

PURPOSE

- The purpose of the Global Supplier Standards Manual is to communicate the requirements of Motus Integrated Technologies (Motus) to our suppliers.
- It is the expectation of Motus that all suppliers of Direct Materials comply with all the requirements and expectations documented in this manual.
- Motus expects this manual to provide the foundation for our working relationship with our Suppliers. We will strive for excellence through continuous improvement in the products and services we receive through close working relationships with our suppliers.

SCOPE

- This policy applies globally to all Motus locations that are involved in the purchase of products and services for use internally or resale.
 - Motus LLC, USA
 - Motus Automotive Interiors S de RL de CV, Mexico
 - Motus Headliner GmbH, Germany
 - Motus Creutzwald SAS, France

STANDARD PRACTICES

- The **Supply Chain Management** Chapter of the Global Supplier Standards Manual was developed to present a minimum set of requirements to current and potential suppliers.
- The main chapter is divided into fourteen specific areas
 1. Supply Chain Management Expectations
 2. Electronic Commerce
 3. International Shipping
 4. Shipping and Replenishment Performance
 5. Labeling Requirements
 6. Discrepant Material Reports (DMRs)
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Change Log

Date of Change	Section	Description of Change
Jan 2016	<ul style="list-style-type: none"> • 6.4 DMR Ratings & Scorecard Review 	<ul style="list-style-type: none"> • Updated the EU DMR charge to align with the updates in the Quality Chapter in Oct. 2015

1.0 Supply Chain Management Expectations Introduction

1.1 Introduction

The supply chain organization at Motus Integrated Technologies contributes to manufacturing excellence in quality, cost and delivery to the customer. In particular, the supply chain function assures the on-time delivery of component material and shipment of finished goods at the lowest cost.

Continuous improvement in our global supply chain systems is, and will continue to be, a competitive advantage for Motus. This advantage is created through the engineering and design of Lean Replenishment and Logistic Business processes, which are enabled through effective application of Lean Technologies. To fully leverage the potential of these innovative systems and processes, the knowledge and capabilities of our extended enterprise must be flexible and capable of meeting our replenishment requirements.

Total Supply Chain Management is achieved through the execution of comprehensive, common business processes and systems such as:

- TS16949 standards
- AIAG Materials Management Operating Guidelines
- Motus Integrated Technologies Management Business System (MBS)

The following are critical supply chain elements that must be in place to execute flawlessly:

- Communicate electronically between suppliers and customers
- Implement/Utilize Lean Manufacturing practices
- Analyze demand (830, 862, 866, etc.)
 - Understand and react to schedule variation week to week
 - Reconcile Cums weekly
 - Compare demand to capacity
- Proactive communication through the supply chain when there are potential issues in meeting demand requirements
- Ship according to the transportation routing instructions
- Respond to the Customer specified replenishment method(s) and establish Replenishment processes to assure on-time delivery from the extended supply chain
- Respond to “issue communication” tools (DMR, MQR, etc.)
- Development of team members which focuses on: Process knowledge, technical capability, problem solving skills, and leadership ability
- Implement repeatable processes that minimize human intervention, and audit them to ensure conformance using the MMOG (External supplier) or MMSA (Internal MOTUS Supplier)
- Identify and measure key metrics on a monthly basis, with an emphasis on corrective action planning to address metrics that don't meet goals

1.2 Scorecard Performance within Supply Chain Management

There are 4 areas that MOTUS measures to review supplier performance.

<i>Metric</i>	<i>Points</i>	<i>Description</i>
Materials Score	30	Measures on time delivery, premium freight, label and data accuracy
Quality Score	30	Measures quantity of issued DMR's, clean-point effectiveness, response timing, repeat issues and overall PPM performance
Commercial Score	25	Measures payment terms, supplier initiated VAVE/cost saving proposals and quality of quotations
Program Management	15	Measures launch/product change deliverables and responsiveness to information/data requests

The Motus Global Supplier Standards manual will instruct you on our expectations for your performance in order that together we may create a supply chain that executes flawlessly each and every time.

2.0 Electronic Commerce

2.1 Introduction

Electronic Commerce Requirements - Motus and our automotive customers require EDI (Electronic Data Interchange) to be utilized by all suppliers throughout the Supply Chain. This includes the ability to receive releases (830 - weekly, 862 – daily), and send ASN's (856).

All of our initiatives, policies, and transaction sets comply with the guidelines set forth by the Automotive Industry Action Group (AIAG) / VDA. Our suppliers must have the capability to interface with us in one or more of the following options:

- Traditional EDI package
- Visibility tool (i.e. i-Supply)
- 3rd party provider (i.e. Covisint)
- Plex

Any updates, new releases, system changes, etc. will be communicated to our suppliers by the Motus Supply Chain Management and Purchasing Organizations.

All suppliers must develop a contingency plan for their primary EDI system. This allows us to keep both product and information flowing if the primary system fails for any reason. To inquire about the specific details of using EDI with Motus, please contact your Motus Materials Analyst.

