OTTER CONTROLS INDIA PVT LTD

Supplier Quality Assurance Manual

Quality – HOD	Purchase -HOD	Manufacturing Head
Mr.Abhijeet Shewale	Mr. Rajeev Varma/ Mr.Pravin Wake	Mr. Dhawal Gandhi/Mr. Adwait Kulkarni

AN IATF 16949:2016, ISO 9001:2015 & ISO 14001:2015 CERTIFIED COMPANY

www.otterindia.com

Factory: Shed No. 4,6 & 9, U-Turn Industrial Hub, Gat No. 301, Kharabwadi, Chakan, Pune 410501. INDIA
Tel: + 912135613203

Office: 6th Floor, Florina Apartment, Survey No. 2/1/7, Erandwane Pune 411004. INDIA Tel: +91 020254659

Index: -

Vision: To be a world-class component supplier in global & local markets, We strive to become a leader in Integrated Supply Chain Management that fosters Inclusive Growth and Continuous Improvement with Uncompromising Commitment to Quality & Customer Satisfaction.

Mission: To serve global and local customers by providing them with on-time delivery, best quality products at low cost, To provide a competitive advantage for the business through Innovative and Cost-effective Procurement & Logistics solutions that deliver sustainable value to our customers every day.

Values: Bringing excellence in everything we do, team building with integrity and honesty and
make OCI a great place to work

1. **Integrity & Ethics**

   Act with Integrity in all business decisions. Conduct business on the foundation of the highest ethical principles & standards.

2. **Collaboration & Teamwork**

   Cultivate and maintain positive and collaborative internal & external relationship that helps best value for customers.

3. **Continuous Improvement & Excellence**

   Implement, Monitor & Continuously Improve on VA/VE activities that reduce cost and add value.

4. **Customer Delight**

   We shall always exceed customer expectations and maximize customer business goals.

5. **Solutions Driven**

   Deal comfortably with Volatility & Ambiguity and focus on solutions by leveraging technology.
   The Vision and strategy will be reviewed every year.

Introdution

1. Purpose: This manual has been created for Otter control Production, Prototype, and Service Suppliers. The manual is for all product lines. The manual is provided to communicate quality, delivery, and purchasing requirements. This Supplier Quality Manual outlines business rules and supplier requirements necessary to standardize supplier processes, rejections, and supplier performance.

2. Scope: This manual intends to extend the scope of the latest ISO 9001 and IATF16949 requirements and to include the additional requirements of Otter control. This document defines the basic quality systems and procedures required for suppliers of Production, Prototype, and Service parts to Otter control and is intended to orient suppliers to these requirements. The supplier's quality system is subject to review and evaluation by Otter control personnel and this document will serve as the basis for such a review. The Otter control divisions or plants initiating the purchase orders may provide supplemental requirements.

3. Approach: Otter Control is committed to selecting suppliers that are willing to work with Otter Control to achieve: zero defects, continuous improvement, on-time delivery, and increased value. Otter control quality systems focus on Advanced Product Quality Planning (APQP). Suppliers are expected to employ an effective APQP process. Refer to AIAG APQP manual.

4. Audit: Otter control personnel and/or customers or the customer's representative has the right to verify at the supplier's premises and at Otter control premises that the subcontracted product conforms to specified requirements. A "Supplier Audit" is mandatory for all new Suppliers, meaning any supplier who has never before supplied material to any Otter control facility and who is a supplier of high-risk or new/key material used. The first phase of the "Supplier Audit" requires the supplier to complete the Supplier Profile form. Based on the information provided, the Otter Control Purchasing and or Supplier Quality department will then decide whether or not a facility review will also be required using the Supplier Audit form. If any planned audit date is missed then Otter Control will plan the next audit date within 6 months from the first planned date. An audit plan will be made by considering Quality & Delivery (QD) Performance.
Otter has the right to conduct periodic visits at any supplier location that currently does direct and indirect business with Otter control. These visits will be performed by Supplier Quality, Supplier Development, or Plant staff. They will conduct a problem visit. Resolution reviews, APQP/ launch readiness reviews, supplier capacity, and overall supplier performance reviews.
As required by Customer Specific, IATF16949, sub-tier suppliers to Otter control are to have CQI

Suppliers will be responsible to update and submit their annual copies of Assessments to the Otter control within 8 days from the due date. Should Otter Control need to contact you directly regarding a document, it is expected that the newest version document will

be provided to the requestor within 3 business days. Failure to provide the requested documentation within the allotted timeframe will result in escalation which may include a new Business Hold.

5. Distribution: This document is maintained by Otter Control. Compliance with the requirements of this SQAM is mandated on the purchase orders. Suppliers are responsible for ensuring that they maintain a copy of the Otter control

6. Confidentiality: All information concerning the relationship between Otter Control and its suppliers will be respected as confidential. This includes, but is not limited to, purchase specifications, pricing customer information, etc.

Quality Systems General Overviews

1. The supplier is responsible for providing written communication to Otter control Purchasing of all manufacturing processes, Logistics, handling, Packaging, etc. Changes that affect the material(s) being supplied to Otter control. Such information is to be given 6 months in advance and in writing form. Based on the specific circumstances, Otter Control will then evaluate whether Otter can accept the supplier's specification requirements and/or if re-approval is required. This would include the supplier's inability to meet any parameters listed on the Otter control specification. Examples include any changes in product form, any changes in the manufacturing process, a supplier wanting to supply the same product/material from a different manufacturing site that is not already approved, material changes, and/or related changes that may affect fit, form, or function.

