



# Husky Technologies

## Global Supplier Quality Manual

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## **Section 1.0 – Introduction**

As the largest brand-name supplier of injection molding equipment and services to the plastics industry, we are engineers, designers, innovators, material and software specialists, and problem solvers. Team Husky comprises more than 4,300 dedicated people worldwide, focused on building success and profitability for our customers, who operate in over 140 countries.

We build, install and support the world's most comprehensive range of injection molding systems and equipment, including machines, molds, hot runners, auxiliaries and integrated systems.

Our systems and equipment help produce a wide range of solutions for:

- Medical and healthcare markets
- The beverage industry
- General packaging and closures
- Thinwall packaging
- Consumer products

Husky also offers value-added services, including solution development, collaborative factory planning/design/build, customer training, systems integration and complete asset management.

### **Our purpose:**

Enabling healthy and sustainable livelihoods globally.

### **Our vision:**

To be among the world's most valued technology and service industrial manufacturing companies. Utilizing our innovation, collective expertise, and personal commitment, we will lead the way in developing new technologies, environmentally - responsible products and higher-efficiency manufacturing solutions that respond to and deliver the essential needs of people around the globe.

### **Our mission:**

Powered by the best people, industry knowledge, and experience we are constantly producing breakthrough innovations and solutions that benefit the needs of the global community and environment. We are committed to providing high-performance technologies and services that deliver quality outcomes for our customers and the world.

## **1.1 Supplier Manual Overview**

The goal of this Supplier Quality Manual is to define and communicate the minimum supplier requirements of Husky's Suppliers.

Other obligations and responsibilities also apply per contract or other agreements and this document in no way supersedes those agreements but seeks to help support or better define those requirements.

In this supplier quality manual, the words "shall" or "must" refer to a mandatory requirement. The word "should" refer to a recommendation. Paragraphs marked with "Note", are for better comprehension or clarification of a requirement.

Suppliers are responsible for always using the latest version of documents published by Husky on its Supplier website: [www.husky.co](http://www.husky.co).

It is the responsibility of each supplier to ensure complete understanding of the content of this manual in its entirety and ensuring that all related departments or sub-suppliers are trained in regard to appropriate guidelines and requirements.

## 1.2 Supplier Code of Conduct

Husky Injection Molding Systems Ltd. is committed to conducting business in an ethical, legal and socially responsible manner.

The strength of Husky's business and reputation is based not solely upon its conduct, but also on the behavior of those with whom Husky conducts its business. Husky's supply chain is a critical part of the company and plays an important role in its ongoing success. For this reason, Husky aspires to work with suppliers who share its core beliefs and values and who demonstrate a commitment to protecting its confidential information and trade secrets.

This Supplier Code of Conduct (Code) reflects the core values, beliefs and business practices of Husky and has been prepared to convey to its suppliers, contractors, consultants, agents and other suppliers of goods and services Husky's expectations when conducting business with, for and on behalf of Husky.

The Code is available at <https://www.husky.co/en/about-us/supplier-information/>

Husky's Core Values and Business Practices:

### **Compliance with Laws**

Suppliers must operate their businesses in full compliance with all applicable laws, codes, rules and regulations of the countries, provinces, states, regions, municipalities and territories in which they operate.

### **Ethical Business Conduct**

Suppliers are expected to conduct all business transactions with integrity and fairness. Giving or receiving any kickbacks, bribes or other similar payments is prohibited.

### **Antitrust/Competition Law**

Suppliers must not engage in any collusive bidding, price fixing or other unfair trade practices and will comply with all applicable competition/antitrust laws and other laws intended to promote free and fair competition.

### **Labor Practices**

- Suppliers are prohibited from using any form of child labor whatsoever. Only workers over the age of 15 or over the legal minimum age, if higher, may be employed.
- Forced labor in any form is prohibited, including slave, prison, indentured or bonded labor.
- Wages and benefits shall meet, at a minimum, legal and industry standards.
- Working hours and compensation for overtime must be in accordance with appropriate legislation and collective agreements, if applicable.
- Suppliers must recognize and respect the right of workers to associate freely, conduct collective bargaining or organize as permitted by applicable laws and to raise employment issues.

### **Discrimination**

Suppliers must not discriminate on the basis of race, color, religion, nationality, gender, ethnicity, age, marital status, creed, sexual orientation, political beliefs, pregnancy, disability or other basis prohibited by law.

## **Harassment**

Suppliers must provide a work environment that is free from any form of harassment, including verbal, physical or sexual. Workers must be treated with respect and dignity.

## **Environment**

Suppliers will meet or exceed all environmental standards required by applicable laws, codes and regulations.