2.2 Advanced Shipping Notice (ASN)

An ASN is the electronic transfer of shipment data from a supplier to a customer. The customer plant utilizes the information contained within the ASN in three ways:

- Determine and confirm goods in transit.
- Verification against the shipment as product is received.
- If the supplier is ERS (evaluated receipt settlement) approved, the ASN serves as an electronic invoice that will generate payment to the supplier. (Not applicable South America)

Accuracy is imperative in order to maintain the integrity of information related to inventory records, MRP/supplier schedules, and invoice payments. ASN timeliness is critical to information accuracy and functionality. Failure to send ASN's may result in non-compliance on your Supplier Scorecard, the issuance of a DMR (discrepant material report), and the potential for a charge-back.

The ASN must be created upon finalization of the shipment and be received by Motus within one hour from the time the shipment leaves the supplier's shipping location, or prior to its arrival at the Motus plant, whichever is earliest.

All shifts in a facility must be capable of sending the ASN to meet these requirements. Confirmation of ASN receipt is available to suppliers (contact the MOTUS plant for availability). In order for the ASN to be successfully transmitted to the Motus plant, the ASN must contain all of the SPECIFIED INFORMATION listed below. ASN's received without a BOL number will fail our rules and not be received, and a DMR will be issued for failure to send an ASN.

1. BOL Number (Bill of Lading)
2. Shipment date/time
3. Gross weight of shipment
4. Net weight of shipment
5. Total Bill of Lading quantity (e.g. # of cartons)
6. Standard Carrier Alpha Code (SCAC)
7. Mode code (e.g. "E" for expedite, "A" for air, etc.)
8. Pool point location (if applicable)
9. Trailer number (or air bill if it's an air shipment)
10. Packing slip number(s)
11. Ship from location (our supplier code or supplier DUNS Code)
12. Ship to location(s) (our plant code(s) including dock code(s)) or DUNS Code
13. Part number
14. Engineering change level (Part)
15. Quantity shipped
16. Unit of measure
17. Purchase order number
18. Number of cartons shipped of each part

19. Quantity per carton EDI SPECIFICATIONS

Note: Additional requirements may be communicated to the supply base, dependent on the OEM customer's specific requirements.

3.0 International Shipping

3.1 International Shipping Introduction

The purpose of this section is to provide suppliers of Motus with better understanding of their responsibilities as exporters and suppliers. This section contains information regarding:

- Shipment requirements for exports to MOTUS
- Warehouse & inventory requirements for international shipments
- Documentation requirements

Each supplier to Motus is responsible for complying with all customs laws and regulations as it relates to their activity with Motus. This includes, but is not limited to, the items outlined in this manual.

3.2 INCO Terms 2010

MOTUS typically uses one of three incoterms 2010 for international shipments. Your purchase order will state the agreed upon term.

1. FCA (free carrier), where the named place is the shipping location or export port. The supplier will be responsible for:
 - loading material onto transport vehicle
 - providing all necessary paperwork such as export licenses, commercial invoice documentation, authorizations and export clearance from the country of shipment origination
 - confirming that the quantity of the goods are in conformance with the submitted documentation
 - provide appropriate packaging and markings
2. DAP (delivered at place), where the named place is the location of our broker or warehouse at the border. The supplier will be responsible for all items listed in #1 above, as well as freight to deliver the goods to the named place.
3. DDP (delivered duty paid), where the named place is the MOTUS receiving location. The supplier will be responsible for all items listed in #1 & 2 above, plus all costs/duties/fees payable for import until it reaches the destination.

3.3 Custom Brokers

Motus has designated customs brokers to clear shipments on our behalf. Suppliers must send

documentation to our designated broker as per the routing instructions issued by Motus.

3.4 International Shipment Documentation

Suppliers are responsible for providing complete and accurate documentation for each international shipment. Documents include, but are not limited to, the Bill of Lading, Packing List, Commercial, and a Certificate of Origin (NAFTA or other as requested) where applicable. Incomplete or inaccurate documents may delay the timely delivery of product; failure to supply complete and accurate documentation will result in a supplier DMR and a debit for the cost incurred of a delayed shipment. Shipments that are FCA or DAP must still have all paperwork as listed above.

3.5 Valuation of Merchandise

Suppliers are responsible for stating the correct value of the product being shipped per the terms and conditions of your contract with Motus. This typically is the price payable according to the current purchase order price in effect at time of shipment. Failure to do so may result in a DMR and subsequent DMR debit charge.

3.6 Country of Origin Marking

Every article of foreign origin (or its container) shall be marked in accordance with the regulations of the destination country.

3.7 International Shipment Checklist

- Complete Bill of Lading (This must be the same BOL # as on the ASN)
- Complete Packing List
- Complete Certificate of Origin or NAFTA certificate (if not previously provided to MOTUS)
- Complete Commercial or Pro-Forma Invoice per guidelines listed above.

3.8 Commercial Invoice

A commercial invoice shall accompany each export to a Motus facility. Invoice and all attachments must be in English. When the items below are excluded from the invoice, the customs clearance of the shipment could be delayed. Often times a shipment is flagged for examination by customs due to the absence of values, description, and country of origin. Contents of invoices and general requirements:

- a) Port of entry to which the merchandise is destined
- b) Complete name and address of consignee
- c) Complete name and address of shipper, including tax ID#. Include contact name & phone number
Complete name and address of the customs broker
- d) Ship date
- e) A detailed description of the merchandise, including the Motus part number. It is very important that

the Motus part number is listed so that the proper HS Classification and NAFTA eligibility can be determined. Do not modify the Motus part number (e.g. add a suffix or prefix). If shipment involves equipment, the invoice must also include the serial # and make & model #.

