



Lacks Enterprises Corporate Purchasing

Supplier Manual (Direct Materials)

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General Information

1. Purpose

This manual details the requirements and expectations Lacks Enterprises has of its direct material suppliers and it is a supplement to *Lacks Terms and Conditions of Purchase*.

2. Corporate Structure

Lacks Enterprises consists of three (3) separate manufacturing business units: Lacks Trim Systems, Lacks Wheel Trim, and Plastic Plate. All purchasing for these three business units is handled by the Lacks Enterprises Corporate Purchasing Group (Purchasing).

3. Web Site & Lacks SupplyWeb

The Lacks Enterprises web site address is: www.lacksenterprises.com.

The Lacks SupplyWeb site can be found as a link in the Supplier Information Page of www.lacksenterprises.com or it can be accessed directly at www.Lacks-SupplyWeb.com.

4. Confidential Information

All dealings with Lacks Enterprises, Inc. and its business units are considered confidential. A supplier must have a signed confidentiality agreement on file with Lacks Purchasing as a condition of doing business with Lacks.

5. Lacks Terms and Conditions of Purchase

All Lacks purchase orders, blanket and discrete PO's, are subject to the Lacks Purchase Order Terms and Conditions. Lacks Purchase Order Terms and Conditions supersede any terms and conditions of the seller or supplier. The Lacks Purchase Order Terms and Conditions are posted on the Lacks web-site www.LacksEnterprises.com. It is the supplier's responsibility to obtain a copy of the Lacks Purchase Order Terms and Conditions from the web-site or by contacting your Lacks Purchasing Agent.

Purchasing Information

6. Approved Supplier List

Lacks maintains an Approved Supplier List (ASL). Only the suppliers who are on that list may provide production materials to Lacks. Any suppliers wishing to do business with Lacks, must be approved and added to the ASL.

7. Request for Quote (RFQ)

Suppliers will receive a request for quote (RFQ) most often via email. Lacks uses a series of standard RFQ forms which must be completed and returned to your Purchasing Agent. Quotations must be returned to Lacks **on time**. Quotes submitted after the due date may not be considered.

Estimated Annual Volumes (EAU) on RFQ's are estimates only. **LACKS DOES NOT GUARANTEE ANY ANNUAL VOLUMES**. Any estimates or forecasts of production volumes or program durations, whether from Lacks or Lacks' customer, are subject to change from time to time, with or without notice, and shall not be binding upon Lacks.

The supplier should be prepared to provide Lacks with cost breakdowns for piece prices, tooling, material, overhead, and any other suitable costs. These breakdowns may be submitted on the supplier's form, or on a form provided by Lacks, or a customer of Lacks.

8. Component Prints

Lacks may provide its suppliers with sketches, detailed component drawings, and/or CAD data in the RFQ process. However, when business is awarded, Lacks often relies on its suppliers to provide it with detailed component drawings and/or CAD data. Suppliers are assumed to be design responsible for the parts they supply unless otherwise agreed to in writing with Lacks Purchasing.

Suppliers should assume they are responsible for creating and maintaining detailed component prints and CAD data unless otherwise notified by Purchasing. All supplier provided drawings must be approved (signed-off on) by the appropriate Lacks Engineering representative prior to tool kick-off. Occasionally, due to program time constraints, Lacks may kick-off tooling using CAD data. Only data transmitted by Lacks Engineering which is labeled "OK-TO-TOOL" may be used at kick-off.

9. Continuous Improvement

Lacks requires annual cost reductions from its suppliers over the life of a program. Failure to provide costs savings (Continuous Improvement) may negatively affect your supplier rating and potentially impact future sourcing decisions.

10. Supplier Codes

Each supplier is assigned a supplier code in the Lacks materials management system. This code is a 5 digit number. A supplier may have several supplier codes if it ships product to multiple business units of Lacks. A supplier will have a supplier code for each Lacks business unit it ships to. The supplier code(s) should be detailed on PPAP warrants, labels, and packing slips.

11. Purchase Orders

Lacks Purchasing issues a variety of purchase orders. Blanket purchase orders are issued for repetitive production materials. The purchase order will not specify a quantity ordered. Suppliers are to ship against this purchase order per the quantities that appear on their weekly material release. A supplier usually has one blanket purchase order per business unit. These blanket purchase order numbers do not usually change on an annual basis.

Lacks Purchasing also issues discrete purchase orders for production tooling, spot buys, prototype buys, etc. These purchase orders will have a unique automatically generated number assigned to them. These purchase orders will detail a specific quantity of goods or services required and a delivery date required. There will be no weekly material release associated with these discrete purchase orders.

12. Purchase Order Pricing

Refer to Section 3, *Lacks Terms and Conditions of Purchase*.

Lacks shall not pay more for smaller quantities during the ramp up or a phase out of a program.

13. FOB & DDP Terms

Lack's delivery terms with all domestic suppliers are "FOB Lacks Receiving Dock, Kentwood, MI. " Shipments should be prepaid and freight included in the piece unless otherwise agreed to in writing by Lacks Purchasing.

Lack's delivery terms with all international suppliers are "Incoterms 2000, DDP Lacks Receiving Dock, Kentwood, MI" unless otherwise agreed to in writing by Lacks Purchasing. The supplier is responsible for the delivery routing, carrier, duties, customs clearance, transportation costs, etc.

14. Payment Terms for Production Shipments

Standard payment terms for production material shipments are "Net 42 days." Standard discounted payment terms for early payment are "2%, 20 Days."

15. Payment Terms for Component Tooling

Payment terms for supplier component tooling are “Net 60 days” after PPAP approval is achieved by the supplier. A “Full” PPAP approval is required for tooling payment.