## **Health and Safety**

Suppliers will maintain and provide a safe and healthy work environment for all employees, keep the work environment free from recognized hazards and ensure compliance with all applicable laws regarding working conditions, health, safety and sanitation.

## **Confidentiality**

Product and business information, know-how, trade secrets, technology and other confidential and proprietary information (collectively, “Confidential Information”) are vital assets of Husky that must be protected by Suppliers. In addition to signing Husky’s standard non-disclosure agreement, Suppliers are required to maintain and comply with controls and procedures intended to protect Husky’s Confidential Information.

## **Conflict of Interest**

- Suppliers will not solicit for hire any Husky employees while in a business relationship with Husky and for a period of one year after the end of the business relationship.
- Suppliers will not solicit business from Husky’s customers or engage in business with our competitors using Confidential Information gained during our business relationship.

## **1.3 Quality Policy**

Husky is committed to keeping our customers in the lead. We demonstrate this with our commitment to the highest standards of quality in our products, services and daily customer interactions.

To achieve this quality goal, Husky needs supply chain partners with a parallel commitment to exceptional quality, innovation, and value.

## **1.4 Conflict Minerals Notice**

Husky is committed to sourcing components and materials from companies that share our values and commitment to human rights, ethics and environmental responsibility. The Dodd-Frank Wall Street Reform and Consumer Protection Act addresses the use of “conflict minerals” (tin, tungsten, tantalum and gold) and whether these minerals originate in the Democratic Republic of Congo or adjoining regions. Husky expects its suppliers to source conflict minerals from conflict-free smelters only. Accordingly, we require our direct suppliers to take appropriate due diligence measures to determine the origin of conflict minerals used in products supplied to Husky, including obtaining information from their suppliers regarding the original of conflict minerals used in products ultimately supplied to Husky.

## **1.5 Trade Compliance**

Husky recognizes that failure to meet trade compliance requirements can have serious consequences for Husky, including damage to the company’s reputation, monetary penalties, and suspension/revocation of the

company's exporting or importing privileges with a resulting negative impact to our suppliers and customers. Husky is committed to compliance activities as part of our Supplier Management processes. The details of Husky's Trade Compliance program can be found in Section 5.13 of this manual.

## 1.6 Gifts & Entertainment

Our employees and directors must avoid improper personal benefits for themselves, their family members or other third parties that result from their association with Husky. In addition, our employees and directors may not offer or accept Gifts or Entertainment that might appear to have the intent or prospect of influencing the recipient's business decision-making.

## Section 2.0 – Doing Business with Husky

At Husky, we look for suppliers who share our values and embrace similar high standards in running their businesses. We're not afraid to listen, either – and we encourage all of our suppliers to offer creative input and exchange ideas with us. Just as we are committed to constant improvement and innovation, we look for suppliers who are equally committed to maintaining and investing in new technologies, facilities and equipment.

Husky believe strategic, long-term relationships are based on the following principles:

- Honesty
- Integrity and trust
- Collaboration and cooperation
- Obligation and responsibility
- Open communication
- Continuous improvement

As a manufacturer of injection molding equipment and provider of services to the plastics industry, Husky purchases materials and components in the following commodity groups:

- Electrical components and assemblies such as wire, heater bands, electrical cabinets
- Engineered Assemblies such as Gearboxes, Linear guides, Ball Bearings
- Precision Machining of Small and Large parts
- Castings and casting machining
- Fluid power components such as valves
- Custom metal fabrication such as enclosures
- Material conditioning and delivery systems
- Catalogue mechanical parts such as fasteners
- Raw materials

### 2.1 Preliminary Discussions

Suppliers with products and services that are aligned with Husky business needs are invited to contact a Husky Sourcing Manager for initial discussions.

### 2.2 Initial On-site Review

Husky Procurement, Quality, or a Husky authorized third-party representative may request an onsite review, according to VDA 6.3 requirements, at your facility. If the assessment leads to multiple open points to be closed, Husky may engage an authorized third party to support the closure of these open points. The cost of the third party to be mutually agreed upon.

## 2.3 Corporate Social Responsibility Questionnaire

Potential suppliers may be asked to fill out and sign a one page yes/no self-assessment regarding their Corporate Social Responsibility activities.

## 2.4 Non-Disclosure Agreement

If recommended to proceed, you will be requested to sign and return a Non-Disclosure Agreement to allow for the open exchange of Husky confidential information associated with the new business requests for quotation.

## 2.5 Supplier Communication of Organization or Business Status Changes

Suppliers are required to inform Husky about significant organizational and/or business changes (e.g. change of management level personnel, business ownership, restructuring, or insolvency), as well as changes in personnel in the suppliers' quality department before the change is implemented. This information should be communicated in writing directly to your Husky Procurement and Quality representative.

