



# VENDOR REQUIREMENTS MANUAL

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<b>Issue Date</b>	<b>Revision</b>	<b>Description of Change</b>
12-Aug-13	1	Initial Release
27-Jan-14	2	Addition to section 1.2, 2.1, 4.1. Updated definitions in section 6.1. Updated workforce in 9.1.6. Changed purchasing to supply chain and supplier to vendor. Added section 10.3 to address restricted and hazardous materials.
20-Oct-14	3	Updated restriction of use statement in footer. Replaced WCRL reference with WGR. Changed title of 8.1 to ‘Control’

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## 1.0 Introduction

### 1.1 Purpose

This manual defines the policies, procedures, and expectations of Weatherhaven Global Resources Ltd. (hereafter called WGR). The procedures in this manual are meant to provide guidance to all vendor activities throughout WGR. This manual establishes general policy, however, additional information may be provided to vendors from their WGR Purchase Order or Supply Agreement.

### 1.2 Scope

This manual applies to all critical vendors of WGR providing production materials. It outlines the minimum activities and quality performance required of the vendor’s quality system and of deliverables which includes products and/or services. All sections may not be applicable to all vendors.

A critical vendor is an organization providing custom production parts or services (not applicable to commercial off the shelf parts).

### 1.3 Company Description

WGR is an OEM providing redeployable shelter solutions for the Commercial, Military, and Medical markets.

### 1.4 Vision Statement

WGR core values are Innovation, Creativity, and Collaboration

WGR core purpose is to supply robustly-designed and quality-built products which meet or exceed our customers’ requirements.

WGR long term goal is to be the dominant global supplier of shelter systems for remote / re-deployable applications.

### 1.5 Quality Policy

Weatherhaven Global Resources Ltd. is committed to meeting the needs and expectations of our customers for redeployable shelter products by continually improving products and processes, maintaining compliance to ISO 9001:2008, measuring the effectiveness of the management system, and providing, defect free products that meet requirements the first time.

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**1.6 Legal and Ethical Conduct**

All critical vendors to WGR are encouraged to have policies and practices that ensure adherence to “best practices” for legal and ethical conduct. This conduct is essential to strong relationships between WGR and vendors. One means of showing this adherence is a corporate commitment to the Global Sullivan Principles.

As a company which endorses the Global Sullivan Principles we will respect the law, and as a responsible member of society we will apply these Principles with integrity consistent with the legitimate role of business. We will develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these principles throughout our organization.

**1.7 Environmental, Safety, and Regulatory Compliance**

Environmental compliance is a WGR requirement of critical vendors that manufacture production parts and/or assemblies. Commitment to the environment can be demonstrated by compliance to ISO 14001. Critical vendors must ensure that their products meet current applicable government regulations. This can be accomplished by certificates, warrants, product labels, material specification reports, etc.

Critical vendors must ensure that their product meets all international, national, and local laws of the area in which it is manufactured. Additionally all government constraints on restricted, toxic, and hazardous substances have been complied with prior to shipment of any products to WGR.

**1.8 Industry Standards**

Applicable industry standards and/or internationally recognized practices will be followed. The vendor is expected to know and follow all recognized practices and standards. ASTM, MIL, ISO, and CSA are recognized industry standards. In the absence of industry standards or internationally recognized practices the vendor will adhere to the manufacturers recommendations.

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## 2.0 Vendor Quality

### 2.1 General

All critical vendors providing production parts and/or assemblies or services should have a management system that meets the intent of ISO9001:2008. Certification to ISO9001 is not mandatory, however, WGR encourages vendors to consider this path.

All vendors providing calibration or testing services must be accredited to ISO/IEC 17025:2005 or CAN-P-4E at the time of providing the service.

WGR reserves the right to perform on-site assessments of a vendor’s management system. Any nonconformances identified as a result of the assessment must have formal root cause and corrective action within 30 days of notification of the finding.

This vendor requirements manual is part of the purchase order, supply agreement, or contract issued by WCSL. Acceptance of the purchase order, supply agreement, or contract constitutes acceptance of the requirements of this manual. Additional quality requirements for parts, materials and services specified on the purchase order, supply agreement, contract, drawings, or specifications must be satisfied and take precedence over the requirements of this manual. The vendors’ obligations may only be modified or waived by WGR, in writing, once the written request is received from the vendor.

A supplier’s failure to comply with the requirements of this manual may result in their Certified Vendor Status being downgraded.

WGR reserves the right to revise this manual at any time without prior notice.

The vendor acknowledgement (fax or email) on the last page of this manual must be submitted to verify that the vendor has reviewed, understood, and accepted in principle the contents of this manual and its related documents.