Lacks reserves the right to audit production tooling prior to payment for those tools to ensure that the tools are of the correct quantity, quality, capability, and cost per the supplier’s quote to Lacks.

16. Invoicing

All invoices should be sent to Lacks via e-mail. Invoices should be addressed to the “Bill To” location detailed in the purchase order and they should be emailed to the address listed below. Invoices should be sent in a .PDF file format. (Failure to address an invoice to a specific Lacks business unit or specifying an incorrect business unit may delay payment.)

lacksenterprisesAP@lacksenterprises.com

All invoices must reference the purchase order number, amendment or release number, Lacks’ part number, Seller’s part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, Seller’s name and number, bill of lading number and other information as required. Lacks may return incorrect invoices or related documents.

Lacks encourages suppliers who have multiple daily and weekly shipments to submit one (1) weekly summary invoice. Please contact Lacks Purchasing to discuss this method of invoicing.

17. Lacks Owned Tooling

Refer to *Lacks Terms and Conditions of Purchase*. The supplier is responsible to maintain Lacks owned tooling, or tooling which Lacks is the custodian of, and keep it in good working condition capable of producing product meeting all applicable specifications. The supplier shall insure Lacks’ property with full fire, casualty and extended coverage insurance for its full replacement value.

Tools must be made to approved CAD data and must be identified and tagged as being the “Property of Lacks” and/or Lacks’ customer as required. Tooling cannot be scrapped or disposed of without the written authorization of Lacks Purchasing.

18. Common Tooling – Tooling Owned By another Customer

If the tooling used to manufacture a part for Lacks is owned by another of the supplier’s customers, then Lacks Purchasing must be notified of this relationship in writing.

The supplier must notify Lacks of any changes the other customer makes to the tooling or process, which would affect the part supplied to Lacks. The supplier must give Lacks ample warning of the change – **BEFORE IT HAPPENS** - through a written request to Purchasing. Lacks is required to notify its customer(s) of all impending changes and it

must get its customer to approve of all changes. Lacks, and its suppliers, are required to follow normal PPAP procedures.

19. Applicable Laws

Suppliers are expected to comply with all applicable federal, state, and local laws as defined in the *Lacks Terms and Conditions of Purchase*.

20. Tooling Timelines

Suppliers shall submit to Lacks Purchasing, Engineering, and/or Program Management tooling timelines as required. These timelines should be emailed as a Microsoft Project file.

21. Minority Owned Businesses & Small Businesses

Lacks Enterprises encourages and expects its suppliers to use sub-suppliers with particular needs. This includes small businesses, Minority owned businesses, and woman owned businesses as defined in *Lacks Terms and Conditions of Purchase* and those businesses who have been certified by *the National Minority Business Development Council* or one of its regional affiliates.

Suppliers who purchase materials from minority sources should report their minority dollar spend to Lacks on a quarterly basis. This information should be submitted to their Purchasing Agent.

Lacks purchases a portion of its goods and services from certified minority owned companies. If your company is a certified minority owned company please submit a copy of your certification to your Purchasing Agent.

22. On-Site Inspection

Lacks employees, its customers, or it's designate(s) reserve the right to inspect parts, tooling, and services on the supplier's premises pursuant to *Lacks Terms and Conditions of Purchase*.

23. Service & Replacement Parts & Tooling

Refer to Section 24 of *Lacks Terms and Conditions of Purchase* for the contractual obligations to provide service and replacement parts to Lacks and its customers.

24. Certified Supplier Program

If a supplier's quality system is robust and Lacks is at low risk to receive non-conforming product from that supplier, Lacks may designate that supplier as a "Certified Supplier." Product supplied by Certified Suppliers by-passes receiving inspection and moves from our receiving docks to our production lines.

In order to become certified the following must occur:

- A supplier must meet the criteria specified in Lacks Supplier Evaluation Procedure and have a score of eighty (80) or higher on their report card.

- Lacks Quality Assurance may recommend that a supplier be elevated to the Certified Supplier level if one of the following (minimum) is met:
 - a. Proof of a second or third party assessment approval
 - b. Certificates of Analysis (which shall include test results) and statistical data being available showing process capability.
- Lacks Purchasing and Quality Assurance agree that the supplier shall be designated as a Certified Supplier on the Approved Supplier List maintained by Purchasing.

Certified Suppliers are required to apply a yellow round sticker (dot) on each box label that is shipped to Lacks. Certified Suppliers must also maintain their ISO-9001 or TS-16949 3rd party registration and the supplier's inspection data must be available and submitted to Lacks immediately, if requested.

Certified Suppliers shall be reviewed per the criteria in Lacks Supplier Evaluation Procedure. Certified Suppliers may have specific parts placed on probation if problems arise. Corrective action will be required and the parts will be subject to receiving inspection for a duration of time to be determined by Lacks Quality Assurance and Purchasing. However, other parts that the supplier supplies to Lacks would remain free to by-pass receiving inspection as long as they remain defect free.

25. Supplier Evaluation

Lacks Purchasing monitors supplier performance for all direct material suppliers using its Supplier Evaluation Procedure. Lacks monitors and rates its suppliers on the following criteria:

- On-Time delivery
- Customer Service
- PPAP Submissions
- Continuous Improvement
- PPM
- 8D Performances

A supplier "report card" detailing a supplier's performance will be distributed by Lacks Purchasing at a minimum of once per six (6) months.

Suppliers which have a total report card score of eighty (80) or above require no follow up action and may be candidates to become Certified Suppliers. Suppliers with report card ratings below eighty (80) will be deemed "High Impact" suppliers and are subject to the following:

- An on-site visit and/or audit by Lacks personnel.
- Submitting a written corrective action plan, including timing that addresses all deficiencies causing their High Impact rating.