## 2.6 Contingency Planning

The supplier is required to prepare contingency plans in the event of any of the following: key equipment failures; interruption from externally provided products, processes, and services; natural disasters; fire; utility interruptions; governmental or health department restrictions; cyber-attacks on information technology systems; labour shortages; counterfeit parts introduced into the supply chain; or infrastructure disruptions.

The supplier shall review their contingency plans yearly and update as required.

# Section 3.0 – Quality

## 3.1 General

Husky requires its suppliers to achieve and demonstrate a Zero PPM and NCR commitment to quality in their day to day business. This means that the supplier's entire management team is committed to implementation of quality management processes that support a quality culture - every process, every day.

Husky prefers suppliers to be VDA 6.3 or ISO 9001:2015 certified. When this is not obtained, suppliers are required to have equivalent quality systems and capabilities to support the supply of quality components to Husky's plants.

## 3.2 Nonconforming Product

The supplier's effective reaction to quality concerns or nonconformance is critical to containing the defect at the supplier or Husky's facility, and therefore avoiding the defect from impacting the downstream customer. Suppliers are expected to improve their quality performance every year in the areas of nonconformance incidents.

## 3.3 Nonconformance Documentation



Suppliers will be notified by a Husky quality representative when nonconforming product is found. Nonconforming material may be identified during receiving inspection, manufacturing, reliability testing, warranty analysis, or through customer notification.

Nonconforming product identified at the Husky manufacturing facility will be documented using the Nonconforming Material Report (NCR). The NCR will identify the part number and description of the product, the nonconforming quantity, and the disposition. The NCR will be sent to the supplier for action and response using a Corrective Action Report (8D or equivalent).

Suppliers who refuse to submit corrective actions may be asked to attend a Husky Incoming Quality meeting. The Supplier's management should take a lead role in an Incoming Quality meeting.

### 3.4 Supplier Quality Non-Conformance Response Expectations

Suppliers are required to submit and implement a containment plan within 24 hours (or sooner depending on the situation and customer supply status) of problem notification using the 8D or equivalent problem-solving methodology. Early containment is critical, and Husky expects suppliers of nonconforming product will take extraordinary efforts to ensure effective containment of the concern at the supplier's facility and in transit from the Supplier to Husky. Husky expect the Supplier to work with Husky to assist in preventing product from reaching Husky's customer. Rapid response to nonconformance can be a major factor in determining new business sourcing.

Following containment, the supplier should work to identify the root cause of the nonconformance within 2 weeks and make changes in product or process to prevent recurrence.

### 3.5 Ongoing / Surveillance Audits

An Ongoing / Surveillance Audit is an audit performed by a Husky designated auditor to ensure that suppliers still meet Husky requirements. The audit format will focus heavily on the VDA 6.3 standard sections P5 to P7.

Audit frequency will be dependent on, but not limited to, the following factors:

- Supplier performance
- Criticality of the supplier/product supplied
- Amount of spend
- Management directed

Suppliers will be statistically assessed monthly for positive and abnormal negative performance in the areas of Quality and Delivery.

Once a Supplier has been identified as having abnormal negative performance an audit is triggered to understand circumstances and what has changed within the Supplier organization that resulted in the statistically significant change in performance.

### 3.6 Cost of Poor Quality (COPQ)

An administrative fee and other related costs incurred may be assessed to the supplier to capture Husky's cost for managing the supplier nonconformance. A Return Material Authorization number or supplier equivalent will be requested from the supplier for debit authorization of onsite scrap, rework, sort, or return of nonconforming product.

### 3.7 Part Qualification (Prototype)

A prototype part qualification may be requested by a Husky representative. Typically, these are Engineering evaluation parts or parts not made from production representative processes or tooling. Husky approval of a Prototype Part Qualification does not authorize the Supplier to ship Parts intended for ongoing Husky production.

Submission requirements consist of:

- Supplier signed Warrant
- Drawings
- Dimensional results
- Material certifications
- plus*
- Additional documentation - as requested

A Husky representative will contact the supplier with details if a Prototype Part Qualification is required.

### 3.8 Part Qualification (Production)

Production Part Qualification defines the approval process for new or revised parts, or parts produced from new or significantly revised production methods. The requirement for a Production Part Qualification will be indicated on the Supplier's Purchase Order. A Production Part Qualification is usually completed on the first parts sent by the supplier. However, a Production Part Qualification may be requested at any time (example: Husky warranty issue).