WGR may amend this manual from time to time and revisions will be provided to vendors for their acknowledgement in the same manner as the original acknowledgement.



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**2.2 Vendor Approval Process**

A vendor must be qualified to participate in any WGR business excluding the supply of non-production materials.

A waiver will be required for customer driven vendors that do not meet the Management System of WGR.

An on-site assessment by WGR Quality Assurance may be required for class 2 or class 3 vendors and is mandatory for class 4 vendors. (Refer to [Appendix A](#) for the vendor class listing).

Production material vendors must place emphasis on defect prevention rather than detection to provide WGR with defect-free product. The vendor must actively participate in mistake-proof applications and statistical process control methods if applicable as a proactive approach in achieving its quality performance goals. The vendor must use systematic problem solving techniques to determine root cause and facilitate closed loop corrective action. A candidate vendor must demonstrate technical leadership that is committed to quality, on-time delivery and a competitive advantage based on technology and/or significantly superior processes.

Production material vendors must have a minimum of one year in volume production in an automotive, electronics, military, or aerospace application with evidence of stable and capable processes as demonstrated by the vendor's quality and delivery performance.

Calibration Laboratory sources must be accredited to either CAN-P-4E or ISO/IEC 17025:2005. A laboratory scope must be submitted to WGR Quality Assurance before being added to the WGR Qualified Vendor List.

**2.3 Vendor Performance**

Performance standards for quality, on time delivery, target costing and proactive problem solving support are monitored and periodically reviewed with the vendor. An on-time delivery performance target of 100% with the aim of zero defects is the goal. Vendor performance is also demonstrated by continuous improvement trends that proactively provide cost reduction opportunities by reducing waste and non-value added operations from the vendor's processes.

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**2.4 Certified Production Material**

To become certified on a specific part the vendor must meet the following criteria:

- 2.4.1 No Nonconformances within the past six (6) months.
- 2.4.2 No related field failures within the past six (6) months.

Certified Material Vendor status for a specific part number will be granted at the discretion of the WGR Purchasing Manager and/or Quality Manager. Certified Material Vendor status for specific part numbers will be revoked upon the detection of any nonconforming material on the production line or at the customer.

The vendor must affix a "Certified Material Vendor" sticker, specified by WGR, to every container of the certified material shipment. The label must be approximately three inches high by five inches wide with black block letters on a white background. Alternate labeling can be used to identify certified parts - this is dependent on the size of the packaged material and prior authorization by WGR Purchasing.

Receiving Inspection at WGR of Certified Material Vendor part numbers may be limited to visual inspection for type, quantity and evidence of transit damage. Any certifications and inspection reports supplied with the shipment will be evaluated.

**2.5 Vendor Quotations**

All quotations for new business and proposed changes must be submitted to WGR Purchasing (Appropriate Buyer if known) and include part cost, tooling cost, delivery, and quality commitments. Refer to specific request for quote for full details required.

**2.6 Contact Information**

All questions regarding the Vendor Requirements Manual should be addressed to the WGR Supply Chain Manager or Corporate Quality Manager

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### 3.0 Vendor Expectations

#### 3.1 Product Quality Planning

The vendor participates in all aspects of Product Quality Planning. The vendor must have the ability (or willing to gain the ability) to develop and implement Control Plans, Process Failure Mode Effects Analysis, and Process Flow Diagrams.

#### 3.2 Continual Improvement

Vendors are expected to have management systems in place which proactively communicate to WGR alternative methods to improve processes, product quality and facilitate cost savings. These systems include mistake proofing methods to further reduce defects and processing costs.

WGR encourages all of its critical vendors to implement lean business systems to eliminate non-value added activity to aim at eliminating waste by setting standards through active participation of all team members.

Our manufacturing philosophy is “continual improvement” for best quality, lowest cost, shortest lead-time, best safety and high morale.

#### 3.3 Cost Reduction

Cost reduction is an integral part of the long term success of WGR and its vendors. In order to remain competitive and become stronger in the marketplace, WGR and its vendors must implement a focused systematic approach to reduce the cost of goods sold, thereby reducing purchase prices. WGR will develop its supply base from vendors who intend to become and remain leaders in their field of expertise and have the desire and ability to offer price reductions on an ongoing basis through a process of lean continuous improvement that embraces cost reductions.

WGR will seek cost reductions through long term agreements, vendor benchmarking, vendor consolidation and new vendor selections. WGR believes that vendors can develop a continuous cost reduction process with the effective implementation of internal quality improvement programs. WGR welcomes vendor involvement in joint cost reduction efforts based upon a review of processes, new technology, performance measures and customer approval.