- f) Quantities, weight and unit of measure of the merchandise shipped (e.g. liters, gallons, kilograms etc.)
- g) The purchase price in the currency of purchase
- h) Value of each item in the currency in which the transactions is made
- i) Type of currency
- j) All charges upon the merchandise itemized by name/category and amount.
- k) Country of origin (not necessarily country of shipment origination)
- l) Tariff / HS classification number
- m) INCO terms
- n) Invoice #
- o) Declaration of truth

Special Notes:

- Equipment has to be invoiced separately from Raw Material.
- Equipment has to be separated on different skids from Raw Material inside the cargo.
- Invoices must be sent at the time of shipment dispatch with an estimated time of arrival, specifying Trailer Number, Quantity of bundles or skid, and Time of estimated arrival

4.0 Shipping and Replenishment Performance

4.1 Introduction

The standard for Motus suppliers is 100% on time arrival of all parts required by the Motus manufacturing site. This means shipping the correct quantity of the correct product to the correct location according to the designated replenishment method.

It is mandatory that the supplier contact the MOTUS plant immediately upon recognition of an issue if the release schedule cannot be met. The supplier shall have a process in place to ensure that any potential problems that could impact the Motus operations are communicated as soon as they are identified. Differences shall be resolved with appropriate customer contact prior to shipment time.

It is our expectation that the supplier procures/produces to the high point of the forecast for authorized raw/fab, respectively. Notify your Motus materials manager if you receive 2 or more subsequent releases which show a decreasing authorization.

Suppliers are expected to receive forecasts and releases electronically, and to process them without manual entry. Reference the Motus Electronic Commerce document for further details on electronic

transmissions.

In the event a supplier does not receive a weekly release from Motus, they must verify with the plant materials scheduler or manager that no release was sent, escalating the call if necessary for verification. If after multiple attempts (must include BOTH email AND phone call) the supplier is not able to contact MOTUS to verify release status, the supplier is authorized to use the most recent release to ship to MOTUS, following established guidelines for shipping to cum required by given dates.

4.2 Forecast Expectations

The forecast will grant fab & raw authorizations per the commercial terms between Motus Purchasing and the supplier. Motus will grant the supplier a raw and fab authorization in accordance to the authorization being provided by our customer. For example, Motus may grant 4 weeks raw and 2 weeks fab, for a total of 4 weeks (i.e. you're authorized to convert 2 weeks of the raw, not carry an additional 4 weeks raw). This will be provided to the suppliers in their releases. Certain commodities may be granted different standards per their release. Deviations from the standard must be authorized by MOTUS and will be communicated in the purchase order as well as the release.

Each Motus plant may or may not require the supplier to ship according to the forecast release, and will contact the supplier to set this protocol up if it's the desired method of delivery. In other words, the forecast release may also serve as the delivery signal.

The authorization on a release is Motus' financial commitment for released material. See diagram below for illustrative definition:

Authorization for a cum amount and the lead-time required for a shipment are not synonymous. Lead-time is defined as the amount of time between recognition of an order and receipt of the order (can include manufacturing time as well as transportation time). This doesn't translate directly into the amount of weeks Motus will provide financial commitment in a cum authorization.

4.3 Shipping & Delivery

Authorization to ship specific product will be communicated to the supplier through Motus plant designated replenishment method (MRP, Kanban, min/max, sequence). Within 90 days from SOP Motus will notify the supplier of the designated replenishment method. During launch or pre-production, we will use MRP or spot-buys.

Note: Replenishment method may vary from plant to plant. Please reference chapter 12, Replenishment Methodology, for further details on Motus' standard replenishment tools.

A "Delivery signal" will show either a ship date or a delivery date. A delivery date defines when the goods are to be ultimately received by Motus. A ship date indicates the date which the supplier should ship the goods. In this context the delivery date does NOT mean delivery to carrier. The supplier is expected to understand transit time and have product ready for shipment in order to meet the delivery date on the schedule, inclusive of transit time. Contact the Motus plant if you have any questions as to which date is being transmitted. The supplier is required to:

- a) Take ownership for all parts manufactured for Motus
- b) Control its processes to assure that the physical shipments correspond with the Motus demand.
- c) Have the ability to meet either a 15% week to week net schedule increase or a 15% cum increase over the period authorized under the raw and fab authorization. This does not apply once the supplier has been notified of a balance out.
- d) Contact Motus plant Materials Representative(s) if supplier is unable to meet the replenishment schedule, and supply the following information:
 - a. Date the parts will be available.
 - b. Suppliers plan to get back on schedule.
 - c. Name of the necessary resources to resolve any delivery issues.
- e) If an established window time is missed or release schedule cannot be met, contact your Motus plant representative for agreement on necessity of expedites.
- f) Obtain approval from Motus for the mode & carrier chosen. Every effort must be expended to reach agreement on the expedited freight responsibility at the time of shipment. If the supplier is responsible, the freight must be shipped "PREPAID" and the supplier may choose their logistics company. The supplier is also responsible for tracking the in-bound freight to Motus and advising the Motus plant Material Representatives as to shipment status.