- Annual on-site visit and/or audit by Lacks personnel until the supplier's rating is at or above eighty (80).
- Loss of Lacks business (i.e. de-sourcing) in the event improvements are not implemented and the corrective action plan is not executed.

Questions regarding the supplier report cards should be directed to Lacks Purchasing within 5 days of receiving the report card.

Quality Requirements

26. Quality System Registration

Lacks requires that its automotive suppliers comply with the requirements of ISO/TS-16949:2002 or ISO 9001:2000. A written waiver from Lacks Purchasing and a 2nd party audit to ISO/TS standards is required if the supplier is not certified. This is a minimum requirement for doing business with Lacks Enterprises.

If a supplier has no plans to become certified, Lacks may chose to move its business elsewhere. The loss of a supplier's registration can result in the loss of previously sourced business.

The supplier must submit a copy of their certification to Lacks Purchasing on an annual basis.

27. When to Submit a PPAP to Lacks?

A PPAP should be submitted to Lacks if the following occurs:

- Initial submission for production parts
- Re-submission due to the rejection of the first submission
- Any engineering change
- Any process change
- The movement or transfer of existing tooling
- The addition or replacement of tooling or machinery
- Any change to a sub-contractor or source of raw material
- Prototype parts (as required)

This list is not all-inclusive; when in question please contact the Lacks Quality Department to determine if an event or circumstance requires a PPAP submission.

PPAP packages should be delivered to or shipped to the attention of your Lacks Purchasing Agent.

28. Default PPAP Level

The Lacks Default PPAP level is "Level 3." Lacks requires that its suppliers PPAP production parts or production materials to the most recent edition of the AIAG PPAP Manual.

29. PPAP Checklist & PPAP Readiness

Upon the award of new business, the supplier may be contacted by Lacks Purchasing to conduct a PPAP readiness meeting. The supplier shall attend the meeting at Lacks with copies of its draft control plan, process flow, and PFMEA. Lacks Quality Engineering will review a "PPAP Supplier Checklist (BOS -153)" with the supplier which will explain the PPAP expectations that Lacks has for the supplier's PPAP submission.

Whether a PPAP readiness meeting is held or not, the PPAP checklist is required to be completed, signed, dated, and included with the supplier's PPAP to Lacks. A copy of the PPAP checklist may be obtained from the Lacks web-site at www.lacksenterprises.com.

A supplier is expected to achieve Full PPAP approval with its first submission. The intent of PPAP checklist and any PPAP readiness meetings is to assist in achieving that goal.

30. PPAP Approvals

Lacks Quality Assurance shall review a supplier's PPAP and give it an Approval, a Provisional Approval, or Reject it. The definition of these three (3) statuses are detailed below.

1. Approval - Indicates that the part meets all requirements and specifications. The supplier is authorized to ship production quantities to scheduled releases.

2. Provisional Approval – The Supplier has not met all requirements or specifications, but Lacks permits the shipment of components for production requirements on a limited time or piece quantity basis. Re-submission is necessary unless the supplier is advised in writing that the print and/or specification will be revised to agree with components as manufactured.

3. Rejected - All requirements and specifications are not met. The Supplier may not ship product to Lacks.

31. Surface Coating & Certified Product Data Sheets

Suppliers of surface coatings (e.g. paints, lacquers, varnish, ink, adhesives, or other materials applied on a surface) shall provide to Lacks, Certified Product Data Sheets or equivalent. These data sheets must list all the chemical constituents in concentrations greater than 1% weight, the Chemical Abstract (CAS) numbers, and the concentration of each chemical in percent by weight. These Certified Product Data Sheets are maintained on file with the Lacks Paint Department.

32. Containment

All new part PPAP packages must include a GP-12 Containment/Pre-Launch Control Plan with enhanced inspection of parts at the supplier's facility, prior to shipment. Suppliers are required to be in containment for at least the first lot of any new part number. This time period may be reduced or extended at the discretion of Lacks Purchasing and / or Quality Departments.

33. Run At Rate

Suppliers must submit a run at rate summary sheet with their PPAP package. Lacks may visit the supplier to view a run at rate. This survey should be conducted per General Motors GP-9 requirements.

34. Supplier Zero Defects Policy

Lacks Enterprises expects “zero defects” from its suppliers. Suppliers are expected to have process controls, tooling, checking fixtures, documentation, and systems in place to ensure that defect free product is supplied to Lacks.

35. Defective Material Notices (DMN)

In the event that a supplier ships in non-conforming material, the material will be rejected using our Defective Material Notice (DMN) system in Lacks SupplyWeb. The supplier shall be contacted when the rejection occurs by Lacks Quality or Purchasing and notified by SupplyWeb that a DMN has been created. **The immediate containment of the rejected material is critical.** Suppliers must react quickly to all non-conforming material issues.

The DMN in SupplyWeb will detail the part number affected, a description of the defect, and other critical information. The supplier is required to submit to Lacks an initial 8-D corrective action within twenty four (24) hours of the occurrence which details their immediate containment activity. The supplier will then follow up with a permanent 8D or corrective action report within seven (7) days. The Supplier’s 8-D corrective actions should be submitted as attachments to the DMN in SupplyWeb.

The supplier must include the identification of all potential root causes and mistake proofing techniques. PFMEA’s, control plans, and process flow documents should all be changed for the new mistake proofing techniques.

The supplier will be expected to replace the non-conforming material with certified stock as soon as possible. A return authorization should be given to Lacks immediately so parts may be returned or scrapped. If Lacks requests a return material authorization and one is not given to Lacks, Lacks reserves the right to return the defective material to the supplier at their expense.

