



Indirect Supplier Manual — Master

OCTOBER 2019

Contents

Indirect Supplier Manual Acknowledgement of Receipt	3
Preface	4
Gentex Corporate Philosophy	4
Supplier Sustainability Expectations	4
Gentex Visitor Policy	4
Gentex Environmental Commitment	5
Supplier Relations	5
Supplier Responsibilities	5
Supplier Diversity	5
Gentex Ethics Statement	6
Gentex Part Change Notification (“PCN”) Notification Requirements	6
Scope	6
Definitions	6
Requirements	6
Non-Conformances	7
Gentex Corrective Action Report	7
International Shipping Requirements	7
Commercial Invoice	8
Regulation of Wood Packing Material	9
Transportation Security Administration (TSA)	9
Customs Trade Partnership against Terrorism (C-TPAT)	9
Change Summary	9



Indirect Supplier Manual Acknowledgement of Receipt

I / we have received the Gentex Corporation Indirect Supplier Manual and certify that we have read and understand all obligations, requirements and duties, and agree that they are binding on our relationship and transactions with Gentex Corporation.

The undersigned by virtue of their signature represents and warrants that they have the authority to execute this agreement as the binding obligation of their employer.

Signature

Print Name

Date

Supplier Name: _____

Business Address: _____

Contacts:

Manufacturer Rep. _____
(Inside Sales) Name Phone Email

Manufacturer Rep. _____
(Outside Sales) Name Phone Email

Please complete and return a copy of this form only to supplier_cert@gentex.com.

Preface

Gentex Corporation (“Gentex”) has developed this manual to give guidance and direction to all our suppliers and their affiliated companies. This manual is utilized by Gentex personnel to promote equality in the way we work with suppliers. We believe it is imperative that all suppliers to Gentex are treated equitably and that each supplier understands what is expected of them prior to producing or distributing components/products, providing services or contracting work with Gentex.

Gentex Corporate Philosophy

Gentex’s stated mission is to be a smarter organization; a world-class manufacturer with superior products and service driven by a supportive work culture that encourages people to innovate, excel, and continually improve every aspect of the business.

Our goal is to maximize customer satisfaction. Gentex believes this can best be achieved through an unwavering commitment to quality that is fueled by sustained continuous improvement. Gentex’s long-term prosperity is ensured only when product value, service, and customer responsiveness are continually enhanced. Consequently, no part of the organization is immune from participating in the never-ending process of continuous improvement.

Innovation is a Gentex hallmark. Incremental improvements ensure that each development continues to enhance customer value over the life of the product.

Gentex priority is to operate in a sustainable manner committed to environmental, social, and governmental / legal best practices.

Gentex understands suppliers play an integral part in maximizing our customers’ satisfaction. Gentex believes that through open lines of communication with the entire supply chain, we can maximize the quality of the product, while maintaining excellent delivery, cost and unparalleled service to our final customer.

Supplier Sustainability Expectations

At Gentex, social responsibility has been the focus of our business from the start. From aerospace products to fire protection warning devices to automotive products and features that protect drivers and their passengers as well as pedestrians from road hazards, Gentex has always been in the business of safety.

In alignment with our Board of Directors, the Company incorporates environmental, social, and corporate governance issues into our decision-making processes and our business policies, operating in accordance with all applicable laws and seeking adherence with international human rights conventions in defiance of child labor, forced labor, and human trafficking.

Suppliers are encouraged to review our corporate sustainability report <http://www.gentex.com/corporate/sustainability>, which we update as our programs continually improve, in order to align the policies and practices that guide our environmental, social, and corporate governance requirements and industrial best practices.

Furthermore, we expect our suppliers to join us in striving to adhere to the United Nations’ Global Compact Principles, including the defense of human rights, the implementation of protective labor policies, environmental responsibility, and anti-corruption practices. For more information, please review www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html.

Additional supplier expectations related to matters of corporate sustainability are located throughout this document. Please review them carefully

Gentex Visitor Policy

Due to the proprietary nature of the business, Gentex has established policies and procedures which all visitors agree to follow as a condition of access to Gentex premises. Visitors must comply with all check-in and check-out procedures established for the facility they are visiting. All visitors must register and display a valid visitor identification badge when entering all internal areas, and any other area designated as badge-only. Visitors agree to maintain strict confidentiality of all Gentex proprietary information, remain with their designated Gentex sponsor at all times, and are prohibited from using cameras or any other photographic/video devices while on the premises.