Typically, submission requirements consist of:

- Supplier signed Warrant
- Drawings
- Dimensional results
- Material certifications
- Performance test results (Design verification plan and report or equivalent)
- Functional test results (Process validation plan and report or equivalent)
- Process flow diagram
- Process risk analysis
- Manufacturing control plan
- Measurement system analysis
- Process capability study
- Appearance approval
- plus*
- Additional documentation - as requested

It is possible for a Supplier to submit fewer Part Qualification documents on a case by case basis. Submitting fewer documents can only be done through a Husky approved waiver. Your Husky Purchase Order will provide Part Qualification instructions.

Suppliers must not send parts to Husky, without prior Part Qualification approval, unless authorized by Husky to do so in writing.

### 3.9 Changes to Existing Parts

The supplier must inform Husky Quality of changes (product or process) that might affect the product's quality and functionality. This also applies to changes made by a sub-supplier. Husky Quality will then decide whether a Part Qualification is required and at which documents must be submitted to Husky. This is dependent upon the risk associated with the change.

## 3.10 Part Qualification Deviation Assessment Form (DAF)

A Supplier is expected to submit only parts that meet all Husky requirements for part qualification approval. In the event an initial part qualification does not fully conform to Husky requirements a Husky signed **Deviation Assessment Form (DAF)** must be included with the qualification submission. Additionally, an improvement plan shall be submitted describing planned corrective actions and timing as this deviation is temporary.

Please contact your Husky Quality person for Deviation Assessment Form (DAF) instruction.

## 3.11 Generic Inspection Requirements

Inspection requirements are based on the critical features of Husky parts. Below is an outline of the equipment required along with the calibration and maintenance expectations.

- Use appropriate monitoring and inspection equipment for verification of all Husky parts during in-process and final inspection, as approved through part qualification.
- Maintain the equipment and define and execute an appropriate calibration plan.
- Ensure that inspectors are qualified and certified appropriately. CMM operators must have Geometric Dimensioning and Tolerance (GD&T) specific training.
- Send inspection reports by e-mail prior to shipment of the parts upon Husky's request.
- Ensure that the inspection gauges are maintained at a minimum according to ISO 9001:2015 "Control of Monitoring and Measuring Devices".

It is the Supplier's responsibility to define the inspection gauges required for in-process and final inspection in an inspection plan and/or control plan.

In addition:

- The resolution of a gauge should be 10 times more than the tolerance of the feature being measured. Example:  $10 \pm 0.01$  mm requires a gauge with 0.001 mm resolution.
- The accuracy of a gauge should be 4 times greater than the tolerance of the feature being measured. Example:  $10 \pm 0.01$  mm requires a gauge calibrated to a tolerance of  $\pm 0.0025$ mm.
- All inspections should be performed with gauges and parts at  $20^{\circ}\text{C} \pm 2^{\circ}\text{C}$ .
- Gauge R&R is a must for Critical to Quality and Special Characteristics, if requested by Husky. Other means of showing measuring process capability can be discussed with Husky Quality and need their approval. For part tolerances of 5 microns or less, gauge R&R is strongly recommended.

Inspection gauges and inspection methodology will be approved by Husky Quality. If the Supplier does not have the appropriate equipment, additional gauges or equipment may be required depending on the part family being manufactured.

## 3.12 Inspection Report Identification, Storage and Retrievability

It is the Supplier's responsibility to ensure that inspections are completed and documented according to the control plan and any specific requirements implemented by Husky Quality.

Inspection reports must be stored and traceable by serial number for five (5) years. Every part needs to be traceable at least to a delivery, production order and incoming goods. Reports must be available upon request by Husky when non-conformances are found or for verification of parts that fail while in service.

Inspection reports must contain the following information:

1. Husky Part Number and Revision
2. Part Name/description

3. Project Number if applicable (customized parts)
4. Date
5. Drawing Number and Revision
6. Purchase Order and Position Line
7. Supplier Name and 6-digit Supplier Code
8. Feature description or name
9. Feature Reference (a copy of the Husky drawing with a ballooned letter or number reference to the feature must be included)
10. Nominal dimension and tolerance
11. Actual measurement of feature
12. Serial Number
13. Welding final inspection results prior to painting (if applicable)
14. Paint adhesion testing according to HS323 (if applicable)
15. Pressure and leak testing (if applicable)

Husky require Suppliers to submit or retain the following reports for all items they manufacture for Husky; either for first article part qualification or on-going production items.

- Final measurement inspection report includes (critical and SC features).
- Final inspection report that shows the control plan assembly Inspection Checklist signoffs from the people executing the control plan for example:
  - Blasting of raw material inspection signoffs,
  - Weld quality inspection signoffs, .
  - Painting adherent test signoffs,
  - Tank cleaning inspection signoffs,
  - Performance & functional test result inspection signoffs,
  - Special characteristics dimensions review signoffs,
  - Stress relieving signoffs
- Inspection report that shows the control plan Parameters Checklist are used and signoffs from the people executing the control plan.