The Lacks Quality Department will review the DMN’s and submitted corrective actions and approve the Supplier’s corrective actions by closing the DMN in SupplyWeb.

The “quantity rejected” field in the DMN is used to calculate a supplier’s rejected parts per million (RPPM) rating.

36. Costs of Poor Quality

A supplier’s defective material may cause economic harm to Lacks. Pursuant to *Lacks Terms and Conditions of Purchase*, Lacks may be reimbursed for all costs associated with a Supplier’s non-conforming product.

Lacks charges a \$250 administrative fee for processing debit memos relating to non-conforming materials or delivery performance issues.

37. Appeal of Debit Memos

A supplier has the right to appeal a debit memo to the Lacks Purchasing Department. Final determination will be at the sole discretion of the Lacks Purchasing Department.

38. Process Audits

As part of its ISO / TS-16949 quality system, Lacks conducts process audits internally and at supplier locations. Process audits at supplier locations are conducted at a scheduled interval. Suppliers will be notified twenty-four (24) to forty-eight (48) hours in advance of a scheduled process audit.

However, Lacks reserves the right to conduct a process audit at any time, with or without notice in the event that the supplier has shipped defective material to Lacks.

39. W-HTX Heat Treating Specification

Suppliers providing heat treated product and heat-treating services shall demonstrate compliance to Ford Motor Company Manufacturing Standard W-HTX and to AIAG's CQI-9 "Special Process: Heat Treat System Assessment." Compliance is required to the more stringent specification where W-HTX has different specifications from that listed in CQI-9 for the same requirement.

40. CQI-9 Special Process: Heat Treat System Assessment

All Suppliers heat treating components shall comply with *AIAG CQI-9 Special Process: Heat Treat System Assessment*. Suppliers shall ensure that their own processes and the processes of their sub-suppliers comply with CQI-9. Suppliers shall present to Lacks, immediately upon request, a copy of the CQI-9 Assessment for their or their sub-supplier's processes.

41. CQI-11 Special Process: Plating System Assessment

All Suppliers plated components shall comply with *AIAG CQI-11 Special Process: Plating System Assessment*. Suppliers shall ensure that their own processes and the processes of their sub-suppliers comply with CQI-11. Suppliers shall present to Lacks, immediately upon request, a copy of the CQI-11 Assessment for their or their sub-supplier's processes.

42. CQI-12 Special Process: Coating System Assessment

All Suppliers coating components shall comply with *AIAG CQI-11 Special Process: Coating System Assessment*. Suppliers shall ensure that their own processes and the processes of their sub-suppliers comply with CQI-11. Suppliers shall present to Lacks, immediately upon request, a copy of the CQI-11 Assessment for their or their sub-supplier's processes.

Environmental Requirements

43. Restricted, Toxic, and Hazardous Substances

Lacks suppliers must comply with all local, state, and federal laws and safety regulations regarding the use of restricted, toxic, and hazardous substances.

A supplier may not ship any tools, component parts, samples, or other goods to a Lacks facility that include “banned” materials as identified by the Lacks Environmental Department. A list of banned and regulated materials is displayed on the Lacks Enterprises, Inc. web-site supplier information page: www.lacksenterprises.com.

44. Material Safety Data Sheet (MSDS)

MSDS sheets must accompany all initial shipments of any materials, which are considered to be controlled under the W.H.M.I.S. (Workplace Hazardous Material Information System).

45. ISO-14001

Lacks is certified to ISO-14001. Lacks expects all of its suppliers to comply with applicable environmental aspects identified by Lacks Enterprises and pertaining to ISO-14001. New suppliers will be provided Lacks Enterprises ISO 14001 requirements with their first purchase order; a written response receipt is required and is maintained by the Lacks Protective Services Environmental Department.

Lacks encourages all of its suppliers to become certified to the ISO-14001 standard.

46. IMDS - International Material Data System

All component suppliers are required to submit IMDS data with their component PPAP packages. The preferred method of IMDS submission is the supplier entering their specific IMDS data via the Internet at www.mdsystem.com. The supplier then would include a print out of the IMDS submission confirmation number or an initial sample report with its PPAP package to Lacks. A secondary submission method is to include an IMDS data sheet (spreadsheet attached) with their PPAP package.

Failure to submit complete IMDS data - a submission confirmation number, an initial sample report, or a data sheet - with a PPAP package will prevent Lacks from granting a supplier full PPAP approval.

Materials Management Requirements

47. Labeling

All containers must have a bar code label attached to them. Lacks utilizes a bar code scanning receiving process which requires unique serial numbers on each bar code label. Therefore, Lacks requires that its suppliers print bar code labels from Lacks SupplyWeb. Failure to attach Lacks SupplyWeb bar code labels on containers will negatively affect a suppliers delivery rating and a DPR may be issued. An example of a Lacks SupplyWeb bar code label is shown below:

FROM 5333 33RD STREET SUITE C GRAND RAPIDS MI 49512 USA		TO 3703 FATTERSON S.E. GRAND RAPIDS MI 49512 USA	DOCK Entered in Screen
PART # RH04006 (P) 			
QTY 500 (Q) 	 RAN # 00005662-1178 (K)		
SPLR ID 00056001 (V) 		 SHIP ID 16 (2S)	
SHIP DATE 2008-01-31	LOCATION 01234	LOT # 00000012412	
SERIAL # 00056001709 (S) 			

Colorants, chemicals, or other materials deemed hazardous should be identified with the applicable safety labeling required by government agencies and required by the Lacks Enterprises Protective Services Division.