Cost reductions involving inter-company teams can only be successful when both parties are committed to a long term relationship.

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## 4.0 Part Approval

### 4.1 First Article

All critical and custom parts (not including commercial off the shelf) must undergo first article approval to verify that WGR requirements have been achieved. The requirement for a first article will be identified on the purchase order.

The first article will include, but not be limited to, the following, as applicable.

- 4.1.1. Dimensional Report
- 4.1.2. Electrical Test Data
- 4.1.3. Mill Certificates for Frames
- 4.1.4. CSC Production Certificates for Frames
- 4.1.5. Raw Material Certificates
- 4.1.6. Process Flow Diagram
- 4.1.7. Control Plan
- 4.1.8. Process Failure Mode Effects Analysis

The sample size for first article is typically five (5) parts. For large and/or high value items the first article size may be reduced.

The first article documentation page will be provided to WGR Purchasing and may be soft copy or hard copy. If the package is hardcopy it is to be in an envelope identified as "First Article Submission Documentation".

The review of the first article submission will be performed by WGR Engineering and Quality. As part of the approval of the first article a source inspection at the fabricating facility may be required for verification.

### 4.2 Production Part

Once a part or service is qualified and approved for production the vendor shall not make changes to the processing, location, material, or tooling without prior written approval from WGR.

Once a vendor has started production shipments to WGR, the vendor will continue to monitor the Ppk or Pp values, as applicable, for critical and safety characteristics to demonstrate the ongoing capability and continuous improvement of special product characteristics. Data submission requirements to WGR will be specified on the purchase order / contract, part print, product specification, or other written notice. Submitted data (if not provided electronically) will be placed in an envelope identified as "Inspection Data".

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## 5.0 Vendor Change Request

### 5.1 Vendor Request for Assistance

WGR must be notified by the vendor of **ANY** process, tooling, material, location, or Sub-vendor change. This form may also be used to approve any temporary changes. The vendor must submit a Vendor Request for Assistance form to WGR Supply Chain and Quality. The vendor must receive written approval from WGR prior to any change being implemented.

The tracking of the request is performed by WGR Quality. The WGR Supply Chain and Quality Department must be contacted in potential line shut down conditions for pre-disposition. After receiving pre-disposition the vendor is to immediately submit the proper VRA paperwork to WGR Purchasing. Material shipped without authorization will be rejected by WGR. All costs and expenses incurred by WGR as a result of unauthorized changes will be the responsibility of the vendor.

The part may require first article approval if the changes being requested by the vendor affect the fit, form, function of the part or if customer requirements are affected.

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## 6.0 Special Characteristics

### 6.1 Symbols

Symbols are used on WGR drawings to highlight critical and significant characteristics where verification is Mandatory. The verification requirements are implied whenever a feature is identified as a critical characteristic or a significant characteristic.

**Critical Characteristic:** Any feature (dimension, tolerance, finish, material or assembly, manufacturing or inspection process) that if nonconforming, missing, or degraded may cause failure of a regulatory or safety item.

**Significant Characteristic:** Any feature (material, process, part or assembly) where variation within the specified tolerance has significant influence on fit, function, performance, reliability or manufacturability.

Critical characteristics are represented by the inverted delta (▼) and significant characteristics are represented by the diamond (◊). These symbols will be identified appropriately on Process Failure Mode Effects Analysis, Control Plans, and Process Flow Diagrams.

### 6.2 Lot Traceability

All lot and material traceability information must be maintained by the vendor. The traceability must be to the raw material, component, or part and be able to be identified to a WGR purchase order and serial number (as appropriate).

The vendors' traceability must be to the vendors purchase order for the material, component, or part and to the manufacturer's batch or lot number.

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## 7.0 Corrective Action

### 7.1 Vendor Response

A Nonconformance Report (NCR) or Vendor Corrective Action Report (VCAR) will be issued to the vendor upon the detection of nonconforming material or parts, when a late delivery causes a production line shutdown, or when overall vendor performance doesn't meet expectations. WGR suggests that an 8D or A3 methodology be utilized to determine the true root cause and identify corrective action that will eliminate the issue and prevent recurrence.

Immediate containment of suspect material is required to mitigate customer exposure. When a vendor receives a nonconformance report or vendor correction action report the expectation from WGR is that the following timelines are met for submission of documentation.

- 7.1.1. Response to deficiency (containment) within 24 hours.
- 7.1.2. Root cause and proposed corrective action within 10 days for WGR approval. Target dates to implement planned actions must be identified.
- 7.1.3. Traceability (by lot number, serial number, or other means) for the permanent corrective action implementation must be indicated. All updates to the action plan must be communicated to WGR.