The information can be recorded in the local language, however, English is preferred. In case a report is requested by Husky, an English translation must be provided. The information submitted to or requested by Husky must be neat, organized and legible. Unreadable reports will be returned to the supplier to correct.

Husky Quality may request inspection reports prior to each shipment or on a spot audit basis. The Supplier is responsible to submit inspection reports by e-mail as directed, prior to shipment of parts. Failure to do so will result in a Non-conformance report being issued.

### 3.13 Special Characteristics

Special characteristics may be identified by Husky, the supplier, or both. Special Characteristic measurement results must be recorded, retained and made available to a Husky representative upon request.

There are three categories of Special Characteristics:

- **Critical Characteristic (CC)** is a feature of a material, process, or part (includes assemblies) that, if missing or not conforming to the design data, quality requirements, or overhaul and maintenance documentation, would result in a non-compliance with a regulatory requirement (legal or environmental).

*Inspection requirements: Variable gage inspection at multiple stations*

- **Significant Characteristic (SC)** is a feature of a material, process, or part, that, if missing or not conforming has a significant importance to achieving the desired final product fit, performance, service life, and/or manufacturability.

*Inspection requirements: Attribute inspection at multiple layers or variable gage inspection at one station*

- **Key Characteristic (KC)** is a feature of a material, process, or part (includes assemblies) whose variation within the specified tolerance has a significant influence on product fit, performance, service life, and/or manufacturability.

*Inspection requirements: variable data gage inspection at a single station*

### 3.14 Internal Audit

The supplier shall audit their quality management system to verify compliance with this quality manual's requirements.

A formal corrective action process shall include root cause determination to correct deficiencies.

The supplier shall use qualified internal auditors who are independent of the area being audited.

The supplier's management shall review the supplier's quality management system at planned intervals to ensure continuing suitability, adequacy, and effectiveness.

### 3.15 Warranty Management Systems and Field Failure Analysis

The supplier shall have a warranty management system. The supplier shall include a method for warranty part analysis, including no-trouble-found. The supplier shall perform analysis on Husky returned parts and shall initiate problem solving and corrective action to prevent recurrence. Results of the analysis shall be provided to Husky and shall be communicated within the supplier's organization.

### 3.16 Source Inspection

Suppliers who qualify for source inspection provide Husky designed/influenced parts that are identified as high risk or critical by the Supplier Quality or Procurement team. Criteria used for evaluating high risk and criticality:

- New suppliers at the beginning of production
- Existing Suppliers producing new part families
- Quality issues and corrective actions that require close monitoring

Suppliers who are notified of the source inspection requirement may not ship product until approved by Husky Quality.

For Critical to Quality (CTQ) features or Special Characteristics Husky Quality will verify the following:

- All CTQ/SCs have been measured
- Dimensions and tolerances match the Husky drawing
- Method of inspection is correct (ensure datums are applied correctly)
- Application of tolerances are correct for non-CTQ / SC features and drawing notes
- All general visual requirements must be verified including:
  - Cleanliness

- Surface finishes
- Paint quality
- Labelling
- Deburring, sharp edges, tapped hole quality
- Welding quality
- Pressure and leak test results

Source Inspection Results shall be recorded and emailed to Husky Quality for review and approval before shipping. The supplier must retain a copy of the inspection results and approval on file.

If non-conformances are found, the Supplier must conduct 100% inspection and sorting on impacted feature(s) for all the products in the batch. If Supplier does not scrap the non-conformed parts, the Supplier must follow the Deviation Approval process. This process requires the Supplier to determine the rework or repair options and submit to Husky for approval.

### 3.17 Supplier Performance Metrics

To track and communicate supplier performance, Husky has established a supplier performance rating system. This rating system is an ongoing, integrated method for collecting, analysing, and communicating supplier performance data to the supply base to encourage continuous improvement.

Active suppliers to Husky with significant spend, a critical product, or with demonstrated performance concerns may receive monthly scorecards. Suppliers may be asked to attend an executive review with Husky Management to review their scorecard status, discuss improvement plans, and enhance the working relationship between Husky and the supplier.

### 3.18 Special Certifications

Where certifications are specified for a product and the supplier is not authorized to apply the certification marks (UL, CSA, CE, etc.), the supplier must obtain written agreement from Husky Engineering in the form of a written deviation (see section 6.1 of this manual).

## Section 4.0 – Commercial

### 4.1 Purchase Orders

Purchase orders will be sent to the Supplier by the Husky procurement group. The document is Husky's authorization for a supplier to ship parts.