48. Engineering Sample Component & Paint Labeling

All components supplied to Lacks prior to Phase III, and any component parts which have not been PPAP'ed approved by Lacks, are considered to be "Engineering Samples" and their containers should have a yellow "Engineering Sample Components" label affixed to them. Lacks Purchasing Agents can provide new labels to suppliers and a downloadable copy of the label can be found on www.lacksenterprises.com. Also, if a supplier is providing any non-production or non-PPAP approved part to Lacks for any reason (e.g. tryout, samples, engineering evaluation), then the containers for those parts should have a yellow label attached.

All paint samples submitted for trial should also be labeled with this yellow tag.

ENGINEERING SAMPLE COMPONENTS

Program: _____

Component Description _____

Lacks P/N: _____

E/C Level: _____ Qty: _____

Mfg. Date: _____ Lot # _____

205-157
New

49. New Part, PPAP Sample, & Engineering Change Label

Suppliers must label containers with this label when shipping PPAP samples, a new part for the first time, or when an engineering change occurs. The supplier must label the first lot of a new part or engineering change. A tag is available on the Lacks website (www.lacksenterprises.com) and in Appendix C of this manual. It must be copied onto “pink” paper and affixed securely to the containers.

50. Packaging

The supplier is responsible for packaging design and the packaging must protect the component parts from damage. The cost of the packaging should be included in the piece price.

Chemicals, paints, or any materials deemed to be hazardous should be packaged in accordance with all governmental regulations for hazardous material shipment, transport, and handling.

51. Material Releases & Authorizations

Lacks transmits a Material Release and a Shipping Schedule to suppliers in SupplyWeb. The releases and authorizations that Lacks transmits to suppliers mirrors those of Lacks’ customers.

The Material Release is a planning schedule that shows a “Fabrication Cum date” and “Fabrication Cum Quantity.” This is usually a three (3) week window from the release date. A supplier may fabricate quantities (difference between Cum Required vs. Fabrication) that are released in this Fabrication window. Suppliers who fabricate parts beyond these “Fabrication Cum Date” and “Fabrication Cum Quantity” do so at their own risk

A Material Release, usually shows requirements beyond a three (3) week window. This allows suppliers to plan and order raw materials – this is your lead-time. However, a Material Release is not an authorization to ship or fabricate these requirements.

The Material Release shows a “Material Cum Date” (six week window beyond the three week fabrication authorization) and a “Material Cum Quantity.” Suppliers may order raw materials to support the quantities and dates shown in this six (6) week window. This is, however, not an authorization for suppliers to fabricate parts in this window. If a supplier purchases raw materials for quantities beyond the “Materials Cum Quantity” and “Material Cum Date,” they do so at their own risk.

Lacks also transmits a “Shipping Schedule” to its suppliers in SupplyWeb. This is the requirements that the supplier is authorized to ship. (These requirements should align with the Fabrication Cum Date and Quantity found on the Material Release.)

The Shipping Schedule will show the last ship quantity from the supplier, the last shipper number, and the last ship date. It will also show the Cum required and Cum shipped (year to date). SupplyWeb only allows requirements on the Shipping Schedule to be shipped.

Material Release Example: Fabrication Cum & Quantity

The screenshot displays the SupplyWeb interface for Demand Releases. The main content area is divided into several sections:

- Schedule:** A table with Release Information including Buyer Part (GM06031), Release (16179 [02-10-2008]), Buyer Part Description (Tape,protective,GMX222), Supplier Part, PO Number, PO Line Number, Dock, Ship/Delivery Code (DL), Engineering Level, Model Year, Generation Date (02-10-2008), Publish Date (02-11-2008), and Last Update (02-11-2008). It also lists Part Release Status Code, Material CUM Date (04-27-2008), Material CUM Quantity (179,357), Fabrication CUM Date (03-02-2008), Fabrication CUM Quantity (179,357), Last Shipper Number (SHP058105), Last Ship Date (08-10-2007), Last Ship Quantity (32,000), CUM Required Prior (179,357), and CUM Shipped (YTD) (179,357).
- Requirement Information:** A table with columns for Edit, View, Delete, Date, EIM Qty., Required Qty., Due Qty., Type, Frequency, and D/F - D/F Line. A row is shown for Date 05-05-2008, EIM Qty. 208,157, Required Qty. 28,800, and Due Qty. 28,800. The Type is Planning and Frequency is Weekly.
- Parts List:** A sidebar showing a list of suppliers including LACKS TRIM SYSTEMS DE, LACKS TRIM SYSTEMS-PAINT EAST, Lacks Trim Systems - Kraft, Patterson Assembly, and South Carolina Mold.

Arrows in the image point from the 'Material Cum Date' and 'Material Cum Quantity' text in the first paragraph to the corresponding fields in the 'Schedule' table. Another arrow points from the 'Material Cum Date' text in the second paragraph to the 'Material CUM Date' field in the 'Schedule' table. A third arrow points from the 'Material Cum Quantity' text in the second paragraph to the 'Material CUM Quantity' field in the 'Schedule' table. A fourth arrow points from the 'Material Cum Date & Quantity' text in the third paragraph to the 'Requirement Information' table.