A supplier will be held responsible for downtime and other associated costs (i.e. Premium freight or charter costs) due to their inability to meet delivery requirements, in accordance with the purchasing terms and conditions.

5.0 Labeling Requirements

5.1 Labeling Introduction

The adherence to these labeling requirements, as well as the packaging requirements also stated within the Motus Supplier Standards manual, is mandatory and will be continuously monitored. Non-compliance to these instructions will be brought to your attention through the issuance of a DMR (Discrepant Material Report) by our receiving plant.

Suppliers must ensure that all materials shipped to Motus are correctly labeled and that the labels are properly attached. When labeling, verify that there are two labels per container on adjacent corners. The

label must be placed in the upper left-hand corner of the major side. Whenever possible the label printing should be a bold black type with at least 25mm high letters. No more than one part number is to be packaged in a container or shipped on a pallet. Supplier owned packaging with "Return to" labels must be located in a clearly visible area that does not interfere with the production identification labels.

Label protection against moisture, weathering, abrasion, etc., may be required in harsh environments and is encouraged wherever practical. Care must be taken to assure that labels meet reflectivity and contrast requirements and can be scanned with contact & non- contact devices.

It is the supplier's responsibility to remove labels on returnable containers & affix a new label prior to shipment, unless prior arrangements have been made with the Motus receiving plant.

5.2 Part Shipping Labeling

All labels affixed to a container must contain the following information:

- a) Motus Part Number
- b) Quantity
- c) Motus Supplier ID Number
- d) Label Serial Number
- e) Part Description
- f) MFG Date (manufacturing date)
- g) Part Revision Level
- h) Lot Number
- i) International Build Statement (i.e. Made in Mexico)
- j) Manufacturing Address (Actual address of supplier's final assembly plant -name should match Motus scorecard plant location description to the fullest extent possible)

All containers must have the final Motus destination information affixed either as a master label on the skid or within their standard label format affixed to each container. Data required includes Motus site name, Address, city, state and postal code. An example of an acceptable label is at the end of this section.

5.3 Mixed Load Labeling

When release quantities require cartons of mixed material on one pallet, a special "Mixed Load" label must to be used in addition to being labeled per Motus Labeling Specifications. All containers must be loaded to cubic capacity in order to maintain load density, package integrity, and obtain optimum transport utilization. The following criteria must be observed when shipping mixed loads to a Motus plant:

- Cartons must be uniform in size to maintain load stability.
- Each pallet must have material / product for only one Motus plant.
- Avoid shipping less than a full layer whenever possible.

Motus Supplier Scheduling should be contacted to establish load quantities into their releases.

For unit load packaging that is shrink wrapped, the master label and mix load labels must be applied to the outside. When individual containers are palletized and made into a unit load for mechanical handling, the master label shall be attached to two adjacent sides of the unit load.

5.4 International Shipment Labeling

Shipments to or from countries (e.g., Mexico, US, Canada, EU) may require special labeling, other than the Odette standard. Motus should be contacted to assist in obtaining the proper labels required if needed.

5.5 Sample Shipment Labeling

When shipping sample parts for Motus part submission or new revision level, the "Sample Part" label must be utilized and must contain the name of the site Packaging Engineer and / or the person expecting to receive the container.

Packaging Test shipments must have a "Sample Parts" identification label placed in a highly visible area and must contain the name of the site Packaging Engineer and / or the person expecting to receive the container.

Motus' requirements for shipping labels are based on the Odette / AIAG bar-coded format. Reference the AIAG Parts Identification and Tracking Application (B-4) document and the AIAG Trading Partner Labels manual (B-10) for labeling specifications.

5.6 Label Example

The below is an example only

PART # CU RT (A) 12X45A789 		SHIP TO PLANT 21, DOCK Y XYZ CO, INC 8 GRA ND RIVER, NOVI, MI 48000	
QUANTITY (Q) 7654321 	CHANGE LETTER A	Country of origin United States	
APPL ID CU RT A BSM (Q) 982795 		PART NAME LEFT-HAND, SEA GREEN SNARK-CONTROLLING WIDGET	
PKG ID-UNIT (ZB) 1948 M0925 	DATE MPG. 9/25 1998	SHIP FROM ADME ID CAL AUTO PARTS 25 AIR LANE TROEN, NC 802-998-1212	

6.0 Discrepant Material Report (DMR)

6.1 DMR Introduction

This procedure defines the process which Motus uses to communicate issues and monitor supplier performance with regards to accuracy of part shipments and accompanying documentation.

6.2 DMR Requirements

A DMR may be issued when a shipment is received with one or more issues in the following categories; issues could occur at the header level, line item level or both. There are 2 DMR metrics which Motus measures:

1. Delivery performance, based on reasons shown in bold below
2. Information accuracy performance, based on remaining non-bold reasons shown below.