Gentex Environmental Commitment

Gentex Corporation places a high priority on conducting its business in a sustainable manner that places the least practical burden on the environment, while protecting the health and safety of our team members and partners.

Gentex has been working toward this vision since 1999, when we began the establishment of an environmental management system based on the ISO 14001 international environmental management standard. ISO14001 outlines a structured management system to achieve and demonstrate sound environmental performance by controlling the impact that our activities, products or services have on the environment.

As our partner, it is important to us that you understand your role in helping us achieve this vision. Toward that end, Gentex has prepared an Environmental Policy that establishes the foundation for our environmental management system that communicates your responsibilities as a Gentex partner.

Supplier Relations

Gentex Corporation supports Best-in-Class supplier relations in meeting our needs and the needs of our customers. The focus of Best-in-Class is to work with leaders in the industry that are the most competitive in cost, quality, service and technology. Best-in-Class is characterized by objective cost targets, long-term commitments, and continual open communication between Gentex and the supplier.

Supplier Responsibilities

- Supplier will work with Gentex to support Gentex sustainability initiatives and to apply sustainability initiatives in the supplier's operations as defined in the Gentex Sustainability Update report.
- Supplier will maintain Gentex confidentiality and sign a non-disclosure agreement.
- Supplier will inform Purchasing of all activities that may affect the total product quality, delivery and cost.
- Supplier will inform Purchasing of changes in economic or other conditions that might affect purchasing decisions.
- Supplier will notify Quality and Purchasing of any issues that relate to the ability to produce and/or provide acceptable quality material within the pre-determined delivery window. Examples to include unqualified processes, capacity issues, process issues, raw material availability, etc.
- Supplier will notify Quality and Purchasing of any issues that relate to the ability to produce and/or provide acceptable quality material which may have been sent to Gentex or is in transit to Gentex.
- Supplier will negotiate purchasing agreements and all sales only with the Purchasing Department or other persons with delegated purchasing authority.
- Supplier will conduct negotiations ethically, without attempts to influence through offering valuable personal gifts or entertainment.
- Supplier will make available all technical, engineering, systems, policies, services, and whatever might improve Gentex present or future use of the supplier's products or services.
- Supplier agrees that the Gentex Corporation Terms & Conditions found at <http://www.gentex.com/corporate/supplier-information/supplier-documents> apply to the purchase of all products and services delivered by Supplier.
- Supplier will provide material certifications that demonstrate compliance with all performance specifications.
- Supplier will package to protect the product during shipment and maintain the integrity of the product during storage if applicable.
- Supplier will label the product per Gentex labeling instructions if applicable.
- Supplier will work with Gentex to develop the means for annual cost reduction goals.
- Supplier is expected to maintain 100% on-time delivery and also maintain a PPM of zero if applicable.
- Supplier will be responsible to comply with all international customs regulations. U.S. Customs requires 100% accurate shipments. In the case of over or under shipments versus the shipping documentation, Gentex will notify Customs and make the appropriate adjustments with Customs and the supplier. If you invoice Gentex in a foreign currency, Gentex will remit payment at the rate of exchange at the time of payment.
- Supplier will declare any hazardous materials that are provided to Gentex. A list of these materials can be found at www.gadsl.org.

Supplier Diversity

Gentex is an equal opportunity employer. Gentex is committed to diversity in all aspects of its business, including Gentex's diversity, equality and inclusion initiatives. Our commitment is to maximize their participation through the development of mutually beneficial business relationships, which will ensure that quality materials and services are provided to the corporation in a timely and cost-effective manner.

Gentex, at its discretion, will develop mentoring relationships with key diverse suppliers to help develop business systems and encourage them with new technologies and future growth. We understand that the commitment to these businesses not only benefits the supplier, but it also benefits the greater business community.

