



SAF-HOLLAND, Inc.

**SUPPLIER QUALITY
REQUIREMENTS - BULK
HSQR-02**

Rev D
11/08

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STATEMENT OF COMMITMENT

SAF-HOLLAND, Inc. has embarked on a partnering relationship with all of our Suppliers. This relationship recognizes the importance of our Suppliers of bulk materials in assisting us in meeting our goals and objectives and to maximize customer satisfaction as a World Class Supplier. This manual defines requirements for Suppliers to SAF-HOLLAND, Inc. but does not supersede requirements that may be specified on our purchase orders. We are requiring all Suppliers of bulk materials to be certified to ISO quality standards. We also strongly encourage our suppliers to consider implementation of an environmental management program such as ISO 14001; we are committed to being good corporate stewards of our environment and we appreciate suppliers who join us in that objective.

BULK SUPPLIER QUALITY REQUIREMENTS MANUAL REVISIONS

SECTION	REV. DATE	REVISION
All	03/04	- Initial release
Section 3.3	05/04	A – Added new 3.3 Product Information, renumbered following sections
Statement of Commitment Section 1.3	09/06	B - Added Environmental Management System implementation suggestion to Statement of Commitment. Added references to Canadian facilities and personnel and contact information.
All	04/07	C – Revised cover: added new logo and changed name; changed name throughout document
Section 1.3 Section 3.4	11/08	D – Updated contact information in 1.3. Modified Supplier MSDS requirement in 3.4

SUPPLIER APPROVAL REQUIREMENTS

1.0 Introduction

1.1 Scope

This manual is a supplement to the “Terms and Conditions” specified on the Purchase Agreement for Suppliers of bulk material to SAF-HOLLAND, Inc., its subsidiaries and affiliates, regardless of their global location. Bulk materials are considered to be such as: coatings, oils, greases, lubricants, and gases generally produced to either generally accepted industry standards or to the Supplier’s proprietary standards. Products supplied to SAF-HOLLAND specifications are not covered by this document.

1.2 General

This document supersedes all previous Holland Hitch, Holland Binkley, Holland Neway International, Holland International, Holland USA or Holland Group documentation on the subject of, or relating to, Supplier quality for bulk materials.

1.3 Supporting Documents

Comments or questions regarding SAF-HOLLAND’s Supplier Quality Requirements-Bulk, HSQR-02 manual may be submitted via email or fax to:

Strategic Sourcing Dept., SAF-HOLLAND USA, Inc.

Fax: 231-767-8854

Email: strategicsourcing@safholland.com

2.0 Supplier Approval and Manufacturing Planning

2.1 Supplier Approval

Present and potential Suppliers to SAF-HOLLAND shall be able to demonstrate, with evidence, that they have implemented and currently maintain a quality system that is compliant with the requirements of a current version of ISO-9001 or ISO/TS 16949. Where required by an SAF-HOLLAND customer, additional registration requirements may be added at the direction of the applicable Strategic Sourcing/Supply chain personnel.

Suppliers that maintain their status as documented in this specification and receive written confirmation of that status from Strategic Sourcing/Supply chain personnel and/or SAF-HOLLAND's VP of Quality can be considered "Self Certified." Those bulk Suppliers that achieve and maintain this status are exempt from on-site evaluation by SAF-HOLLAND representative(s).

2.2 Pre-Award Meeting

A Pre-Award Meeting with present and potential Suppliers offering new products or services may be required prior to purchase order issuance. Technical, quality, manufacturing, engineering, sourcing, delivery, and business issues may be reviewed during this meeting to provide the Supplier with a thorough understanding of SAF-HOLLAND's requirements.

2.3 Part Approval Process

Suppliers must submit a completed Part Submission Warrant (PSW, Appendix A) signed by an authorized individual of the Supplier when submitting initial product for approval and whenever product changes are planned which would affect SAF-HOLLAND's use of the product. These changes would include any change in fit, form or function of the product itself as well as changes such as packaging and labeling.

NOTE: It is not the intent for a PSW to compromise proprietary information of the Supplier of proprietary products.

3.0 Manufacturing Control

3.1 Packaging

The Supplier shall be responsible for ensuring that goods are transported and stored in a manner that prevents damage, deterioration, etc.

3.2 Product Quality

It is SAF-HOLLAND's expectation that all products shipped to any SAF-HOLLAND facility meet the requirements of the Purchase Agreement and all of the Supplier's specifications and requirements for the products being supplied.