Level	Category	Definition
Header	Incomplete/Inaccurate Commercial Invoice	International shipment where the commercial invoice is missing info.
Header	Late Shipment against Defined Delivery Window	Entire shipment arrives after scheduled window time and was not the fault of carrier delay
Header	Missing Commercial Invoice	International shipment that was missing a commercial invoice
Header	No ASN	Supplier doesn't send an ASN for the entire shipment, or it arrives later than the shipment. Should be used for suppliers that are ASN capable or been told to be capable and have not complied.
Header	Purchase Order Discrepancy	Wrong PO# shown on the packing slip or ASN.
Header	Wrong Ship-to Address	Shipment that was sent to another Motus location first or paperwork lists incorrect address DMR is issued by Motus facility which ultimately receives (NOT by the facility who received it by mistake).
Header	Incorrect Freight / Routing Instruction	Shipment was delivered by the wrong carrier or through incorrect consolidation point

Line	ASN Qty. Different than Packing Slip	Quantity on the ASN doesn't equal the printed quantity on the packing slip. <i>Not used for over or under shipments where a new item is shipped that didn't have an ASN.</i>
Line	Box Qty. Different than Label	Quantity in the box doesn't equal the printed quantity on the label. <i>Not used for over or under shipments where a new item is shipped that didn't have an ASN.</i>
Line	Incomplete/Inaccurate Packing Slip	Parts were shipped but not listed on the packing slip/ASN, or there was missing/inaccurate data on the Packing slip/ASN
Line	Incorrect Part Number on Label	Part number on the label doesn't match part number in the box
Line	Label Non-Conformance	Label is not printed to Motus standard e.g. missing barcode, missing part # or quantity info.
Line	Late Shipment Against Defined Delivery Window	Item arrives after scheduled window time and was not the fault of carrier delay (could be applicable to one part that was thrown on the second day's truck. Plant should not issue an under shipment DMR when the first truck arrived w/o this part).
Line	Non-conformance to Packaging Specification	Parts arrived in expendable when should have been in returnables. Parts arrived in incorrect sized containers or unapproved alternate packing/dunnage.
Line	Over shipment	Supplier shipped more pieces than required in the release; min/max; kan-ban. Assumes the ASN showed this increased quantity and matches the shipment.
Line	Packing Slip Quantity Different than Label	Packing slip shows 40 pieces, box / label show different quantity.
Line	Purchase Order Discrepancy	Wrong PO# shown on the packing slip or ASN; wrong freight terms used for shipment
Line	Under shipment	Supplier shipped less pieces than required in the release; min/max; kan-ban. Assumes the ASN showed this decreased quantity and matches the shipment.

6.3 DMR Communication

DMR Communication to the supplier

1. Receiving or Material Analysts' identify information quality / shipment errors as close to the time of the receipt as possible and create a DMR issue within Motus internal PLEX system
2. The Material Analyst reviews the shipment documentation and evidence of the error and determines whether the DMR is valid. When the Supplier Scheduler approves the issue, a DMR is created in PLEX and an e-mail notification is automatically sent to the affected supplier.

DMR Supplier Response Expectations

1. Upon receipt of a DMR, the supplier is required to complete a 4D within 24hrs, and if required an 8D (See below for 8D instructions) through the PLEX system.
2. If the supplier believes that the DMR is inaccurate or unsubstantiated, the supplier may dispute the issue, which then prompts the Supplier Scheduler to either agree with the dispute, reject the dispute and return the DMR to the supplier, or override the dispute in order to allow the 4D to progress through the system.
3. The supplier is expected to assign an internal champion to address all DMR related issues and to provide timely and accurate responses to the issues that have been identified via the DMR.
4. The supplier's DMR champion must track the suppliers DMR performance, drive corrective action for all DMR's and communicate improvement plans to the appropriate supplier personnel (e.g., Account Manager, Customer Service Manager, Materials Manager, etc.).

DMR 8D Supplier Response Expectations

1. Provide the requesting Material Analyst an initial 8-D complete through the first 3 steps within one business day. This should include identification of all potential causes of the problem, how the problem was communicated to the scheduler, and immediate containment actions.
2. Provide the completed 8-D to Motus within 10 business days of the DMR. Repetitive errors or chronic problems with information accuracy may result in a MQR meeting, and if not resolved could escalate to a hold on new business for the supplier.

DMR 8D Material Analyst Responsibility

1. If the Material Analyst approves the dispute, the DMR is removed from the supplier's record and considered closed. The related DMR quantity does not count in the DMR score calculation.
2. If supplier's response (either dispute or 4D) is not obtained within one business day of issuance, Motus may consider the DMR acknowledged and close the DMR as accepted. The quantity will count against the supplier's rating for that month.
3. If there is disagreement regarding a DMR between the Material Analyst and Supplier the Material Analyst will elevate it to their Supply Chain personnel for mediation.

Corrective Action

1. Unless a dispute is accepted, the Material Analyst expects the supplier to perform corrective action. The Material Analyst reviews and tracks the corrective action submitted by the supplier for each DMR issued. The Material Analyst determines if the corrective action is effective and will close the DMR. Once a DMR is closed, it cannot be disputed, cancelled or reversed.
2. If corrective action is not effective, the Material Analyst issues a new DMR and/or an MQR in accordance with the Management Quality Review Procedure.

