for booking shipments to TEAM Diversified de México via UPS:

- Transportation must be billed to TEAM Bagley account 560096.
- Duty and Tax must be billed to TEAM Ramos Arizpe account Y1275E.
- Ship to attention of requestor

Shipments via C.H. Robinson:

Ship To: TEAM Diversified de Mexico S. DE R.L. DE C.V.
c/o Logy Trade
301 Crossroads Ave.
Laredo, TX 78045
(956) 723-0400

3.4 Bar Code Labeling

All incoming products will be bar-coded. Barcodes must be the 3 of 9 (Code 39) type and must be of a size and clarity that assures error free readability – a 4"x6" label is preferred. Each box must have its own barcode label reflecting only the quantity within that box. Suppliers must send a sample label to TEAM for approval prior to use, and with each PPAP submission.



The following bar-coded information will be required at minimum:

- Part Number and Revision Level
- Material Traceability
 - TEAM Industries requires systems for tracing material through all manufacturing processes and back to the parent material. This is accomplished through Material Traceability Lot ID#.
 - Please limit Material Traceability Lot ID#s to one shift's production or heat-treat lot. Keep in mind, this number is to provide traceability back to the origin of a defect such that product may be isolated. This information is used in the event of a quality issue for investigation and containment purposes. It is in the best interest of the Supplier to keep thorough and accurate records as this can reduce the amount of material in question when quality issues arise.
- Quantity per container
- Ship Date *or* Manufacturing Date
- Purchase Order Number
- Packing Slip Number








The following information will also be required on the bar code label, but is not required to be in barcode form:

- Supplier
- Destination
- Description of Part
- Unit of Measurement (U/M)
- Country of Origin (COO) – 2 letter country abbreviation

NOTE:

- Bar Codes may not contain any of the following special characters: " ` ` * ~ ' % { } | _
- A space is also not allowed, dashes are permitted in non-numeric fields, and only numeric is allowed in the quantity field.
- Field identifiers are not allowed. Example: Q128 for "Quantity of 128" -- the "Q" is not allowed.
- Field titles and locations must be in the exact format and location as the sample below.

SAMPLE BARCODE BELOW

PART NO 285150 	REV LEVEL E 	MATERIAL TRACEABILITY 13568 	<p>The top three fields, PART NO, REV LEVEL, and MATERIAL TRACEABILITY, must be in these exact positions across the top of the bar code label.</p>	
QUANTITY 128 	DESCRIPTION Gear, Helical 48T			<p>The remaining fields are preferred (but not required) to be in these positions.</p>
PURCH ORD NO 111041 	SUPPLIER ABC Gears	U/M EA		
DEST TEAM Industries	SHIP DATE 09/09/99 			
COUNTRY OF ORIGIN US	PACKING SLIP NO 68749 		<p>"Ship date" <i>or</i> "Manufacturing date" MM/DD/YY</p>	



Advanced Shipping Notice should be sent via e-mail to the receiving TEAM facility at the time of shipment. The following Advanced Shipping Notice information is required:

- List of part numbers with revision level
- Quantity of each part number
- Purchase Order Number(s)
- Number of containers
- Carrier and tracking number

If your business is currently unable to comply with this requirement, please contact your TEAM buyer.

3.5 Trade Compliance

All international shipments to TEAM Industries must be accompanied by a commercial or customs (pro forma) invoice, packing list, bill of lading, and any additional documentation as may be requested for U.S. Customs. These documents are to be emailed to the Buyer prior to arrival of the merchandise at the port of entry. The invoice and packing list must contain, at minimum, the following information:

Invoice	Packing List
Name and address of the purchaser	Name and address of the purchaser
Name and address of the seller/shipper	Name and address of the seller/shipper
TEAM purchase order number	TEAM purchase order number
Supplier invoice number and date	TEAM part number and description
TEAM part number and description	Quantity per item
Quantity per item	Carton quantity, weight, and dimensions
Unit price per item	Total number of cartons in shipment
Total price per item	Net and gross weight of shipment
Total value of shipment	Total Dimensions
Currency	Final delivery address
Country of origin for each item	
HTS Classification	
Shipping terms	

Product Information Requests

Material Suppliers may be required to provide trade compliance documentation including, but not limited to, USMCA certificates of origin, USMCA trace value information, country of origin certificates, and other information necessary for TEAM Industries to fulfill customs requirements or claim preferential duty treatment under various trade preference programs. Suppliers are also responsible for notifying TEAM Industries of any country-of-origin changes in a timely manner.

If the Supplier's information is required, TEAM's Trade Compliance Department will email the Supplier the forms necessary for completion. It is the duty of the Supplier to ensure the information is correct prior to returning the information to TEAM. If unsure of the information requested/provided, please consult your legal advisor or a licensed customs broker.

Country of Origin Marking

All imported products or their packaging must be marked in with the country of origin. Origin marking must be in English and be conspicuous, legible, indelible, and sufficiently permanent to survive normal distribution and handling.



Wood Packaging Requirements

All solid wood packaging material must comply with ISPM 15 requirements and be properly identified with an IPPC certification mark.

Importer Security Filing (ISF) Requirements

The Importer Security Filing rule requires electronic filing of certain information for all cargo arriving in the United States by vessel. All Suppliers shipping via sea must provide the required data elements to TEAM Industries' appointed customs broker in a timely manner to ensure the Importer Security Filing is submitted to U.S. Customs within the requisite timeframe.

Sending Samples

When sending samples, all information required for customs clearance must be stated on the invoice, including the value of the items, even if provided at no cost. In this case, Suppliers must provide the real value of the item and indicate on the invoice, "Samples with no commercial value; value for Customs purposes only."

4. TEAM Plant Contact Information

TEAM Andrews 3750 Airport Rd Andrews, NC 28901 (828) 835-4000	TEAM Cambridge 625 Second Avenue S.E. Cambridge, MN 55008 (763) 689-1333	TEAM Diversified de México S. De R.L. De C.V. Ave. Logistica No. 1500 Col. Ramos Arizpe Industrial Park Ramos Arizpe, Coahuila Cp.25904 Mexico Phone: +52 (844) 150 0500
TEAM Audubon 4 th & Robin Street Audubon, MN 56511 (218) 439-6186	TEAM Detroit Lakes 1551 Richwood Road Detroit Lakes, MN 56502 (218) 846-9111	TEAM Distribution 22000 Industrial Blvd. #200 Rogers, MN 55374 (763) 689-6839
TEAM Bagley 105 Park Avenue NW Bagley, MN 56621 (218) 694-3550	TEAM Park Rapids 501 Industrial Park Road Park Rapids, MN 56470 (218) 237-4666	



2022

Supplier's Acknowledgement of Receipt

TEAM's Supplier Policy Manual is being provided to you as the basic requirements for doing business with TEAM Industries Inc. This manual is applicable to all TEAM facilities.

Please complete the acknowledgement of receipt block on this page, and return.

Please note that we are asking you to acknowledge receipt of the TEAM manual as well as your company's willingness to comply with the manual's requirements.

TEAM Supplier Policy Manual

ACKNOWLEDGEMENT OF RECEIPT and COMPLIANCE

Received By Signature:

Date:

Print Name:

Company:

Please sign and/or complete the following documents and return to your Commodity Manager and/or supplychain@team-ind.com

- SPM Acknowledgement
- Mutual Non-Disclosure Agreement
- Risk Resiliency Index

Thank You!!