Gentex Ethics Statement

- Gentex employees will avoid the intent and appearance of unethical or compromising practices in relationships, actions, and communications.
- Gentex employees will refrain from any private business or professional activity that would create a conflict between personal interests and the interests of Gentex.
- Gentex employees will refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, Gentex Purchasing decisions. All such actions are strictly prohibited.
- Gentex employees will promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Gentex employees, directors, and officers will abide by the Gentex Corporation Code of Business Conduct and Ethics adopted by the Board of Directors on February 26, 2004 and located on the Gentex website at <http://www.gentex.com/corporate/sustainability>.

Gentex Part Change Notification (“PCN”) Notification Requirements

Scope

This document details the requirements for notification of a product or process change by a supplier to Gentex Corporation. A change shall be considered anything impacting the availability, quality, material, performance, reliability, manufacturing location, manufacturability, or any other component characteristic deemed critical to use in Gentex equipment or end product.

Definitions

- End of life (EOL) – any discontinuation of a product
- Major Change – Form, Fit, or Function impacted
 - Examples: die layout, wafer fab process, different manufacturing process
- Minor Change - No impact to Form, Fit, or Function
 - Examples: Site relocation, material change
- Indirect Change – Changes that do not impact the part directly.
 - Shipping packaging materials, tape orientation, label update
- Material Comparison – An A to B comparison of the proposed and current material.
- Characterization Report - An A to B characterization comparison of the pre and post change product.
- SAT Analysis - An A to B scanning acoustic tomography (SAT) comparison of the pre and post change product.

Requirements

All notifications shall be sent to Gentex buyer.

Supplier shall not make any changes without complying with the minimum requirements specified in the table below and the Gentex Corporation Terms and Conditions, unless other specific written agreements have been executed with Gentex. After Gentex has completed a review of the proposed changes, additional items may be required prior to change approval. EOL notifications must be sent at least 1 year prior to the planned LTB (last time buy) date.

Timing and data requirements			
	Major	Minor	Indirect
Minimum notification (Months)	12	9	6
Material Comparison	•	•	
Characterization Report	•	•	
AEC Qualification	•	•	
SAT Analysis	•	•	
Product Samples	•	•	

- 1) Material changes only.

Non-Conformances

Gentex may create a non-conformance (NC) notification when supplier provided material or components are suspect and need to be quarantined. The NC notification will be sent with a red, yellow, or green response level – see below. Gentex will determine if the product is defective. Material and components are defective when:

- Material is out of specification
- Material is packaged improperly
- Material is labeled improperly
- Material has exceeded the predetermined shelf life
- Material does not meet form, fit, function, or appearance intent
- Material is damaged upon receipt at Gentex
- Material arrives with improper documentation from international suppliers – This includes a .pdf of the following: Packing list, Bill of Lading, Invoice.
- Material does not meet design intent

When defective material is found, Gentex reserves the right to apply financial ramifications.

When defective material is found, if Gentex production schedules and material availability do not allow, Gentex will not give the supplier the opportunity to replace suspect material or sort on site. Gentex will complete the sort or rework operation at a cost to the supplier of \$50/man-hour, plus any additional expense incurred due to the sort or rework. These expenses could include, but are not limited to, additional component damage, increased cycle time, downtime, or expedited freight costs during the sort or rework operation. If suspect parts do not fall into the previously defined categories, a joint meeting will be held with Gentex Supplier Quality, the Gentex Buyer, and supplier to determine proper PPM and financial ramifications.

When material does not meet specification, packaging requirements, or design intent, Gentex requires the supplier to follow the 8D process and provide corrective action(s). The NC notification will provide specific due dates for initial containment response and root cause/permanent corrective action. Initial response is typically required within 1 day. All 8D reports must be submitted to the requestor. In the event that Gentex does not receive the initial response and short-term corrective action/containment within the specified time, Gentex has the option of initiating a third-party sort of all incoming suspect material. These costs will be billed to the supplier by the third-party sorting company. The containment will be lifted only after the short-term corrective action and containment plans have been submitted and accepted by Gentex, and Gentex is receiving certified material.