6.4 DMR Ratings and scorecard review

Motus Supplier Scorecard weighting is as follows:

1. Materials- 30 points total
 - a. Late shipments- 40%
 - b. Premium freight shipments- 40%
 - c. Labeling errors/shipping errors, (documentation, quantity, etc.)- 20%
2. Quality- 30 points
 - a. Late DMR response- 20%
 - b. Broken clean point- 20%
 - c. Repeat issues- 15%
 - d. Monthly PPM, (total defects/total receipts x 1,000,000)- 15%
 - e. Quantity of issued DMR's- 10%
 - f. Late 4D response- 10%
 - g. Late 8D response- 10%
3. Commercial- 25 points
 - a. Payment terms- 40%
 - b. Cost Save / VAVE – 40%
 - c. Quality of quotations- 20%
4. Program Management/Engineering- 15 points
 - a. Launch deliverables, (material certs, dimensional results, etc.)- 50%
 - b. Responsiveness to requests for data, information, etc.- 50%

Once a DMR is approved, the metric is moved from Motus internal PLEX system to the Supplier Scorecard Application.

Suppliers will be debited \$250 US dollars or \$250 Euros for every closed DMR issued. A DMR Debit Memo is issued to process the charges. The original is sent to Accounts Receivable and copies are forwarded to the site Controller. The Debit Memo may be processed within five days of its receipt.

The current supplier goal is to have a minimum score of 80% for all metrics.

7.0 Logistics Requirements

7.1 Logistics Requirements Introduction

Purchasing, Logistics, or the Transport Desk (depending on the region) will determine carrier selection and routing instructions in order to effectively manage inbound freight through the careful consideration of these factors:

- Supplier location
- Product volume
- Packaging
- Transportation costs
- Lead time

Motus expects our suppliers to share in the ownership of the shipping process to ensure products are received in a timely and cost effective manner - essentially, at the right time, in the right container, at the right shipping price, to the right location. Below you will find supplier responsibilities necessary in order to fulfill our transportation requirements.

7.2 Logistics Requirements Communication

All shipments must be accompanied by appropriate documentation. Documentation may include, but not limited to, packing slip, bill of lading, NAFTA certificates, commercial invoices, CMR (EU and Asia) and hazardous materials information.

Carrier information must be included in the Advance Ship Notice (ASN) transmission to allow for trace ability and to ensure supplier compliance to Motus routing instructions.

When electronic generation of the ASN does not exist the supplier is required to provide a faxed copy of the shipping documents.

(Excluding EU) The supplier is responsible for contacting the appropriate carrier, freight forwarder and Motus materials personnel to ensure timely pick-up and delivery. It is the supplier's responsibility to set shipping window times in conjunction with Motus plant materials personnel and the carrier to ensure delivery at the Motus facility by the delivery date shown on the release.

(EU) Dates in the material releases are understood to be from 08:00 in the morning of the pick-up date in order to ensure lead times.

Any failure to meet the agreed upon shipping windows that result in carrier detention charges may result

in a debit to the supplier to compensate for excess carrier detention charges.

(Excluding EU) Information to be provided should include, but may not be limited to, product availability, expected delivery time, special instructions, container dimensions, and weights. If shipping less-than-truckload quantities to one ship-to location, each skid must include a label indicating the plant name and address.

7.3 Packaging Slip Requirement

Mandatory: Packaging slip must be attached (glue or tape) to the packaging (pallet shipment). The packing slip must be in a pouch/sleeve that protects it but also allows it to be removed by receiving plant.

Failure to comply with this requirement will result in a DMR for the shipment per the DMR procedure. Items required in a specific location include:

- Packing Slip #
- Sold To info
- Supplier Production Plant
- Ship to
- BOL #
- Customer part #
- Description
- Supplier part #
- Quantity shipped
- PO #
- Footer which includes page number and repeats the packing slip # Packing Slip Bill of Lading Information Requirements

7.4 Bill of Lading Requirements

The following information instructs a Motus Supplier on how to properly complete a bill of lading (BOL) form for shipments that are sent to Motus. Non-compliance to these requirements that result in excess freight charges to Motus will be debited back to the Supplier. A separate bill of lading must be created for each ship-to location, even when shipping on the same carrier. Each BOL must contain a unique BOL #.

The BOL must include:

1. Supplier Name, Street address, city, state, and zip.
2. Ultimate Consignee shown as: Motus (legal entity name), Plant name.

3. Destination including Street address, city, state, and zip, and c/o where applicable
4. Number of Packages and/or Handling Units - If packages are consolidated on a skid, provide both package count and skid count on the bill of lading.
5. Description of shipment - Enter the description of each line item. Please note the type of package (carton, tote, barrel, etc.) and the quantity per package. Each line item must include the correct National Motor Freight Classification (NMFC) Item# and Class. This information is critical to ensure correct rating so as to avoid excessive charges.
6. Weight - Enter the total gross weight, in pounds, for each line item. Include the weights of pallets, skids or any secondary container.
7. Freight Terms – Indicate 'FCA Origin, Freight Collect' terms if Motus is responsible to pay for the shipment. All freight shipped to MOTUS facilities must be shipped freight collect unless Purchase Order states otherwise or shipment is a Supplier paid expedite or routing deviation.

7.5 Routing Instructions

Where Motus is responsible for paying freight charges, a routing instruction will be provided to the supplier. The routing instruction will include at least one primary carrier and an expedited carrier, and is issued by each Motus receiving location.

It is the supplier's responsibility to ensure compliance and availability. Contact your appropriate plant materials personnel if you have not received a Supplier Specific Routing Instruction. A copy of the routing instruction must be signed and returned to the Motus plant materials contact. If a Supplier Specific Routing instruction has not been issued, the supplier must adhere to the parameters in the Supplier General Routing Guide (located in the forms section of this manual).