2. If there are changes in the supplier's manufacturing location a Supplier Audit may be conducted. New MSDS sheets with the corrected manufacturer name will be required for products already on the Approved Suppliers List. Suppliers will be required to update and submit their Supplier Profile form to Otter control

3. Outstanding quality and 100% delivery performance including adherence to Otter control "Zero Defects" and "100% On Time Delivery" standards are required. Cost competitiveness and excellent customer service are also required Continual improvement should be in place to achieve "Zero Defects". Sustained poor performance in conjunction with unacceptable corrective action could potentially result in the removal of a supplier from the Approved Suppliers List, which entails re-sourcing that business the supplier has with Otter control

4. The Automotive Industry Action Group (AIAG) www.aiag.org has published several manuals that standardize procedures, technical classifications, and reporting formats, which are required by our customers. Suppliers are responsible to remain current with these standards.

5. Suppliers are required to maintain an accredited 3rd party certification to ISO9001 or IATF 16949. Exceptions for certification include pallets, boxes, bags, and other non-production suppliers. Suppliers are likewise expected to follow Otter control-specific requirements of environmental management systems consistent with ISO 14001:2015. Suppliers will be responsible to update and submit their valid copies of the registration certificate to the Otter control. Suppliers who fail a surveillance audit must notify their Otter control SCM buyer immediately. Failure to maintain your ISO: 9001 or IATF: 16949 certifications will result in the removal of a supplier from the Approved Source List, which entails re-sourcing that business the supplier has with Otter control. All external labs used for gauge calibration and validation testing must be ISO/IEC17025.

a. Should Otter Control need to contact you directly regarding a document (e.g. ISO 9000, IATF 16949, Profile, CQI, etc.), it is expected that the newest version document will be provided to the Requestor within 2 business days. Failure to provide the requested documentation within the allotted timeframe will result in escalation which may include New Business Hold, Removal from ASL, etc.

6. Otter control Supplier Development, Supplier Quality, or Plant Quality will assist suppliers in the following areas:

a. Resolution of critical issues between the supplier and the Otter control facilities
b. Provide direction on Otter control policies about suppliers
c. Assist high-impact suppliers with improvement activities
d. Work with potential new suppliers to bring them to a level to be added to the ASL Provide resources for, and where appropriate, conduct specific training when a supplier has a need for additional knowledge

PPAP Submission & Approval Process

1.The level of PPAP submission to Otter Control always defaults to a Level-3 PPAP submission, unless otherwise specified.

2. To receive payment as per purchase order terms related to the specific product being purchased by Otter Control, the supplier must obtain full PPAP approval from the Otter Control receiving plant.

3. Each supplier must meet all of the PPAP requirements including the promise date of submission to the Otter Control plant in question. PPAP promise dates are established at product launch meetings with the Otter control Launch Teams or Plant Program Management Teams. It will be the responsibility of the supplier to supply an AIAG / OEM-compliant PPAP package. The package will be following the AIAG PPAP Manual and submitted to the receiving Otter control plant.

4. The Otter Control receiving plant will inspect the PPAP samples and review the documentation. If the submission is found to comply with all requirements, the Part Submission Warrant (PSW) will be marked approved, signed, and returned to the supplier. If discrepancies are found, the submission will be rejected and put on hold until those discrepancies are resolved. The PSW will be marked rejected, signed, and returned to the supplier, along with a Supplier Request for Corrective Action form detailing the discrepancies.

5. With the PPAP submission, the supplier is to include the latest version of the Otter control PPAP Checklist & PPAP must be in Hardcopy with neatly filed.

6. For Bulk materials, the supplier contacts the Otter Control receiving plant for instructions on how to follow the AIAG PPAP bulk process.

7. Re-PPAP frequency is 1 year along with all product quality re-validation documents in Hard Copy against the repeated quality claims.

8. Supplier has to sign off on the Agreement of Inspection (AOI) or Quality plan.

FMEA

Otter Control Suppliers are responsible for their Process or design DFMEA. PFMEA format must be as per the latest revision of the AIAG Manual. There is no RPN or APN benchmarking, the supplier needs to provide counter actions for the top 5 RPNs whatever may be its RPN value. Suppliers need to maintain a Past Trouble Data Base (PTDB) to monitor the record of quality issues and all the issues must be taken in the PFMEA & their control must be mentioned in the control plan. If Poka-Yoke (Full Proof) is available in the processes, then these must be mentioned in the CP & their monitoring needs to be addressed in the PokaYoke monitoring check sheet.

Control Plan

Suppliers need to maintain 2 types of control plans

- Pre-Launch Control Plan
- Production Control Plan

Suppliers need to keep every product's control plan in hard copy at the machine during production. Details like operation sequence, frequency of inspection, method of control, process owner, process parameters, process characteristics, suitable manufacturing machine, etc. should be mentioned in the CP & must be interlinked with other documents. Suppliers need to use symbols that are agreed with Otter Control, like "SC" for Special Characteristics.

APQP & Safe Launch

1. All suppliers shall utilize and maintain the AIAG Advanced Product Quality Planning (APQP) Methods at all stages with the goal of a problem-free seamless launch. Reference Manuals:

- **a.** AIAG Production Part Approval Process (PPAP)
- **b.** AIAG Statistical Process Control (SPC)
- **c.** AIAG Measurement Systems Analysis (MSA)
- **d.** AIAG Advanced Product Quality Planning (APQP)
- **e.** AIAG Potential Failure Mode and Effects (FMEA)
- **f.** International Automotive Task Force IATF 16949

2. Special characteristics are supplier-controlled characteristics that once generated, are not further controlled or 100% functionally tested/inspected during processing at the Otter Control Plant. Non-conformance in these types of characteristics will be passed on to Otter control customers.

3. Milestones

T0	T1-T4	T2	T3
Proto / OTS / (Off tool samples	**OTS**	**,---**	**,--**

a. Suppliers are required to conduct the following.

i. Ensure that Special characteristics are considered during their APQP activities and that relevant Controls are identified and applied in the Process Failure Modes and Effects Analysis and Control Plan

ii. Identify each Special characteristics of their control plan.

iii. Communicate Special characteristics to their sub-tier suppliers and require proper control

3. All suppliers must utilize a safe launch process to include product/material certification during initial production runs. The duration of certification and characteristics for certification shall be initiated by the supplier with the Otter control plant at the time of PPAP. Individual part markings or box labeling shall be as instructed by the Otter Control

4. The Supplier's product quality team must assess the feasibility of the proposed design during the APQP phase of the program. Customer design ownership does not preclude the

supplier's obligation to assess design feasibility. The team must be satisfied that the proposed design can be manufactured, assembled, tested, packaged, and delivered in sufficient quantity on schedule at an acceptable cost to Otter Control. The supplier's consensus that the proposed design is feasible should be documented along with all open issues that require resolution and presented to Otter Control for their support.