### 7.2 Review and Response

WGR Supply Chain Manager or Buyer/Planner and Corporate Quality Manager will review the response for completeness and acceptability and will notify the vendor accordingly. If the response for root cause and corrective action are not adequately defined or WGR doesn't believe the issue will be successfully resolved it will be rejected and resubmission will be required.

Vendors failing to respond to deficiencies in the time frame identified in section 7.1.1-7.1.3 may have their vendor status downgraded. It is possible that subsequent shipments will be placed on hold or returned until adequate response is received.

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## 8.0 Nonconforming Material

### 8.1 Control

If material received from the vendor is not suitable for use, an authorization number to return or sort/rework the material at the vendor's expense will be requested. Vendor responsibility is determined by vendor acceptance of concern responsibility or no response by the vendor by the end of the next business day from the initial contact.

A NCR or VCAR will not be issued when the vendor notifies WGR of the presence of suspect material in transit if replacement material has been provided. A NCR or VCAR will not be assessed for nonconforming material, detected at the end customer, which was built prior to the implementation of a documented corrective action. However charge backs may be made to cover failure costs imposed by the end customer, which include any documentation.

The terms of charge back for nonconforming material are determined by WGR based on root cause analysis.

If additional defects following permanent corrective action implementation are detected for the same failure mode previously identified, a new NCR or VCAR will be issued and containment measures will be imposed.

When a temporary authorization has been approved by WGR on the Request for Waiver form to accept nonconforming material prior to shipment, no NCR or VCAR will be issued. The vendor will be responsible for any qualifying conditions of acceptance indicated on the form.



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## 9.0 Containment

### 9.1 Preventive

A proactive approach is to be utilized when there is the existence of special conditions that could create a potential risk of producing or shipping nonconforming materials, parts, or sub-assemblies. These conditions include, but are not limited to, the following:

- 9.1.1. Production start-up after an extended period of shutdown, > 30 days
- 9.1.2. Significant tool or equipment repair
- 9.1.3. Power outage lasting longer than 24 hours
- 9.1.4. Abnormal shifts in product quality
- 9.1.5. Out of control or incapable processes ( $Ppk < 1.5$ )
- 9.1.6. Significant change in the workforce,  $\geq 5\%$

The vendor is expected to implement containment and the process must have the necessary robustness and control to manage the special condition and eliminate any risk to WGR.

### 9.2 Correction

Containment must be implemented as a result of a complaint or deficiency communicated by WGR to the vendor. The containment process must consist of all activities to mitigate risk and prevent future deficiencies from reaching WGR or its customers.

The containment will include the following:

- 9.2.1. Data collection and analysis.
- 9.2.2. Disposition of the nonconforming material, parts, and/or sub-assemblies at all locations.
- 9.2.3. Vendor analysis of their entire supply chain to identify any suspect material, part, and/or sub-assembly at, or in transit, to any WGR or customer location.
- 9.2.4. Date of next shipment of material, parts, and/or sub-assemblies that meet specification, including appropriate identification of conforming material, parts, and/or sub-assemblies.
- 9.2.5. Recovery plan to provide conforming material, parts, and/or sub-assemblies to WGR to support the production timing plan to meet customer requirements.

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Breakpoints must be clearly established to indicate the start and finish of the nonconforming materials, parts, and/or sub-assemblies (purchase orders, lot numbers, serial numbers, etc).

All activities that take place as a result of the identification on the nonconformance, containment, corrective action, preventive action and re-validation of manufacturing must be documented and submitted to WGR Supply Chain and Quality.

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## 10.0 Delivery

### 10.1 Labeling

Vendors of production materials, parts, and/or sub-assemblies to WGR are to identify the shipping container with WGR part number, purchase order number, description, quantity, unit of measure, and date of manufacture.

If the material, part, and/or sub-assembly are sub-divided within a carton or container through the use of plastics bags or boxes, a label identifying the product must be affixed to each bag or box.

Production material, parts, and/or sub-assemblies that do not conform to requirements and have been previously approved by WGR through a Request for Waiver must be identified with a label indicating the waiver number (ie: RFW-123).

Vendors not meeting WGR labeling requirements will be notified and required to provide an expected date of compliance.

### 10.2 Shelf Life

If an item is defined as having a specific shelf life then a Certificate of Conformance must be supplied which identifies date of manufacture, batch/lot number, specification number(s), and storage conditions. No more than 10% of the shelf life shall be expired at the time of receipt by WGR. The vendor must have implemented a methodology for monitoring and determining shelf life, when applicable.