(EU Exception) In EU, the Motus Transport desk manages a portion of the transportation, and in these instances, no routing instruction will be issued.

Plant approval must be obtained from the receiving plant materials personnel for any routing instruction deviation. Any deviation from these routing instructions without plant approval may result in a supplier debit to compensate for excess freight charges and/or administrative fees.

7.6 Premium Freight/Expedites

Any premium freight which results from a supplier event will be managed and paid for by the supplier. Motus will not take responsibility for the set-up, management, tracking or payment of a supplier-caused premium freight event. The supplier will communicate to the plant all expedite information and provide milestone updates to keep the plant informed on the arrival of the expedited components. Motus reserves the right to take-over the management of the premium freight event if the supplier fails to communicate and effectively manage the event themselves. In these cases, the supplier may be charged for Motus' time.

When expediting freight at Motus expense, authorization must be obtained from the appropriate Motus receiving plant materials personnel. Unauthorized expedited freight may result in debit to the supplier to compensate for excess freight charges and/or administrative fees.

Upon authorization of an expedite shipment, the supplier should be prepared with the following information to share with the arranging party:

- 1) Protect time (the time by which the shipment must arrive)
- 2) Ready time (the time by which the shipment will be ready for pickup)
- 3) Shipment terms (collect if at Motus' expense)
- 4) Origin
 - a) address
 - b) contact
 - c) operating hours of shipping facility
- 5) Shipment details
 - a) weight
 - b) dimensions
 - c) stack ability
- 6) Destination details
 - a) address
 - b) contact

8.0 Cumulative Maintenance

8.1 Cumulative Maintenance Introduction

The generation, verification, tracking and reconciliation of cums is the standard requirement for Automotive Tier 1 suppliers, including Motus. Cums are a way to identify the amount of product that is required to ship to your customer. Motus expects the supplier to reconcile cums upon receipt of each EDI release. Identifying and initiating the resolution process of cum discrepancies is the responsibility of the supplier. The definition and procedure is defined below.

8.2 Cumulative Maintenance Communication

Motus Integrated Technologies will provide the supplier with the following:

1. A starting cum of 0 upon issuance of a new purchase order
2. Last cum received quantity will be noted on each EDI release. Each shipment received will be accumulated to provide the last receipt cum received. This will include the last quantity received, date received into Motus inventory, and the supplier packing slip number received by the Motus manufacturing facility. The last receipt cum received could potentially change under the following conditions:

- a. Subsequent receipt of shipment into Motus' inventory
- b. Issuance of Supplier Material Return (SMR) or a Discrepant Material Return (DMR). Issuance of an SMR or DMR may result in either an increase or decrease of Motus cum received.
- c. Cum reset (may be done annually). Supplier will be notified prior to this occurring.
3. An electronic or manual release indicating net quantity due and total cum required per due date.
4. Prior cum required quantity - this field will represent the previous quantity due.
5. Physical copy of SMR or DMR to support cum resolution.

Motus expects the supplier to:

1. Track and accumulate all production part shipments. This will become the suppliers cum shipped quantity.
2. Update suppliers cum shipped quantity when the supplier is issued a SMR or DMR.
3. Identify past due quantities - using the most current release the formula is the
4. Motus last cum received quantity minus the prior cum required quantity.
5. Identify Motus cum required - using the most current release formula is the Motus
6. Last cum received plus the net quantity due (If an alternate replenishment method is designated by Motus, the cum required will serve as forecast data rather than replenishment requirements).
7. Net quantity required is calculated using the most current release's cum required minus the suppliers cum shipped quantity.
8. Resolve any cum discrepancies with the appropriate Motus materials personnel immediately.

9.0 Balance out and Claims Process

9.1 Balance Out and Claims Process Introduction

Motus believes that obsolete material claims can be avoided by minimizing lead times, strictly adhering to production schedules, and properly managing inventory received by our suppliers. Most obsolete material claims occur at the balance out of a product. Balance out is defined as end of model year as well as current model engineering changes. Our goal at balance out is to have zero obsolescence.

9.2 Balance Out and Claims Process Communication

One of the tasks in our balance out process requires the Motus materials plant representative to notify, in writing, the supplier of the components that will be balanced out. Motus notification of balance out as well as defined balance out filing parameters will take place outside of the established authorization window. Claims received after the established deadline may not be honored.

After receiving balance out notification, any supplier planning to produce a contractual minimum run order which exceeds raw/fab authorization must first receive written approval from the Motus supplier scheduler or balance out coordinator. In the event that obsolescence occurs due to the discontinuation of a part, the following procedure must be followed to file a claim:

1. Determine the highest RAW and FAB material authorizations issued by Motus. To determine the highest RAW/FAB authorizations, a cumulative release history must be reviewed. The high point is the highest cum release for the period prior to B/O notification. The 15% rule is no longer a requirement once a B/O notification has been issued. In addition, suppliers should refer to the "High Release" and/or their Purchase Order for RAW/FAB authorizations.
2. Fill out the "Obsolescence Claim Form" and attach the supplier management or schedule/release documents, purchase order, and any minimum run authorizations to support the claim.
3. All obsolete material must be segregated and stored, pending audit and final disposition by Motus and/or the OEM.
4. Suppliers are encouraged to submit their claims to Motus regardless of value, however supplier claims less than \$250 USD may not be paid, as it is dependent upon the total claim submitted to the OEM. Claims totaling less than \$500 aggregate will not be submitted to the OEM, nor paid to the supplier.