Run @ Rate/Capacity Analysis

1. Suppliers are required to perform a run-at rate/capacity study as part of their PPAP process.

The results shall be documented on the Supplier Run @ Rate Capacity form and submitted as part of the PPAP package.

2. The purpose of the run @ rate/capacity is to ensure that the supplier's process is capable of

Meeting PPAP requirements and quoted volumes.

- **a.** Where equipment and/or processes are shared with other part numbers, the supplier is required to perform a capacity study before a Run @ Rate, to ensure that equipment/process capacity is not oversold.

3. During analysis, all production tooling must be in place and running at full capacity, using all processes, personnel, gauging, and procedures. The process and controls shall be reflected in the supplier's control plan.

4. The number of components to be produced during the Run @ Rate Capacity will be the same quantity required for PPAP and/or as specified by the purchase order. The results should then be projected to show the results based on 300 parts or an 8-hour production run (whichever is less).

5. Future capacity studies may be requested by the supplier based on volume increases.

6. During regular supplies, Capacity confirmation is to be submitted by the supplier every quarter of Year.

Electronic Data Interface (EDI)

The purpose of EDI is to make data interfacing electronically to avoid manual interfacing errors. EDI needs to implement for following.

1. Scheduling
2. Planning
3. Process

Contract Agreement

The purpose of a Contract Agreement is to create a mutual agreement document that contains the following

1. Otter Control General Terms and Conditions -PO
2. Commercial Terms -PO
3. Quality Specifications –SQAM
4. Logistics Specifications (includes Capacity Planning, Packaging Agreement) - PPAP
5. Confidentiality Agreement - LOI
6. Environmental Specifications –- MSDS as per applicability
7. Drawings and Specifications - Approved drawing.
8. Offer of the Supplier, Includes
   a. Cost Breakdown – Commercial offer
   b. PPAP Checklist
   c. Other Technical Remarks - Feasibility sheet
9. Sign off Tool holding certificate-
10. Debit and Credit Agreement -
11. Contract Agreement Termination Terms - LOI

Tool Acceptance Report

1. Any production tooling/gages that is the property of Otter Control must have a Tool Acceptance Report submitted as a part of the PPAP process. It is the supplier's responsibility to complete the Tool acceptance report.

2. The purpose of the Tool Acceptance Report is to have a record of the tools/gages built by the supplier or the supplier's vendor. This should assist with the approval process for payment of the tooling/gage.

3. Otter Control-funded designs, tooling, gages, etc. are to have electronic math data (STEP format) included in the PPAP submission.

International Material Data Standard (IMDS) and Registration, Evaluation, Authorization and Restriction of Chemical (REACH) and RoHS EU/EC Regulation

1. All suppliers are required to submit within the IMDS all information required to comply with ELV (End of Life Vehicle) requirements. The data must be entered into the

IMDS system at the time of PPAP submission, or earlier if requested by Otter Control. An IMDS screen print showing approval shall be supplied with the PPAP package.

2. For regions utilizing **R**egistration, **E**valuation, **A**uthorization, and Restriction of **Ch**emical REACH, the supplier is responsible for fulfilling all REACH requirements. And all other requirements.

3. As per the OCI system, the supplier must carry out all the tests mentioned in the attached sheet (as per the latest EU standards) which apply to your supplying products through a third-party NABL-certified/accredited lab & submit the reports to OCI before the actual start of production.

4. Requirements as per EU/EC (European Union/European Community) & other countries Regulation Requirements latest updated (on OCI Declaration form) following are the EU/EC regulation requirements.

Elements		Regulations
1. REACH and SVHC	-	EC 1907/2006/EU 2018/851
2. RoHS 3	-	EU 2015/863
3. Batteries directive	-	Directive 2006/66/EC
4. OECD	-	2017/821 (3TG)
5. Organic substance	-	EU 2019/1021 (POP)
6. Deplete the ozone layer	-	EC 1005/2009
7. Packaging directive	-	DIRECTIVE 94/62/EC
8. CLP Regulation	-	EC 1272/2008
9. Biocidal products	-	EU 528/2012
10. PAH	-	EC no. 1272/2013
11. Food Contact materials	-	EC no. 2023/2006
12. Food Contact materials	-	EC no. 1935/2004
13. Food Contact materials	-	EU no. 10/2011
14. 'PFA's	-	
15. SEDEX	-	SA8000
16. US California Proposition 65.court		
17. US environmental protection agency (EPA),final rules under toxic substances control act (TSCA).		

Annual Validation-

1. All product characteristics must be measured annually at a minimum to ensure continuing.

conformance to the drawing, material, and specifications for all parts and services provided to Otter Control. Annual validation submissions are to be submitted to Otter Control & to be retained at the supplier location and made available upon request. The inability to provide timely annual validation documents when requested will result in the issuance of a Defective Material Notice (DMN). This requirement applies to all drawing, specification, and purchase order requirements unless otherwise waived by an approved deviation. Requirements are as below specified or as per the mutually agreed quality plan: SPC once in three months, Salt Spray Test Reports (if applicable), Product validation report (if applicable) Layout Inspection Reports once in six months, etc.

Product Identification and Traceability Requirements

1. Otter Control requires the supplier to establish and maintain procedures for identifying the production lots from receipt of raw material through shipment of the final product. This system should permit the segregation of suspect material, and the reporting of quality and production data, based upon the unique bar code label on each container supplied to SCT.