### 10.3 Restricted or Hazardous Substances

As required by either municipal, provincial or federal regulations (such as WHMIS) material must be properly identified with appropriate labels or certifications including any specific handling and disposal requirements. MSDS (material safety data sheet) must accompany materials to ensure that WGR can assess any concerns as it relates to the health and safety of workers.

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**10.4 NAFTA Requirements**

WGR is obligated by customer requirements and Canadian law to obtain, on an annual basis, information on the country of origin of assemblies or finished products. These requirements are a result of the North American Free Trade Agreement (NAFTA). Each vendor must supply NAFTA with each shipment or submit blanket NAFTA to WGR Supply Chain annually, on the appropriate forms, documentation which fulfills the requirements of NAFTA. Should the part status change (i.e. sourcing, process, etc.) or a new part number be supplied, the vendor must submit the appropriate new documentation to WGR.

**10.5 C-TPAT (Customs Trade Partnership Against Terrorism)**

WGR requires vendors (Tier 1 and/or Tier 2) to be compliant to C-TPAT (Customs Trade Partnership Against Terrorism) throughout their supply chain. This includes logistics providers (warehouse and carriers) used by the vendors.

**10.6 Conflict Minerals**

Vendors providing production parts, sub-assemblies, or product to WGR that contain tungsten, tantalum, gold, or silver may be required to provide evidence of material origin (mine or smelter) to meet SEC requirements related to conflict minerals in the DRC (Democratic Republic of the Congo) and neighbouring countries.

**10.7 CGP (Controlled Goods Program)**

WGR, as a provider of product to the Canadian Government, is required to be enrolled in CGP to meet the requirements of ITAR (International Traffic in Arms Regulations) and ensure Canada’s National Security.

Accordingly a vendor must be willing to be enrolled in the Controlled Goods Program if it is deemed necessary by WGR.

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## 11.0 Calibration

### 11.1 Certificates of Calibration

Calibration data sheets must be provided with the following information:

- 11.1.1. Environmental conditions at time of instrument calibration
- 11.1.2. Calibration standard used with manufacturer model, serial number, NIST traceability, next calibration due date indicated
- 11.1.3. Data before and after instrument adjustment
- 11.1.4. Acceptance accuracy
- 11.1.5. Statement for measurement uncertainty
- 11.1.6. Date of calibration with authorized signature

### 11.2 Calibration Identification

A sticker is to be applied to the instrument indicating calibration status (for instruments that can't have the sticker applied because of size can have the sticker applied to the instrument's storage case provided there is traceability between the instrument and its storage case).

The sticker is to include, at a minimum, the following information:

- 11.2.1. Date of calibration
- 11.2.2. Date next calibration is due
- 11.2.3. Authorized signature or initials

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## 12.0 Appendix A (Vendor Class Listing)

<b>Class</b>	<b>Definition</b>	<b>Applies To</b>
1	The vendor is established in its industry and/or its customers include reputable manufacturing companies.	Vendors providing commercial off-the-shelf parts or equivalent
2	The Vendor complies with industry standards or meets comparative benchmarks between similar companies. For parts, basic process controls are in place to ensure that vendor is able to track WGR purchase orders by PO, Part Number and Revision through manufacturing, inspection, storage, and shipping	Vendors providing modified off-the-shelf parts, and custom parts using mature and standard manufacturing processes
3	The vendor complies with industry standards or meets comparative benchmarks between similar companies. Parts and services comply with applicable 3 <sup>rd</sup> party standards. Controls for the proper management of tools, materials and documentation are in place	Vendors that provide custom parts using high-precision or complex manufacturing processes, assemblies, or any parts that can create significant costs in production due to low quality
4	The vendor is certified by an accredited third party to the applicable quality management system (e.g. ISO 9001, Mil. Std.) and/or accredited by appropriate authorities. For parts, the vendor warrants its product to Weatherhaven’s satisfaction and has the capabilities to solve complex manufacturing problems and continually maintains or improves its technical capabilities to assure product can be safely incorporated into their customer products	Vendors that provide complex custom parts requiring multi-stage manufacturing processes, safety related assemblies, or any part that could have defects that would not be detectable during inspection or production that could cause a safety hazard to end users

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### 13.0 Vendor Acknowledgement

Date:

Vendor Name:

Vendor Address:

It is acknowledged that the Management of the above named organization has read, understands, and accepts in principle the requirements and obligations of the Vendor Requirements Manual issued by Weatherhaven Global Resources Ltd..

The undersigned has the authority to commit the above named organization to the requirements outlined in the Vendor Requirements Manual.

\_\_\_\_\_  
Name (Print):

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Signature:

\_\_\_\_\_  
Corporate Quality Manager  
Weatherhaven