10.0 Materials Management Operations Guideline

10.1 Materials Management Operations Guideline Introduction

The Materials Management Operations Guideline (MMOG/LE) is a global document jointly created by the Automotive Industry Action Group (AIAG), Odette representatives, OEM representatives, and automotive suppliers.

It is a document with recommended business practices for the supply chain management processes of automotive industry suppliers, and is intended to establish a common definition of materials practices to facilitate effective communication between supply chain partners.

The purpose of the MMOG/LE, as well as the reasoning behind the deployment of this by Motus, is to produce one common material planning and logistics evaluation that can be used by the supplier and customer throughout the product life cycle, including the early development phases.

The MMOG/LE is being deployed with our suppliers as a self-assessment tool; although Motus reserves the right to audit MMOG/LE scores by conducting an onsite review of supplier facilities. The MMOG/LE was re-written by AIAG in 2009, and the new version is the only accepted version. It is also known under the product code "M-7" on the AIAG website.

Suppliers can purchase a download of the MMOG/LE publication or attend training on how to use the assessment by contacting AIAG on the internet at www.aiag.org, or calling (248) 358-3003.

10.2 Scorecard Performance

If requested, a MMOG/LE should be completed for each supplier shipping location to Motus in order to

serve as a guideline in developing their materials management business processes. It only has to be submitted once per location, but on an annual basis Motus expects the supplier to review their status and notify the scorecard manager if the score has changed.

11.0 Security

11.1 Security Introduction

Motus is committed to ensuring the security of its supply chain. Security measures are set in place with the primary goal of preserving the safety of our employees, protecting the physical property from loss or damage, safeguarding the integrity of our intellectual property and preventing interruptions in the manufacturing process.

We expect the same approach to be taken by the supplier with whom we conduct business: to make a commitment toward the common goal of creating a more secure and efficient supply chain.

11.2 Security Procedure Requirements

Suppliers should develop and implement a comprehensive security plan throughout their operations and supply chain, following the recommendations outlined by U.S. Customs & Border Protection as part of the Customs-Trade Partnership Against Terrorism (C-TPAT).

All suppliers that ship across an international border to a Motus plant in North America will receive an annual Security Assessment. This assessment must be completed in order for Motus to complete a security risk assessment for our supply base. Failure to complete the assessment may result in a site visit.

If an assessment shows a security risk to Motus, a site visit may be conducted at the supplier's cost.

12.0 NAFTA and Trade Agreements

12.1 NAFTA and Trade Agreements Introduction

All suppliers of Motus have responsibilities relative to NAFTA and other trade agreements. This is true whether or not a supplier ships product cross border. Our goal is to ensure that suppliers are aligned with the procedures of Motus as we as a supply chain strive to adhere to Customs regulations.

As put forth in our global terms and conditions, each supplier to Motus, is responsible for complying with all Customs laws and regulations as they relate to their activity with Motus. This includes, but is not limited to, the items outlined in this chapter of the Standards Manual.

12. 2 Certification Requirements

Trade agreement or other related documents may be solicited by Motus' service provider. These documents include, but are not limited to, the following: North American Free Trade Agreement (NAFTA) Certificate of Origin, Manufacturer's Affidavit, Traced Value Affidavit, American Automobile Labeling Act (AALA) certificates, Korea/US (KORUS) certificates of origin, US/Australia Certificates of Origin, as well as various MX based agreements.

A supplier must provide their response to the solicitations by the deadline provided in the request as instructed in the solicitation notice. All responses must be complete, accurate, and signed by an authorized representative, including both the Motus part number and the supplier's part number as shown on purchase orders. Suppliers should note that signing the various documents carries the legal obligation to advise Motus of any changes that would affect the accuracy or validity of the information. This notification must be in the form of an amended document.

If parts on a certificate are produced at more than one manufacturing location, the supplier must furnish either an Additional Plant/Shipping Location (APSL) form, or provide additional certificates utilizing the additional manufacturing locations.

Any part that is not certifiable under the trade agreement requested must be returned indicating 'not eligible' or 'non-originating' and the country of origin must be provided in the corresponding field on the document.

Please note that the traced value is required on all NAFTA responses regardless of eligibility status.

Suppliers may receive multiple requests for various parts throughout the year, and are asked to provide certificates only for the parts requested on each individual solicitation.

If Motus incurs duties/fees during importation and/or the supplier does not respond to a solicitation by the deadline given, the supplier will be debited. The debit is either a standard \$500.00 per month or the sum of all fees & duties paid as a result of not having a certificate on file, whichever is greater. In addition to direct financial penalties, suppliers that fail to comply risk losing their eligibility for a supplier award via a supplier scorecard rating deduction and/or the ability to quote on new business.

12.3 Training

NAFTA / AALA training is strongly recommended for all suppliers. The Automotive Industry Action Group (AIAG) offers a two-day NAFTA content reporting workshop. Visit www.aiag.org for more information

12. 4 Important Documentation and Supplementation

- [NAFTA Certificate of Origin](#)
- [NAFTA Certificate Continuation Page](#)