2. All required paperwork such as material certifications, and inspection reports, shall be retained by the supplier, and be available to Otter Control upon request.

Record Retention

1. Records will be retained at the supplier as follows
- **a.** PPAP Retation 11 years + 03 year
- **b.** Material certification 3 years
- **c.** Inspection reports 3 years
- **d.** All other documents specified for a minimum 03 years

Supplier Performance Scorecard

Supplier Performance Rating System, (SPRS)

1. SPRS is used to monitor supplier performance every month. which will be used to provide feedback to the supplier and Otter Control about o n going performance The supplier will get their monthly performance through the Otter Control purchasing / Otter Supplier Quality
2. Supplier performance will be monitored as per the scorecard

Every parameter will be evaluated against fixed weightage as mentioned in the scorecard. If not meet the criterion, then action plans are to be submitted by each supplier in the format of Supplier Corrective action plan /8D.

Sr. No.	Description	Parameters	Marks	Guidelines for selection of Marks
1	Quality Performance	91- 100% (A - Category) <1500 PPM	31 To 40	Good Performance
		81 - 90% (B - Category) >1500 to 5000 PPM	21 T0 30	Average Performance
		71 - 80% (C - Category) >5000 to 10000 PPM	11 T0 20	Below Average Performance
		<70 % (D - Category) >10000 PPM	0 To 10	Poor Performance
2	Delivery Performance	91 to 100%	40	Good Performance
		81 to 90%	30	Average Performance
		71 to 80%	20	Below Average Performance
		< 70 %	10	Poor Performance
3	Premium freight by supplier	0 Nos	10	Excellent
		≥1 Nos	0	Good - Catch-up action required
4	Customer / Otter Line stoppages Customer Complaint	0 Nos	10	Excellent
		≥1 Nos	0	Good - Catch-up action required

Supplier Performance Rating Criteria (Q+D+PF+CLS)

Green	Blue	Yellow	Red
91 to 100 %	81 to 90%	71 to 80 %	< 70 %
Excellent Performance	Good Performance	Average Good Performance	Below Average Performance
Meeting Target	Not Meeting Target	Major Difference in Meeting Target	Biggest Problematic Supplier
Keep it up	Catch up action required	Company wide improvement required	Drastic action required to sustain business

Effect of Poor Supplier Performance

The SPRS performance index information will be used to determine future sourcing decisions and supplier development activities. In addition, suppliers that exhibit poor performance or Non/Poor-Responsiveness to corrective actions will be notified by Otter Control to provide their specific corrective action reports and their overall improvement plan. Suppliers who continue to exhibit poor performance or non-responsiveness could be subject to an on-site Supplier Quality Audit by an Otter Control placed on No New Business /Hold status, and/or could be resourced and removed from the Approved Supplier List, depending on the severity of the quality issues. All prior purchase commitments made with a supplier will be considered void if this supplier is removed from the Approved Supplier List due to unacceptable performance.

Direct On-Line

The parts approved & added in Direct On-Line (DOL) will not be inspected at Otter Control Incoming. Only suppliers have to inspect as per the quality plan & in the process as per the control plan/process plan. monitor the performance of parts/suppliers at incoming, in-process & customer end.
Review & update the DOL list every six months based on the previous six months' performance.

Criteria for re-addition of parts/suppliers in the DOL system:

1) No issues for the last 6 months
2) Action plan
3) All parts must be checked 100% and identified.
4) The Supplier must submit every year layout inspection report, process capability study report, and third-party RM test report

Supplier Rejection Material (Flash Report) (will be issued for the following)

A flash report will be issued when the supplier's product (bulk, raw, component, assembly, etc.) has been determined to not meet design/print/functional requirements. The reason may include dimensional, appearance, fit, form, and/or function that cannot be used within the Otter Control facility or is returned from an upstream customer. The origin of the rejection can occur at any process step (Otter Control facility, Otter Controls customer, or dealership warranty). Other examples for issuing a Flash report include not meeting the engineering specifications, foreign material present in the product, damaged material, incorrect material shipped, short shipments, mislabeling, packaging, PPAP, failure to maintain annual validation records, safety issues, launch, late corrective action responses, missing/expired required upload documents, non-responsiveness, etc.

Accordance with the SQAM. Suppliers to Otter Control will be responsible for costs incurred due to the supply of defective material. The supplier is responsible for replacing non-conforming material on time to meet Otter Control delivery requirements. In the event Otter Control detects non-conforming purchased items, and production scheduling and inventories prohibit return to the supplier, Otter Control reserves the right to perform the necessary separation of non-conforming products at the Suppliers expense. Additional associated costs as a result of the non-conformance may be charged back to the supplier.

Supplier Response

1. Should a Flash report be issued, the supplier is expected to immediately contact the Otter Control Plant to understand the issue and agree on the proper level of support needed to maintain production at Otter Control Then, throughout the Flash report corrective action process there are time limits for timely completion.

2. If the above timing is not met, Otter Control may issue a Customer Dissatisfaction Flash report. If a Flash report continues to go unanswered or continues to receive poor response after on-

3. going documented attempts by the Otter Control, then Otter Control Management will intervene and develop the next steps (e.g. supplier meeting, placement on New Business Hold, removal from ASL (Approved Supplier List), and/or resourcing of current business, etc.)

4. Always refer to the newest version of the Otter Control Corrective Action Form and do not use obsolete versions. In case of doubt ask SQA.

Operator Error is not an acceptable root cause and a Flash report with this reason will be rejected.

5. The duration of certifying stock is until the Permanent Corrective Action is implemented, plus a verification period (as defined by the Otter control) to confirm the PCA effectiveness.