3.3 Product Information

The Supplier will provide information on the product(s) it supplies relative to health, workplace safety and environmental matters, including but not limited to documentation and/or instructions addressing proper handling and use of the product(s), cautions and hazard warnings, storage requirements and disposal guidelines.

3.4 Certificates of Conformance/Capability Data Summary

A signed Certificate of Conformance may be required to accompany each shipment of materials to the consuming SAF-HOLLAND facility. Certification must indicate the part number of the product certified, description, and reference the approval date of the Parts Submission Warrant for the material supplied. The certificate must be submitted on the Supplier's official letterhead and signed by an authorized person.

A Supplier Material Safety Data Sheet (MSDS) is required with the initial shipment of product to an SAF-HOLLAND location, upon request by SAF-HOLLAND, or as required by the relevant legislation. The Supplier has an obligation to submit a new MSDS sheet within 90 days of a material change.

3.5 Product Identification and Packaging

Each container shipped to any SAF-HOLLAND facility shall be identified as defined in the AIAG Labeling Procedure. Material identification must include bar code tags approved by SAF-HOLLAND. Changes to the bar coding requirement of the Supplier and associated expenses are to be borne by the Supplier and any changes are to conform to the SAF-HOLLAND bar code reading technology.

Identification shall permit traceability back to specific Supplier manufacturing and inspection records. Identification must clearly identify "shelf life" and special storage or handling requirements of the delivered product. Safety related identification criteria shall conform, at minimum, to all legal and/or SAF-HOLLAND requirements. No exceptions to this requirement shall be permitted unless acknowledged in writing by SAF-HOLLAND Strategic Sourcing/Supply chain staff.

3.6 Delivery Performance Expectation

The Supplier shall provide 100% conformance to the delivery requirements as specified by the release document. Costs incurred as a result of delivery nonconformance shall be borne by the Supplier. When notified of a delivery nonconformance, a Supplier may be requested to provide a formal corrective action report. Delivery performance is measured as the delivery date to the consuming SAF-HOLLAND facility against the requested delivery date.

3.7 Applicable Administrative Charges for Nonconformance

A charge to the Supplier may be imposed for the following:

- a) Nonconforming product
- b) Delivery performance failures (in addition to any actual costs associated with the failure); for example, expedited freight charge.
- c) Charges made by an SAF-HOLLAND customer resulting from supplier failure to deliver a quality product; for example, charge the cost of SAF-HOLLAND prepaid freight to the customer for the missed delivery.

APPENDIX A

SAHolland Part Submission Warrant

Part Name _____ Part Number _____

Engineering Drawing Change Level _____ Dated _____

Additional Engineering Changes _____ Dated _____

Shown on Drawing No. _____ Purchase Order No. _____ Weight _____ lb

Supplier Manufacturing Information

Submission Information

Supplier Name _____ Supplier Code _____

Dimensional Materials/Functional Appearance

Customer Name/Division _____

Street Address _____

Buyer _____

City/State/Postal Code _____

Application _____

Reason for Submission

- Initial Submission
- Engineering Change(s)
- Tooling: Transfer, Replacement, Refurbishment, or additional
- Correction of Discrepancy

- Change to Optional Construction or Material
- Sub-Supplier or Material Source Change
- Change in Part Processing
- Parts Produced at Additional Location
- Other - Please specify

Requested Submission Level (Check one)

- Level 1 - Warrant, Appearance Approval Report (for designated appearance items only)
- Level 2 - Warrant, Parts, Drawings, Inspection Results, Laboratory and Functional Results, Appearance Approval Report
- Level 3 - At Customer Location - Warrant, Parts, Drawings, Inspection Results, Laboratory and Functional Results, Appearance Approval Report, Process Capability Results, Capability Study, Process Control Plan, Gage Study, FMEA
- Level 4 - Per Level 3, but without parts
- Level 5 - At Supplier Location - Warrant, Parts, Drawings, Inspection Results, Laboratory and Functional Results, Appearance Approval Report, Process Capability Results, Capability Study, Process Control Plan, Gage Study, FMEA

Submission Results

The results for dimensional measurements material and functional tests
 appearance criteria statistical process package

These results meet all drawing and specification requirements: Yes No (If "No" - Explanation required)

Declaration

I affirm that the samples represented by this warrant are representative of our parts and have been made to the applicable customer drawings and specifications and are made from specified materials on regular production tooling with no operations other than the regular production process. I have noted any deviations from this declaration below:

Explanation/Comments: _____

Print Name _____ Title _____ Phone No. _____

Supplier Authorized Signature _____ Date _____

For Customer Use Only

Approved Rejected Other _____

Part Disposition
 Customer Name _____ Customer Signature _____ Date _____