The Purchase Order details will indicate:

- Engineering revision level
- Drawing requirements including: raw material, specifications, GD&T
- Purchase order quantity
- Unit price
- Shipping location
- Required delivery date

Once a Purchase order is accepted by a supplier, the supplier agrees to Husky's requirements regarding quality, lead-time, delivery and all specifications.

Suppliers must commit to a delivery date within two (2) working days after the receipt of a purchase order (or requested delivery date change by Husky) unless otherwise in writing. The committed delivery date will always be the date the part is received at the designated Husky location, NOT the date of shipping. Suppliers must calculate the shipping time into the commitment date. Late deliveries will be noted on the scorecard.

## 4.1.1 Purchase Order General Terms and Conditions (Rev. Dec 2019)

“Product”, when used in these Terms and Conditions, means any materials, components and/or services supplied to Husky or its subcontractors.

**1. Purchase Order Constitutes Complete Agreement.** These terms and conditions apply to all transactions with Husky except to the extent that there is a valid, written agreement between Husky and Supplier which define terms and conditions to the contrary. In such event, the terms and conditions contained in the written agreement

shall prevail. In the event that Supplier issues additional or conflicting terms and conditions, and Husky does not specifically agree to the conflicting terms and conditions in writing, then Supplier's conflicting terms and conditions will be of no force and effect, and Supplier will be deemed to have accepted Husky's terms and conditions.

**2. Applicable Law and Jurisdiction** The formation, existence, construction, performance, validity and all aspects of the agreement arising from this order shall be governed by the laws of the Province of Ontario and the Courts of the Province of Ontario shall have jurisdiction over any disputes if the shipment destination is within Canada, or the laws of the State of Illinois and the Courts of the State of Illinois shall have jurisdiction over any disputes if the shipment destination is within the USA, Mexico or South America, or the laws of Luxembourg and the Courts of Luxembourg shall have jurisdiction over any disputes if the shipment destination is within Europe, or the laws of Hong Kong and the Courts of Hong Kong shall have jurisdiction over any disputes if the shipment destination is within Asia. Husky and Supplier agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to the agreement arising from this order or the transactions contemplated by such agreement.

Except with respect to a dispute relating to intellectual property, which dispute shall be resolved by a court of competent jurisdiction, any dispute arising under or relating to the agreement arising from this order that has not been resolved in the normal course of business, shall for matters in Canada be submitted for binding arbitration before arbitrators in Toronto, Ontario in accordance with the Arbitration Act, 1991 (Ontario) or such successor statute governing arbitration in effect at the time of applying for arbitration, and shall for matters in the United States and Latin America be submitted for binding arbitration before the American Arbitration Association (the “AAA”) at New York, New York, in accordance with the AAA's rules in effect at the time of applying for arbitration, and for matters in Europe be submitted by binding arbitration at Luxembourg before the International Court of Arbitration (“ICC”) in accordance with the ICC's arbitration rules in effect at the time of applying for arbitration, and shall for matters in Shanghai and China shall be submitted to the China International Economic and Trade Commission which shall be conducted in accordance with such Commission's arbitration rules in effect at the time of applying for arbitration. The arbitral award will be final and binding upon both parties. The award may be enforced by a court of competent jurisdiction without regard to geographical location. Either party may seek from any court of competent jurisdiction any interim or provisional relief before, during, and/or after any such arbitration. Seeking and/or complying with an order of a court granting such interim or provisional relief does not constitute a waiver of the dispute resolution provision of this Section 2.

**3. Price** If no price is stated, the Product will be charged at prices no higher than the last quote or price charged to Husky. Supplier warrants that the prices shown on this order are as low as any net price now given by Supplier to any other customer for similar product and quantity. In the event that prices decline prior to the end of all deliveries under the Purchase Order, Husky will receive the benefit of the declining price on the undelivered portion of the Purchase Order.

**4. Terms of Payment** Terms of payment will be net 90 days from receipt of an invoice unless otherwise agreed in writing. All invoices must itemize transportation charges, taxes, and packaging separately. Husky reserves the right to withhold payment if an invoice does not reference a valid Purchase Order number, position number, proper quantity, and item description.

**5. Warranty, Specification, and Quality** The Product must meet or surpass Husky's specification as referenced in this Purchase Order or in any related documentation. Unless otherwise agreed to by Husky in writing, Supplier warrants the Product will be fit for the purpose intended, defect free, of good design, workmanship and materials, and of merchantable quality for at least 40 months from date of receipt at Husky and will be delivered free from any security interest, lien or encumbrance. Husky and its customers reserve the right to visit Supplier's, and Supplier's suppliers' premises to verify that Products and processes conform to Husky's specifications.