6. The supplier should submit an action plan for Quality Concerns within 8 Days.

Supplier Assessments or Audits

1. Identify the suppliers for system audit/process audit and with the automotive process approach. (Normal Audit Frequency – Once/ year)
2. Prioritize the supplier QMS audit/process audit based on the following.
3. Supplier risk assessment
4. QMS certification status to ISO 9001 / IATF 16949
5. Business requirements related to material/part functions, criticality of parts/materials
6. Supplier performance on Quality (High incoming rejections), cost & delivery.
7. Product audits, Process audits
8. Supplier Scoring criteria as per below

1. If marks secured are >or=70, include the suppliers in the list of approved suppliers.		
2. Supplier acceptance level as per audit score is as per below.		
Level A = 91 to 100 %	Excellent	**"A"** Rating Indicate supplier have achieved prefered target(No Action on suppliers is Required)
Level B = 81 to 90 %	Good	**"B"** Rating Indicate Good Performance (Follow Normal improvement Actions)
Level C = 71 to 80 %	Cautionary	**"C"** Rating Indicate Cautionary Supplier Performance(The Performance should be Escalated within organization for improvement with all the required actions must be submitted)
Level D = < 70 %	Poor	**"D"** Rating Indicate Unacceptable Supplier (Systematic corrective actions plan must be submitted to OCI responsible purchasing & quality representatives)

Supplier Initiated Changes / Engineering Change Request (ECR) Process

Before implementing any changes in the process & product post-PPAP or post-launch, obtain written Otter Control approval to proceed. Changes needing Otter control prior written approval including but not limited to man, material, process, manufacturing location, sub-supplier, and tool modifications shall be communicated through the respective Otter control SCM buyer in the purchasing department. Suppliers need to submit a 4M Declaration with approval from the QA Head or Plant Head in the Otter format.

Supplier Must Submit all Complete data with all documents changed to OCI within 4 months from the initial date of the change, otherwise specified timeline by the customer.

Cost Recovery
Supplier Cost Recovery & Debits Process

Supplier debit note policy Proposal							
	Purpose of Debit Policy: To establish the process of Debit to the supplier for rejected parts to reduce the risk of getting not okay parts					Responsibility	
Sr. No.	Description	Reject Part cost	Segregation Cost	Line Loss	Administration Cost	For Supplier Communication Defects	For Deduction
1	Missing of COC, PDIR, RMTC, Plating report				500 INR for Local suppliers. 50$ for Import Suppliers.	Stores	Finance
2	Inward stage Rejection found						
	a) If supplier segregate lot	No. of Parts rejected x Unit price			500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
	b) If OCI segregate parts	No. of Parts rejected x Unit price	100 X number of hr.(For Manpower) 500 X number of hr.(For Manager)		500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
	c) If third party hire by OCI for segregation	Cost charged by third party			500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
3	OCI Line stop due to defects observed during line.		100 X number of hr.(For Manpower)	Line loss cost to be decided and premium freight cost to arrange material	500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
4	OCI customer line stoppage due to supplier parts defect.	Same amount will be transfer to supplier which debit received from customer + premium charges to send material to customer.	100 X number of hr.(For Manpower) 500 X number of hr.(For Manager)		500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
5	Defect found at FG/on line Stage at OCI.	(No. of FG Parts x Unit price)	100 X number of hr.(For Manpower) 500 X number of hr.(For Manager)		500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
6	Parts found rejected at customer end due to supplier part.	Same amount will be transfer to supplier which debit received from customer + premium charges to send material to customer.	100 X number of hr.(For Manpower) 500 X number of hr.(For Manager)		500 INR for Local suppliers. 50$ for Import Suppliers.	SQ/Purchase	Finance
Note: Any other expenditure occurred by OCI, it will be charged to supplier.							
Rejection value is more than 100 INR for the month it will be charged to supplier else part will be scrapped in-house							
1. If the issue is repeated.							
• 1st time – As per applicable point from 1 to 6.							
• 2nd time – 2 x As per applicable point from 1 to 6.							
• And Continue for number of times.							
2. Above debit will be done without approval of supplier							
3. No replacement of rejection part.							

Statutory & Regulatory Requirement

The supplier shall fulfill all the Statutory & Regulatory Requirements related to environment and safety communicated by the Otter Control from time to time.

Health, Safety & Environment

1. The supplier must ensure that products and services delivered comply with all relevant regulatory requirements on occupational and public health and safety as well as environmental protection in both the country of manufacture as well as in the country of sale.

2. The supplier must provide all regulatory required documentation for the products and services delivered (e.g.: safety data sheets; marking and labeling of hazardous materials; machines safety conformity declarations associated with operation manual and technical file; etc.) in the languages needed.

3. Otter Control expects the supplier to perform its manufacturing and other activities in compliance with all relevant health, safety & environmental regulatory requirements.

4. Otter Control encourages the supplier to establish and maintain an environmental management system following ISO 14001 or equivalent. At least, environmental procedures should be in place covering the manufacture and delivery (e.g. Durable, recyclable packaging) of the products or services in question.

Contingency Plan:

1. Suppliers shall develop a contingency plan for potential catastrophes disrupting product flow to Otter Control and advise Otter Control at the earliest in the event of an actual disaster. In an actual catastrophe, the supplier shall provide Otter Control access to the supplier's tools and/or their replacements.
2. Suppliers shall develop a contingency plan for EDI, Transportation, packaging, and equipment failure before Otter India buyer approval.
3. Supplier shall submit the contingency verification at least every year.

INITIAL FLOW CONTROL:

1. Responsibility:

It is essential the authorized person declares the start date & termination date of Initial Flow control period.

NPI HOD & QA HOD is authorized to declare Start & End date of Initial Flow control.

2. Purpose:

Special control needs to be exercised during the initial phase of production and mass Production till IFC period, the purpose this is to collect sufficient data in order to judge whether the mass production can be continued with the existing process used for initial Parts.

3.Scope:

This procedure is applicable for new product development, ECN, PCN raised by customer and its time period is defined as according to activity.