Similarly, if the final corrective action is not submitted by the 'problem solving response due date' listed in the NC notification, Gentex has the option to initiate third party sort and bill the supplier until the corrective action(s) has been submitted and approved. When necessary, suppliers may file for extensions to corrective action deadlines with Gentex Supplier Quality. If the supplier has issues or concerns with the NC notification, the designated Gentex supplier quality engineer should be contacted.

All corrective actions shall include any updated documentation such as control plans, FMEAs, work instructions, process flow diagrams or any documents specified in the 8D. Include pictures of corrective action evidence if applicable. Typical containment activities include 100% sorting and rework activities. When containment activities occur, all products flowing into Gentex must be marked with a 2" x 2" or larger green label. The label must state "100% CERTIFIED PRODUCT. INITIAL_, DATE_, NC#___." The label must be placed next to the shipping label and it must be visible and easily readable. This label must be applied to finished product until the NC and appropriate corrective actions are closed.

Gentex Corrective Action Report

A template for 8D is included with each NC notification and may be used to document the steps taken to address the NC. The supplier may use their own 8D document if the required information is included.

D3 should list containment actions. These must be in place to ensure that product in transit, at Gentex and at the supplier's facility will meet the quality criteria. D4 should describe the root cause(s) of occurrence and detection causing the defective material. D5 should define permanent corrective action(s) that will be put in place to ensure the problem and root cause(s) are addressed. D6 should describe the plan to implement and execute the items listed in D5. D7 should describe the preventative action(s) that have been implemented in the process, procedures, or systems to prevent recurrence. D8 should list the peripheral items that D6 and D7 should and will also be applied to. Any questions regarding the corrective action report should be directed to the designated Gentex supplier quality engineer.

International Shipping Requirements

International Contracts – Minimum Requirements

Contracts for international trade are essential documents that outline Gentex's responsibilities and obligations to our customers and our customer's obligations to Gentex. These documents are part of our record keeping responsibilities and may be reviewed by U.S. Customs in an audit.

When shipping product internationally there are different requirements and considerations than when shipping product domestically. Often, there is not a contract that has been approved by our legal group but rather two or three key documents that outline our agreements with foreign suppliers. These documents may include commercial invoices, emails, purchase orders, etc.

The quote and the commercial invoice must outline all the key information necessary to the transaction. Key requirements include the following:

- The quote and commercial invoice should include, at a minimum:
 - Full description of the merchandise (“spare parts” is not acceptable)
 - Quantity and quality
 - Warranty provisions
 - Price
 - International Commercial Terms
 - Sold-to and ship-to party, if they are not the same.
- List the currency in which Gentex is to pay. Many countries including Canada and Australia use the dollar sign, therefore, to avoid risk, indicate “USD” in front of the dollar sign to confirm Gentex is making payment in U.S. dollars.
- Indicate the Incoterm 2010 on the commercial invoice. The Incoterm 2010 and named place noted on the Gentex purchase order must be used. Any deviations from the noted Incoterm or named place must be requested and approved by Gentex personnel in advance of the shipment’s departure. For more information on Incoterms, consult the Incoterms 2010 book available from the International Chamber of Commerce, or contact Gentex Supply Chain Management.
- Include information on legal documents required for international trade. Many products and/or countries have different documentation requirements and they should be reviewed to ensure freight is not held in Customs for needed information.
- Include a termination date on any quotes; international trade contracts do not expire unless a date is clearly indicated.

Gentex makes every effort to be in compliance with all import and export regulations. If you have any questions on information required for shipments, please contact the Gentex Supply Chain Management Department at 616-772-1800.

Upon shipment of product to Gentex, all international suppliers must send a pre-alert to the responsible Gentex Buyer or Material Planner.