Product is subject to HUSKY's inspection and approval within a reasonable time after delivery. If specifications are not met, Product may be returned at the Supplier's expense and the cost of direct labor, indirect labor (material handling, production control, and shipping, etc.) facility costs such as property tax, depreciation, electricity, and consumable shop floor costs, etc. incidental to the rejections will be charged to the Supplier at an hourly cost of Bolton \$90 CAD/h, Shanghai 504 RMB/h or Luxembourg 110 Euro/h. Payment or inspection does not constitute acceptance of Product or limit HUSKY's remedies including the right to cancel the applicable Purchase Order in whole or part. If Product is not in full conformity with the contractual requirements and free of defects, this will constitute an essential breach of this contract.

Supplier agrees to adhere to the Husky Supplier Quality Manual - Husky Standard HS-597.

**6. Compliance with Laws** Supplier will comply fully with all applicable laws, ordinances, rules and codes, including, without limiting the generality of the foregoing, those relating to occupational health and safety. Supplier will furnish evidence of compliance when requested by Husky.

**7. Performance and Deliveries** Time is of the essence with respect to deliveries and performances. Unless otherwise provided in writing, Supplier will be obligated to make delivery to Husky's facility as designated in the Purchase Order. Husky's production schedules are set based upon Supplier's agreement to deliver Product or perform services by the dates agreed upon on the face of this Purchase Order. Husky may change or direct temporary suspension of delivery or performance schedules at any time. Supplier's failure to meet agreed-upon delivery dates is an essential breach of this contract. If Supplier fails to meet agreed dates, Husky reserves the right to cancel the order and hold Supplier accountable for additional costs or damages incurred by Husky. Supplier agrees to be responsible for all expedited delivery charges due to delays that are the fault of Supplier.

**8. Indemnification and Confidential Information** Supplier indemnifies and holds harmless Husky from and against any claim, proceeding, damage, liability or cost including all legal costs and expenses relating to any product defect, failure to meet specifications or any claim based upon infringement by Supplier of any patent, industrial design, copyright, trademark or other proprietary right of any other person.

Supplier agrees not to disclose to any person outside of his employ or to utilize for any purpose other than to fulfill its obligations under this order, any information received from Husky pursuant to this order which is not publicly available (“Confidential Information”). On completion or termination of this order, Supplier agrees to return to Husky all drawings, blueprints, descriptions or other material received from Husky containing Confidential Information. Husky will treat all information supplied by Supplier as non-confidential in nature unless specifically stated otherwise in writing. Supplier will not, without first receiving the written permission from Husky, advertise, publish, or otherwise disclose in any manner the fact that Supplier has furnished, or contracted to furnish, the Product to Husky.

**9. Husky's Property** All material, including tools and drawings furnished or specifically paid for by Husky, will be: (i) the property of Husky subject to removal at any time, (ii) used only in filling Purchase Orders from Husky, and (iii) be clearly identified as the property of Husky. Supplier assumes all liability for loss or damage to such items (with the exception of normal wear and tear) and agrees to supply detailed statements of our inventory upon request of Husky. Supplier will take all reasonable measures to ensure the security of the above-mentioned property.

**10. Transportation** Routing from Supplier's shipping point to the designated destination will be as indicated on the Purchase Order. No charges will be allowed for cartage, premium transportation or insurance unless these charges have been agreed to in writing. Unless otherwise instructed, all daily shipments will be consolidated to one destination on one bill of lading and shipped by the most economical mode of transportation. All products will be suitably packaged for the means of transportation specified, with measures taken for moisture control, safety and security. When appropriate, reusable shipping containers and/or packaging is to be used. Supplier will immediately communicate to Husky all information relating to any potential hazard known or believed to exist in the handling or transport of the goods purchased by Husky.