4.Objective:

Sr. No.	Objectives	Target

5. Period Of Initial Flow Control:

Category	Responsibility	IFC Period
A- New Product / Part	NPI/QA	90 days /5 lots/ 5000 Nos. / SOP at customer end whichever is later and as per termination condition.
B- Similar New Part		
C- Existing part change for material/design Specification (DCN) / any ECN/PCN change require by Customer	NPI/QA	1 month /5 Lots/ 1000 No's whichever is later and as per termination condition.
D- Plant re-location		
E- Supplier change	NPI/QA	90 days /5 lots/ 5000 Nos. / SOP at customer end whichever is later and as per termination condition.
F- Tool Offload to suppliers		
G- Duplicate Mould (Mould life cycle completed)	NPI/QA	1 month /5 Lots/ 1000 No's whichever is later and as per termination condition.
H- RM Change		
I- Plant Layout Change		

6. Period Of Initial Flow Control:

Sr. No.	Criteria	UOM	Target	Actual observation		
				Month 1	Month 2	Month 3
1	No. of Customer Complaints	Nos.	Zero			
2	Defect rate	%	Less than current target			
3	In-house Rejection PPM	PPM	Less than current target			
4	Supplier Rejection PPM	PPM	Less than current target			
5	Effectiveness of development issues	%	100% closed & effective			
6	Process Audit	Nos.	All NC should be closed			
7	Delivery Rating	%	100%			
8	Process capability	Cpk	>1.67			
9	Customer complaint effectiveness	Ok	Should be Not repeat			
10	Customer return part	Nos	Zero			

Meeting above Targets as defined time IFC period & Result should have Improving Trend.
If any of the criteria from above listed are not met, then the Initial Flow Control period will be extended.
Till the time all criteria are met.

7. Process Flow of IFC:

Sr. No.	Activity	Responsibility	Reference Documents
1	After approval of Pilot lot / change from customer start IFC Activity	NPI	Initial Flow Control Initiation announcement sheet
2	IFC period should be display on shop floor with start & End date	NPI	IFC Board
3	IFC sheets sign off along with all related concern person.	NPI	Initial Flow Control Initiation
4	Special controls as per IFC control plan	QA	Control Plan
5	Record of SPC for Critical characteristics. During first lot production of every month SPC to be conduct.	NPI	SPC Report -
6	After inspection the parts packing will be done as per packing standard and parts will be dispatched with "Initial Flow Control Identification tag.	Production	IFC Tag –
7	Defects generated during Initial Part production will be noted and action on Problem	NPI/QA/ Production	Initial Flow Control 200% Visual Inspection Record
8	Analysis and countermeasures will be taken against each defect.	NPI/QA/ Production	Problem analysis & countermeasure report- F/QA/038
9	Conduct Process audit in IFC Period. Last NC should be verified in next audit.	QA / NPI	Process Audit check sheet
10	All raised NC should be closed with action plan.	QA / NPI	NC Summary Sheet
11	Initial Flow control Termination sheet sign off along with all related concern person.	NPI	Initial Flow control Termination sheet

8. Stricter Control for Inspection:

Sr No	Inspection Stage	Regular Control	Stricter Control
1	Incoming Inspection:	As per sampling plan Inspection Done & 5 no's Dim report.	1) As per Sampling Plan – Follow Tightened sample Inspection plan & 5 no's Dim report. 3) IFC tag paste. (Exception Customer supplied, standard catalogue parts & carry over parts)
2	In process Inspection - Moulding	1) Set up approval & Poka yoke verification by QA at start of shift. 2) In process inspection as defined in CP. 3) Identification sticker on bin	1) Set up approval & Poka yoke 2)) In process inspection for IFC parts after every 2 hours. 3) IFC Identification Sticker on bin
3	In process Inspection - Assy	1) Set up approval & Poka yoke verification by QA at start of shift. 2) In process inspection as defined in CP. 3) Identification sticker on bin	1) Set up approval & Poka yoke 2)) In process inspection for IFC parts after every 2 hours. 3) IFC Identification Sticker on bin 4) 200% visual checking by inspector & verification QA In-charge/Engr. 5) IFC tag paste
4	Finish Goods	1) Regular Identification Sticker	1) Regular Identification Sticker 2) IFC Identification Sticker
5	PDI	1) 5 No's sample PDI done	1) 10 No's Sample PDI done

9. Project handover:

After termination of Initial flow control handover project to respective department with all projects related requirements by using Product handover sheet.

IPP PROCEDURE FOR INITIAL PRODUCTION PART

Responsibility:

The Overall responsibility for the effectiveness of this procedure lies with Project Team Leader.

Purpose:

Special control needs to be exercised during the initial phase of development and up to Pilot lot submission, the purpose of this is to collect sufficient data in order to judge whether the Development samples & pilot lot can be continued with the existing process used for initial Parts.

Scope:

This procedure is applicable for new product development, ECN & PCN.

Initial Production Part (IPP) Procedure:

A. Definition of Initial Parts

- A lot of such parts which are manufactured for the very first time after sample approval using actual mass production process & condition or which are produced for the first time just after the implementation of one or more of the following changes.
- A design or engineering change
- A new part
- Material change
- Process layout or process parameter change
- New Die, Jig or m/c.
- Sub vendor change
- Plant location change
- Start of production after 12 months
- Such a first lot when produced is called initial production part.

B. Procedure

1. For initial production part, Material identification will be done separately by Material Identification Tag

2. The initial part will be inspected by Quality Engineer.

Sr No	Inspection Stage	Stricter Control
1	Incoming Inspection:	As per Sampling Plan Inspection done & 10 No's Dim report in format & IPP tag paste. (Exception Customer supplied, standard catalogue parts & carry over parts)
2	In process Inspection – Assy., Mauling	1) 100% visual checking & Record of As per sampling plan. by QA In charge/Engg. & IPP tag paste
3	Finish Goods	1) Regular Identification Sticker 2) IPP Identification Sticker
4	PDI	1) 10 No's Sample PDI done

3.) Report shall be made for initial part /lot in sample inspection report.
4.) If applicable, reports to be collected from the sub-vendors (BOP) & records to be maintained.
5.) Sample inspection report shall be submitted to the customer and approval to be taken.