Material Cum Date & Quantity

Shipping Schedule Example:

The screenshot shows the SupplyWEB interface for Demand Releases. The 'Requirement Information' table is as follows:

Edit	View	Delete	Date	CUM Qty.	Required Qty.	Due Qty.	Type	Frequency	PO - PO Line
			03-01-2007	167,690	10,000	10,000	Firm	Weekly	00005662-0901

Arrows from the screenshot point to the following text:

- Due date to Lacks:
- CUM Required for that date
- Required Quantity due for that date (CUM Qty – CUM Required Prior):
- Due Quantity (The requirements for this date, plus any past dues, minus any shipments in transit):
- Purchase order & Purchase Order Line (The first 8 digits are the PO # and the line is after the dash)

52. EDI

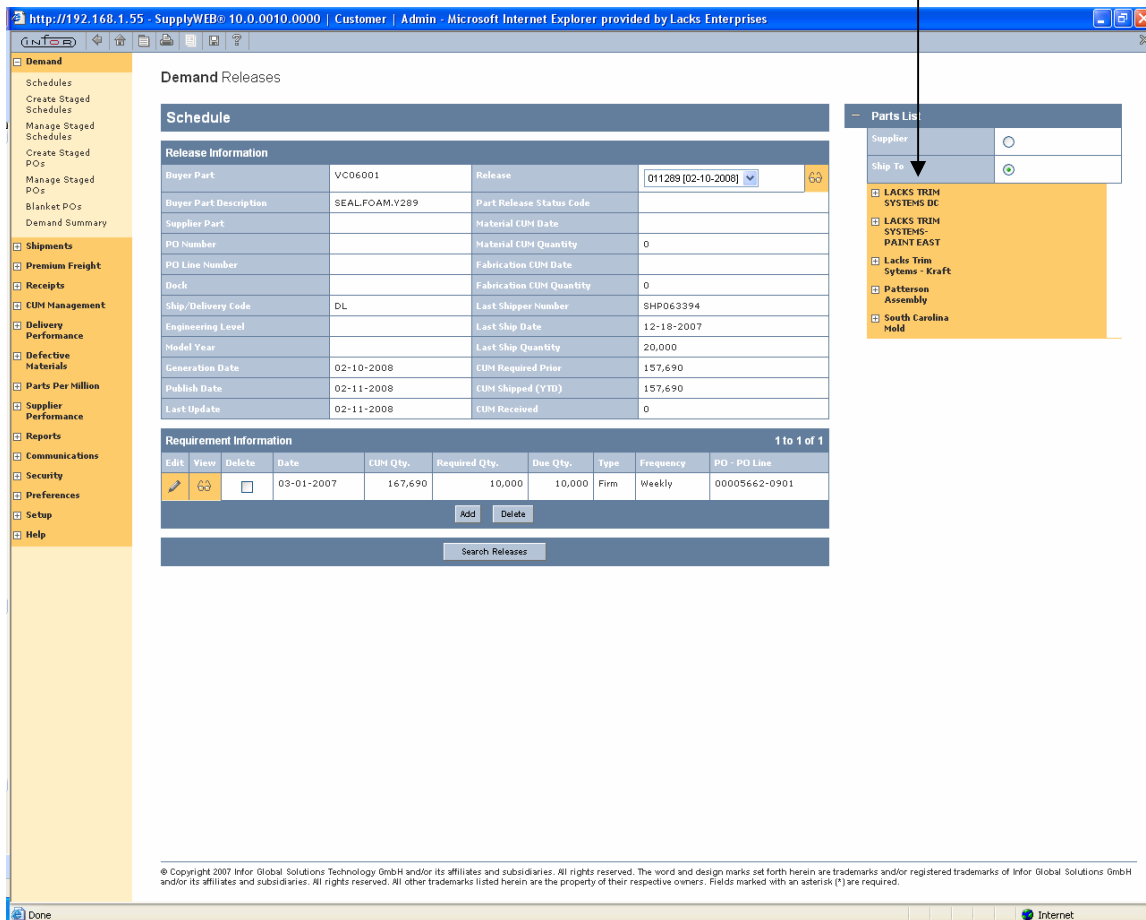
SupplyWeb is the preferred and primary method of transmitting material releases and receiving ASN's. Lacks is capable of handling EDI communication, however, the decision to use EDI with a supplier is determined on a case by case basis by Lacks Purchasing.

53. Advanced Shipping Notices (ASN's)

Lacks requires that suppliers transmit advanced shipping notices to Lacks via SupplyWeb. ASN's must be transmitted to Lacks prior to the shipment arriving at Lacks.

54. Ship-To-Locations

Lacks has multiple ship-to locations. These locations are detailed on the supplier's material release in SupplyWeb.



55. Receiving Hours

Lacks has multiple receiving locations and they likely have different hours of operation. Please contact the Lacks Materials Department and verify the receiving hours at each individual location.

56. 100% On-Time Delivery

Lacks requires 100% on-time delivery from its suppliers.

Suppliers are expected and required to give ample warning if there is a risk that requirements cannot be fulfilled. All significant changes must be communicated as soon as they are identified.

57. Delivery Performance Review (DPR)

Supplier delivery performance is tracked in SupplyWeb using Delivery Performance Reviews (DPR's). Lacks may issue a DPR for a variety of reasons including, but not limited to, missed delivery, late or early shipment, under or over shipment, missing or incorrect shipping documents, and damaged packaging (not parts).

Lacks may require an 8-D corrective action from the supplier when a DPR is issued. That 8-D corrective action response should be submitted to Lacks in SupplyWeb. Lacks monitors supplier delivery performance and DPR's negatively affect a supplier's rating. Poor delivery performance can jeopardize future business opportunities or risk the loss of the supplier's current business.

Pursuant to *Lacks Terms and Conditions of Purchase*, Lacks may be reimbursed for all costs associated with a Supplier's late delivery or other delivery issues.

58. Over Shipments

Over shipments exceeding one (1) standard pack may be returned to the supplier, at the supplier's expense unless the over shipment is authorized by Lacks Purchasing or Materials Departments.