Commercial Invoice Requirements

A commercial invoice must be produced for each entry submitted to U.S. Customs, and must meet the following general conditions:

- Documents must be in English
- List the full legal name and address of the company (or person if not a company) selling the goods. Avoid abbreviations.
- List “Sold to” and “Ship to” parties
- Detailed description of merchandise. Include common nouns and adjectives in the description to aid in HTS classification verification.
- List the value of the merchandise and type of currency
- Purchase order number, purchase order line number and purchase order shipment number (as specified on purchase order)
- List quantity and weight
- Country of origin of merchandise
- Country of export, if different from country of origin
- Itemized separately, if applicable:
 - Rebates or discounts
 - Freight and insurance
 - Commissions
 - Cost of packing
 - Addition to Value/Assist Declaration
- When multiple invoices are included in a shipment, number the bottom of each page of the invoice beginning with invoice 1. If an invoice consists of multiple pages, number the bottom of each page beginning with page 1. If the shipment contains multiple invoices with multiple pages per invoice, number the bottom of each page with the number of invoices and the page number of the invoice. For example, if a shipment covers one invoice with one page and a second invoice with 2 pages, the numbering shall be as follows:
 - inv. 1 page 1
 - inv. 2 page 2
 - inv. 2 page 3
- List the name of a responsible person from the exporting company with knowledge of the transaction

Instructions

Coordination between Gentex Buyers and Suppliers will ensure that all information required on the commercial invoice will be available from the time the order is placed until documents are received in-house at Gentex. In addition, all parties involved must communicate any changes to the commercial invoice that impacts the information to be submitted to U.S. Customs.

Consequences

Accurate and detailed information on the commercial invoice allows an importer to properly classify and value imported merchandise. Incorrect information may result in an incorrect duty rate or improperly valued merchandise resulting in delays in delivery and possible penalties.

Regulation of Wood Packing Material

All wood packing material (WPM) must comply with the International Standards for Phytosanitary Measures (ISPM) Regulation of Wood Packaging Material in International Trade. The purpose of the regulation is to reduce significantly the risk of introduction and spread of most quarantine pests that may be associated with wood packing materials.

Regulated WPM includes but not limited to wood crates, boxes, packing cases, dunnage, pallets, cable drums, and spools/reels.

ISPM-15 lists exceptions including WPM made entirely from thin wood (6mm or less in thickness) or made wholly of processed wood material such as plywood, particle board, oriented strand board or veneer that has been created using glue, heat or pressure, or combination thereof.

The WPM must display a visible, legible, and permanent mark certifying treatment. The mark must be approved under ISPM-15 to indicate that the article has been subjected to an approved measure.

If the WPMs used in a shipment are found to be non-compliant with these requirements and monetary penalties are assessed, Gentex will seek recoupment of all said monetary penalties.

Supplier Contents Reporting

Gentex’s valued customers require us to submit certificates of origin to take advantage of preferential duty programs. When Gentex provides this information, we are legally required to maintain documentation regarding material (harmonized tariff classification and country of origin) used to make Gentex products.

In order to maintain that data, Gentex will send its production material suppliers solicitation requests on a regular basis. These requests may include any of the following: NAFTA Certificate of Origin, American Automotive Labeling Act Report, Manufacturer’s Affidavit, Certificate of Origin, or Traced Value Reporting.

As a Gentex supplier you must respond and provide the appropriate information. Failure to do so will impact your supplier performance rating.

Transportation Security Administration (TSA)

Beginning on December 3, 2012, TSA mandates all U.S. inbound cargo on passenger flights will need to be 100% screened. This is a result of the 9/11 Commission Act signed by President George Bush. This 100% screening rule is based on the piece level of the shipment. Suppliers are obliged to pack the goods for a long journey utilizing master cartons.

Customs Trade Partnership against Terrorism (C-TPAT)

C-TPAT is a partnership program between US Customs and Border Protection (CBP) and the trade community to strengthen border security and international supply chains.

All Gentex partners including customs brokers, freight forwarders and international suppliers are strongly encouraged to become members of C-TPAT (or other credible and/or mutually recognized security program), but at a minimum must comply with the security measures outlined in C-TPAT. A complete summary of this information is available at <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat>.

C-TPAT’s security criteria categories are: Security Vision & Responsibility, Risk Assessment, Business Partner Security, Cybersecurity, Conveyance Security, Seal Security, Procedural Security, Agricultural Security, Physical Access Controls, Physical Security, Personnel Security and Training & Awareness.

All Gentex partners will be required to complete C-TPAT knowledge/membership declarations and C-TPAT self-assessments on a regular basis. In addition, Gentex or approved third parties may perform on-site C-TPAT audits at business partner locations.

Revision	Date	Change Summary	Approval