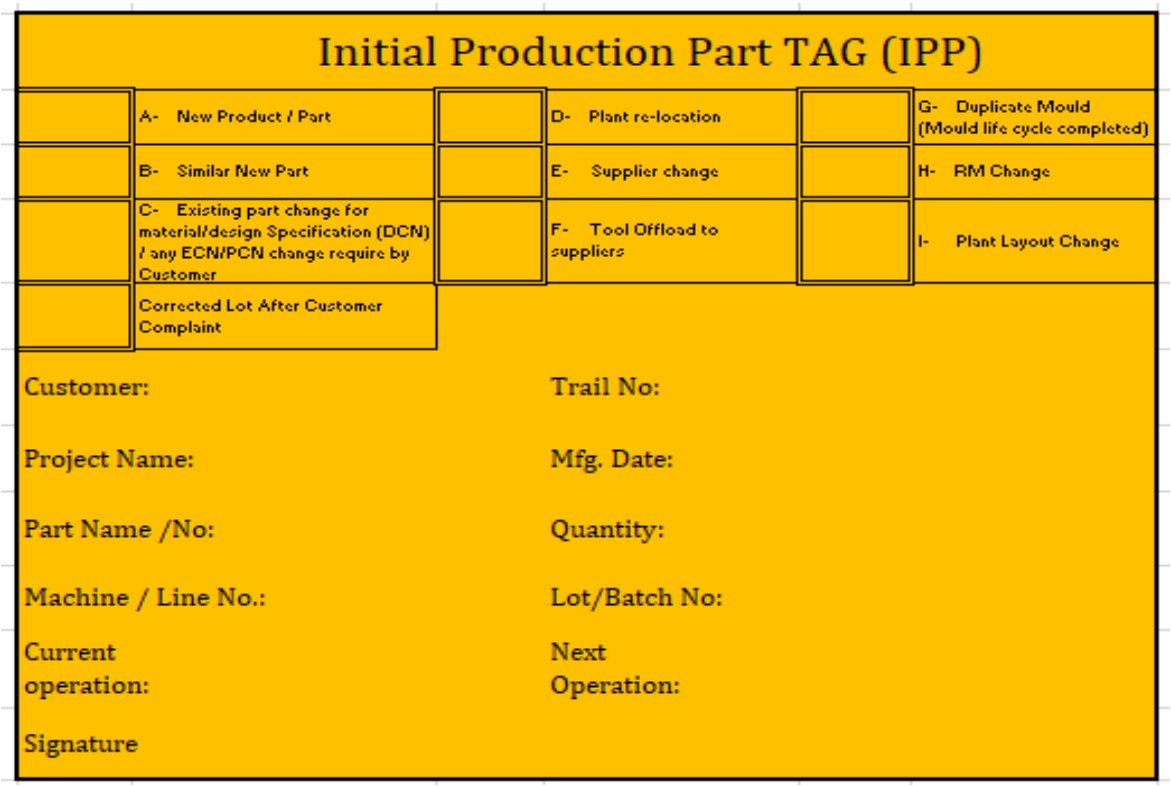
C.) Before next trial all samples, which is produced for earlier trial shall be scrap in case of change OR not accepted by customer & record of initial part to be maintained tracking sheet-

D.) Sampling Inspection Plan for Initial part

For FG part dimension inspection as per below sampling plan & 100 % Visual Inspection.

Sr. No.	Lot Size	Sample Size
1	1 to 10	5
2	10 to 100	10
3	100 to 500	20
4	500 to 1000	30

E.) Keep Initial Production parts with Lock and key arrangement and identification.



Initial Production Part TAG (IPP)					
	A- New Product / Part		D- Plant re-location		G- Duplicate Mould (Mould life cycle completed)
	B- Similar New Part		E- Supplier change		H- RM Change
	C- Existing part change for material/design Specification (DCN) / any ECN/PCN change require by Customer		F- Tool Offload to suppliers		I- Plant Layout Change
	Corrected Lot After Customer Complaint				

Customer:	Trail No:
Project Name:	Mfg. Date:
Part Name /No:	Quantity:
Machine / Line No.:	Lot/Batch No:
Current operation:	Next Operation:
Signature	

OCI EMS POLICY:

Otter Controls India Pvt. Ltd.

ENVIRONMENT POLICY

"At Otter Controls India Pvt. Ltd., we are committed to conducting our operations in an environmentally responsible manner. We recognize the importance of minimizing our environmental impact and continually improving our environmental performance".

To achieve this, we have established and maintain an Environmental Management System (EMS) in accordance with applicable legal requirements and industry standards.

- We are committed to complying with all applicable legal and other requirements related to environmental aspects that are relevant to our business operations."
- We are committed to regularly reviewing our EMS to ensure its effectiveness and to continually improve our environmental performance. This includes periodic management reviews and assessments."
- We will establish a systematic process for monitoring and measuring our environmental performance, ensuring regular evaluations against our established objectives and targets."
- We are committed to preventing pollution by minimizing waste generation, reducing emissions, and adopting environment friendly practices in all our operations."
- We are committed to aligning our EMS with the requirements of ISO 14001 and achieving and maintaining certification to demonstrate our dedication to environmental responsibility."
- We will provide relevant training to employees to enhance their awareness of environmental issues and ensure their active participation in achieving our environmental objectives."
- We will communicate our environmental policy to all employees, suppliers, customers, and other stakeholders. We will also regularly share updates on our environmental performance."
- Our environmental objectives include reducing energy consumption the coming years and achieving zero waste to landfill.