59. Packing Slips

A uniquely numbered packing slip must accompany each shipment to Lacks. The slip must contain the following minimum information: part number(s), quantity, revision levels, purchase order number, lot numbers, and descriptions. Suppliers are encouraged to print packing slips directly from SupplyWeb.

60. Certificates of Analysis

Certificates of Analysis must accompany each shipment of chemicals, solvents, paints, and resin received at Lacks (bulk and containers).

61. Build-Out Cums & PPAP Approvals

If a part is undergoing an engineering change, often the Purchasing or Materials Department will give the supplier a build-out number or cum. The purpose of this build-out cum is to coordinate the cut in and cut out of new and old materials and most likely build a bank of parts. When a supplier has achieved its build out cum, the supplier shall notify the Materials Department and Purchasing Agent.

Obtaining a PPAP approval from Lacks, does not allow for immediate shipment of the new revision level or product. A supplier may get PPAP approval from Lacks days or weeks before the new material is scheduled to be built at Lacks. Often old inventories at the supplier and at Lacks must be exhausted prior to implementing the new revision.

Once a supplier is given PPAP approval by Lacks, time is often required for Lacks to obtain PPAP approval from its customers.

62. Premium Freight – AETC & PFA

Lacks is not liable for premium freight costs, unless specifically agreed to in advance, in writing. Also, pursuant to *Lacks Terms and Conditions of Purchase*, Lacks may be reimbursed for all costs associated with a Supplier's late delivery.

Lacks authorizes supplier premium freight using two methods: AETC (Authorization Extra Transportation Costs) or Premium Freight Authorization (PFA). AETC are supplier generated requests for premium freight and a PFA is a Lacks generated authorization for premium freight.

When a supplier requires an additional shipment (e.g. a pallet was missed on the regular truck, the supplier is behind schedule or missed a shipment) the supplier should create a AETC Shipping Request in Lacks SupplyWeb. An AETC number will be automatically assigned to the request. ASN's cannot be generated in SupplyWeb until an AETC has been closed by Lacks. Lacks shall review the AETC and determine whether the supplier or Lacks is responsible for the costs of the additional shipment. If Lacks accepts responsibility for the shipment, the AETC number should be listed on any invoices for premium freight and it should be given to the freight company as a reference number on shipping documents.

When Lacks requires that a supplier make an additional shipment and/or expedite, Lacks shall generate a PFA SupplyWeb. Again SupplyWeb shall assign an automatic number to the PFA. This PFA shall detail what parts are required to be expedited, when they are due, the freight company handling the shipment, and the cost. The PFA number should be listed on any invoices for premium freight and it should be given to the freight company as a reference number on shipping documents.

No premium freight shall be paid without an approved AETC or PFA by the Lacks Materials Department.

63. NAFTA Certificates of Origin

Suppliers must submit a NAFTA Certificate of Origin for each of the parts they supply to Lacks. The blanket period of each certificate should be from January 1 – December 31st. The certificates must be completed in their entirety and have a specific description of the parts and the appropriate HS tariff Classification Number.

A NAFTA Certificate of Origin must be submitted with PPAP for a new part. Certificates for existing parts should be submitted to Lacks Purchasing each December for the new year.

APPENDIX A. Locations

Corporate Locations:

**Lacks Enterprises Corporate
Headquarters**
5460 Cascade Rd. S.E.
Grand Rapids, MI 49456

**Lacks Enterprises
Research & Testing Facility**
4975 Broadmoor Ave. S.E.
Kentwood, MI 49512

Lacks Enterprises Corporate Purchasing
3505 Kraft Rd. Ave. S.E.
Kentwood, MI 49512

Lacks Trim Systems Business Unit:

Distribution Center & Patterson Assy.
3703 Patterson S.E.
Kentwood, MI 49512

Airwest Mold
4260 Airwest S.E.
Kentwood, MI 49512

52nd Mold
4365 52nd Street S.E.
Kentwood, MI 49512

52nd Paint West
4245 52nd Street S.E.
Kentwood, MI 49512

Airlane North & South
4260 Airlane S.E.
Kentwood, MI 49512

Sweden – Sales & Engineering
Eurokval Ab
Offerstenvagen 12
Savendalen S. 433 70, Sweden

Southfield Sales & Engineering Center
26711 Northwestern Highway, Suite 250
Southfield, MI 48033

AirWest Engineering & Assembly
4275 Airwest SE
Kentwood, MI 49512

52nd Paint East
4375 52nd Street S.E.
Kentwood, MI 49512

South Carolina Mold
830 International Blvd.
Fountain Inn, SC 29644

Airlane Northwest
4221 Airlane S.E.
Kentwood, MI 49512

Germany – Sales, Engineering, Quality
Holkesohde 44
42389, Wuppertal
Germany

Lacks Wheel Trim Business Unit:

Barden Plating
4090 Barden S.E.
Kentwood, MI 49512

Brockton Assembly
4240 Barden Court. S.E.
Kentwood, MI 49512

Brockton Mold
4251 Brockton Court S.E.
Kentwood, MI 49512

Barden Assembly
4080 Barden Dr. S.E.
Kentwood, MI 49512

Plastic Plate Business Unit:

Plastic Plate Raleigh
3500 Raleigh SE
Kentwood, MI 49512

Kraft
3505 Kraft SE
Kentwood, MI 49512

Plastic Plate Monroe
1648 Monroe Ave. NW
Grand Rapids, MI 49503

APPENDIX B. Insurance Requirements



Insurance Requirements for Suppliers & Contractors

Suppliers and contractors shall keep in full force and effect, at its sole cost and expense, with insurance companies having an A- Rating or better by A.M. Best Insurance Rating Service the following minimum insurance coverage including a required additional insured endorsement:

- Workers Compensation coverage for its employees with statutory limits required under Michigan law and Employment Liability coverage with limits of \$500,000 per accident; \$500,000 disease policy limit and \$500,000 disease each employee.
- Commercial General Liability on an occurrence form with combined bodily injury and property damage limit of at least \$1,000,000 each occurrence; \$1,000,000 Personal Injury and Advertising Injury; \$2,000,000 General Aggregate; \$2,000,000 Products and Completed Operations Aggregate.
- Commercial Umbrella coverage with limits of at least \$5,000,000 Each Occurrence and \$5,000,000 Aggregate.
- Commercial Auto Liability with limits of at least \$1,000,000 Combined Single Limit Each Accident including Hired and Non Owned Auto coverage, statutory Michigan no fault coverage and coverage for Any Auto (Symbol 1).
- Property – Contractor is responsible insuring supplies, materials, equipment or other personal property on an “All Risk” policy in an amount equal to its full replacement value.
 - o Supplier’s property – Refer to Lacks Purchase Order Terms & Conditions.
- Certificates of Insurance naming Lacks Enterprises, Inc. and all subsidiaries and affiliates as an Additional Insured on the Commercial General Liability, Automobile Liability and Umbrella Liability policies must be received by the Lacks Purchasing Department at the address below before any contractor’s or supplier’s employees may enter any of Lacks Enterprises’ Facilities.

Lacks Enterprises, Inc.
Corporate Purchasing Department
3505 Kraft Ave., S.E.
Kentwood, MI 49512
Fax: (616)285-2789

- Certificates of all insurance coverage shall be in a form of an Accord Certificate and it is the responsibility of the Supplier and Contractor to ensure a current certificate is on file with Lacks Enterprises, Inc. at all times. The certificates shall contain a provision that coverage afforded shall not be cancelled, materially modified or allowed to expire or be non-renewed until after 30 days written notice thereof has been given to the above address.
- All Suppliers and Contractors must comply with Lacks Enterprises, Inc. safety practices, visitor policies, and procedures while on the premises of any Lacks Enterprises’ facilities.
- Indemnification & Hold Harmless – Refer to Lacks Purchase Order Terms & Conditions

Revised 05/02/07

APPENDIX C. Engineering Change/New Part/PPAP Tag

ATTENTION !!!

- ENGINEERING CHANGE
- NEW PRODUCTION PART
- PPAP SAMPLES

This box contains the first shipment (lot) of a new engineering change level, new parts, or PPAP Samples.

Supplier: _____
(write in supplier name)

Change Description:

(write in description of any engineering changes)

COPY THIS FORM ON TO PINK PAPER

APPENDIX D. NAFTA Certificate of Origin

US DEPARTMENT OF HOMELAND SECURITY
Bureau of Customs and Border Protection
NORTH AMERICAN FREE TRADE AGREEMENT
CERTIFICATE OF ORIGIN

Please print or type 19 CFR 181.11, 181.22

1. EXPORTER NAME AND ADDRESS TAX IDENTIFICATION NUMBER:	2. BLANKET PERIOD (DDMMYY) ANNUAL FROM TO
3. PRODUCER NAME AND ADDRESS TAX IDENTIFICATION NUMBER:	4. IMPORTER NAME AND ADDRESS LACKS ENTERPRISES 3505 KRAFT SE GRAND RAPIDS, MI 49512 USA TAX IDENTIFICATION NUMBER: - 38-2650857

5. DESCRIPTION OF GOOD(S)	6. HS TARIFF CLASSIFICATION NUMBER	7. PREFERENCE CRITERION	8. PRODUCER	9. NET COST	10. COUNTRY OF ORIGIN

I CERTIFY THAT:

- THE INFORMATION ON THIS DOCUMENT IS TRUE AND ACCURATE AND I ASSUME THE RESPONSIBILITY FOR PROVING SUCH REPRESENTATIONS. I UNDERSTAND THAT I AM LIABLE FOR ANY FALSE STATEMENTS OR MATERIAL OMISSIONS MADE ON OR IN CONNECTION WITH THIS DOCUMENT;
- I AGREE TO MAINTAIN, AND PRESENT UPON REQUEST, DOCUMENTATION NECESSARY TO SUPPORT THIS CERTIFICATE, AND TO INFORM, IN WRITING, ALL PERSONS TO WHOM THE CERTIFICATE WAS GIVEN OF ANY CHANGES THAT COULD AFFECT THE ACCURACY OR VALIDITY OF THIS CERTIFICATE;
- THE GOODS ORIGINATED IN THE TERRITORY OF ONE OR MORE OF THE PARTIES, AND COMPLY WITH THE ORIGIN REQUIREMENTS SPECIFIED FOR THOSE GOODS IN THE NORTH AMERICAN FREE TRADE AGREEMENT, AND UNLESS SPECIFICALLY EXEMPTED IN ARTICLE 411 OR ANNEX 401, THERE HAS BEEN NO FURTHER PRODUCTION OR ANY OTHER OPERATION OUTSIDE THE TERRITORIES OF THE PARTIES; AND
- THIS CERTIFICATE CONSISTS OF _____ PAGES, INCLUDING ALL ATTACHMENTS.

11.	11a. AUTHORIZED SIGNATURE		11b. COMPANY
	11c. NAME (Print or Type)		11d. TITLE
	11e. DATE (DDMMYY)	11f. TELEPHONE ? NUMBER	11g. (VOICE) (FACSIMILE)

Customs Form 434 (121793)

Revision History:

Date	Description of Changes
February 20, 2008	Initial release.