Date : 11.12.2023

Reference : EMS/M/01

Mr. Ulhas Joshi
(Managing Director)

OCI QUALITY POLICY:

Otter.	**OTTER CONTROLS INDIA PVT LTD.** **QUALITY MANUAL** **IATF 16949:2016 /ISO 9001:2015**	Reference : QMSM/01 Rev No: 02 Rev Date : 16/09/2025

QUALITY POLICY

We, OTTER CONTROLS INDIA PVT. LTD. are committed to:

- Delivering products and services of consistent quality that meet customer requirements, customer-specific requirements (CSRs), and applicable statutory & regulatory requirements.
- Establishing, implementing, and maintaining a Quality Management System (QMS) in line with ISO 9001:2015 and IATF 16949:2016 standards.
- Focusing on customer satisfaction, risk-based thinking, and continual improvement across all processes.
- Building a culture of defect prevention, zero defects, scrap reduction and product safety to improve efficiency, competitiveness and sustainability.
- Developing the competence and engagement of our employees through training, teamwork and empowerment.
- Strengthening partnerships with our suppliers and stakeholders to ensure reliable supply, innovation and mutual growth.
- Establishing and reviewing quality objectives to ensure alignment with the company's strategic direction.
- Periodically reviewing and updating our objectives and policy to ensure alignment with strategic direction, customer expectations and environmental sustainability.

Date: 16/09/2025

Mr. Ulhas Joshi
(Manging Director)

OCI OCCUPATIONAL HEALTH AND SAFETY POLICY:

Otter	OTTER CONTROLS INDIA PVT LTD. Plant 1 and 2 OHSAS Manual OHSAS 45001:2018	Reference : OHS/M/01 Rev No: 00 Rev Date : 10/07/2024

Occupational Health and Safety Policy

Otter Controls India Pvt. Ltd. is committed to providing a safe and healthy working environment for its employees, contractors, visitors, and anyone else who may be affected by the Company's activities. We believe that a focus on health and safety is essential for the growth and success of our business.

Our Commitments:

- **Compliance:** We will strictly follow all relevant legal and regulatory requirements concerning occupational health and safety that apply to our business.
- **Safe Working Conditions:** We are committed to providing safe and healthy working conditions that prevent work-related injuries and health issues. Our approach will be tailored to the size, purpose, and context of our organization, addressing specific OHS risks and opportunities.
- **Hazard Elimination and Risk Reduction:** We pledge to identify and eliminate hazards, and reduce OHS risks to maintain a safe working environment.
- **Consultation and Participation:** We will actively involve workers and their representatives in OHS management to encourage a culture of safety and effective management.
- **Consultation and Participation:** We will actively involve workers and their representatives in OHS management to encourage a culture of safety and effective management.
- **Systematic Review and Improvement:** We will continuously review and enhance our OHS management system, including periodic management reviews and assessments to improve our performance.
- **Systematic Review and Improvement:** We will continuously review and enhance our OHS management system, including periodic management reviews and assessments to improve our performance.
- **Performance Monitoring:** We will implement systematic processes to monitor and measure our OHS performance, regularly evaluating our progress against set objectives and targets.
- **Training and Awareness:** We will offer relevant training to employees to raise awareness of OHS issues and ensure their active participation in achieving our OHS goals.
- **Communication:** We will transparently communicate our Occupational Health and Safety policy and performance to employees, suppliers, customers, and other stakeholders to foster a shared commitment to health and safety.

This policy underscores our dedication to maintaining high standards of occupational health and safety. By adhering to these principles, we aim to improve the well-being of our workforce and enhance overall business performance.

Date: 10.08.2024

Mr. Ulhas Joshi
(Managing Director)

Annexure Attached:

1. SQAM Agreement
2. Supplier Performance Scorecard
3. Engineering Change/Process Change Format
4. 8D Formats / SCAP
5. PPAP Checklist
6. Audit non-conformity closure format
7. Contract Agreement
8. NDA – Non-Disclosure Agreement

Abbreviations Used

SQAM: Supplier Quality Assurance Manual

ISO: International Organization for Standardization

APQP: Advanced Product Quality Planning AIAG:

Automotive Industries Action Group OEM:

Original Equipment Manufacturer IATF:

International Automotive Task Force

CQI: Continual Quality Improvement

ASL: Approved Supplier List

MSDS: Material Safety Data Sheet

PSW: Part Submission Warrant

FMEA: Failure Modes Effects Analysis

PTDB: Past Trouble Data Base

PTC: Pass-Through Characteristics

IMDS: International Material Data Standard

REACH: Registration, Evaluation, Authorization and Restriction of Chemical

ELV: End of Life Vehicle

DOL: Direct On-Line

SCAP: Supplier Corrective Action Plan

MMOG/LE: Material Management and Operational Guidelines

EDI: Electronic Data Interface

ASN: Advanced Shipping Notification

Revision History

Sr. No.	Rev. No	Rev. Date	Rev. History	Revised By
1	0	06.01.2024	Initial release	MR
2	1	01.08.2024	11- IMDS & EU/EC Regulation compliances -Other countries regulation are updated.	MR
3	2	17.09.2025	Quality Policy revised	MR

Otter Control India Pvt. Ltd

Supplier Quality Assurance Manual

Acceptance Agreement

Dear Supplier,

Must comply with the requirements contained within this manual with immediate effect.

Otter Control India Ltd requires your company to confirm acceptance of the requirements contained within this manual.

Please read and sign this acceptance agreement form and return it to the Otter Control Purchasing / Vendor Development department

Key points in the manual are: -

1. Under no circumstances will the supplier make unauthorized changes to a process or tooling until formal approval has been received from Otter Control through ECN/PCN procedure (Annexure Attached).
2. The supplier is expected to observe the forms and procedures when performing activities relating to Otter control material and or parts.
3. When developing and submitting parts for the first time or resubmitting the samples to Otter Control supplier agrees to adopt the compliance as per the SQA Manual.

.....Hereby agrees to abide by the requirements stipulated within the Otter Control Supplier Quality Assurance Manual.

Name .....

Designation (Title).....Date.....

(Seal/Stamp of the supplier with Authorised Signature)

Note: -Please scan this page & e-mail it to Otter Control Purchasing / Supplier Quality