- 11. Health & Safety Data** Supplier will provide Husky, when requested, with Material Safety Data Sheets for all chemicals, or other goods as applicable, purchased by Husky.
- 12. Title and Delivery of Goods** Terms of sale will be Free Carrier (FCA) (Incoterm 2010) to the designated destination on this Purchase Order, unless otherwise specified.
- 13. Duty Drawback Rights** This Purchase Order includes all related customs duty and import drawback rights, if any, which Supplier can transfer to Husky (including rights developed by substitution and rights, which may be acquired from Supplier's suppliers). Supplier agrees to inform Husky of the existence of any such rights and to supply such documents as may be required to attain such drawback.
- 14. Notification of Defects or Risk of Injury** Supplier will immediately notify Husky by telephone, followed by written confirmation within 24 hours, of any product sold hereunder which fails to comply with any applicable safety standard regardless of political jurisdiction, or which contains a defect which could create a substantial risk of injury to the public by itself or when used by Husky within the scope of its intended purpose.
- 15. Insurance** If this order includes services or work to be performed on Husky premises, Supplier agrees to indemnify Husky, its agents, contractors, subcontractors, customers or invitees from all claims, loss or damage arising out of such work, to observe the highest safety standards, to work in compliance with Husky's Environmental Health & Safety Program for Contractors, Consultants, Customers and Visitors (CCCVs) and to provide evidence of insurance levels satisfactory to Husky.
- 16. R&D Tax Credit/Grants** Husky retains the right to all claims for government support for research and development, including Canadian Scientific Research and Experimental Development income tax credit for all work performed in Canada, and Credit for Increasing Research Activities for all work performed in the U.S.
- 17. Termination** Husky may terminate this order, in whole or in part, if Supplier becomes insolvent or is in default of its obligations hereunder, or at any time without cause upon giving notice to Supplier. In the event that Husky terminates this agreement without cause, termination charges shall be subject to negotiation by the parties, but in no event will exceed the lesser of (a) the purchase price under this Purchase Order or (b) Supplier's actual costs, determined in accordance with generally accepted accounting principles, on the date the notice of termination is received by Supplier, plus an equitable pro rata profit for partial performance. All Product for which Husky pays termination charges will be promptly delivered to Husky. Cancellation does not preclude Husky from enforcing any other legal rights under this contract or at law.
- 18. Compliance with Privacy laws** Husky complies with applicable data protection laws such as but not limited to the Regulation 2016/679 of the European Parliament and of the Council of 27 April 2016 ("GDPR"), the relevant guidance from the European Data Protection Board, the Canadian Personal Information Protection and Electronic Documents Act ("PIPEDA"), the California Consumer Privacy Act ("CCPA"), and any other applicable laws and regulations relating to the processing of personal data and privacy and the guidance and codes of practice issued by the relevant supervisory authorities, as such legislation and guidance may be amended, replaced or repealed from time to time. Any personal data (as defined in the GDPR) sent to or collected by us will be processed (i.e. used, stored, transmitted, etc.) in accordance with our Privacy Notice available on our website: <http://www.husky.co/EN-US/Privacy.aspx>. If you have any questions or comments or want to exercise your rights under applicable privacy laws, you may contact Husky's Chief Privacy Officer by e-mail: at [chiefprivacyofficer@husky.ca](mailto:chiefprivacyofficer@husky.ca). To the extent that Supplier processes personal data on behalf of Husky pursuant to a service agreement or ordering document executed by Husky, then Husky and Supplier will comply with the terms of the Husky Data Processing Agreement, the terms of which are incorporated into Husky's Supplier Quality Manual.
- 19. Non-Assignment** Supplier shall not assign any work, interest, right, obligation or payment due or to become due without Husky's written consent. Any attempt to make such assignment shall be null and void.
- 20. Survivability of Obligations** All of the obligations, rights, indemnifications and remedies created by the terms and conditions herein shall survive the cancellation, termination or completion of this Purchase Order.
- 21. Time Limitation** Any and all legal actions and claims against Husky shall be barred unless written notice thereof is received by Husky within one year of the date of the event giving rise to such action or claim.
- 22. Relationship of Parties** Supplier shall provide all services as an independent contractor and nothing shall be construed to create a partnership, joint venture or other relationship. Neither party shall have the right, power or authority to obligate or bind the other in any manner.
- 23. Security Initiatives** Supplier agrees to make best efforts to assist Husky in participating in all governmental security/border initiatives to strengthen supply chain and border security, including but not limited to, Customs Trade Partners Against Terrorism (C-TPAT) and Partners in Protection

## **Section 5.0 – Packaging, Labelling and Shipping**

### **5.1 General Packaging Requirements**

This section deals with Husky Supplier's minimum requirements for packaging.

Ensure that parts/components/assemblies are labelled and packaged appropriately to arrive at Husky's global locations without damage, rust, corrosion or contamination. Parts/Components/Assemblies must be protected for storage for a period of 2 years.

Ensure that the packaging complies with Husky's Health and Safety regulations. Packaging that arrives which poses a threat to the safety of Husky employees will be refused for delivery and the Supplier will be responsible of all return shipping charges.

Ensure that packaging requirements for each country are adhered to and all customs documentation is complete.

Contact Husky Quality to review Husky Supplier Packaging Standards to ensure compliance.

Ensure that approval of the packaging is obtained through the Part Qualification Process using the Supplier Packaging Form (HS383) prior to the first shipment arrival. This approval does not relieve the Supplier of their responsibilities described above.

Parts must be packaged in such a way as to prevent damage during shipment ensuring that critical surfaces will not touch each other



The packaging must be strong enough for the part weights and to remain in-tact during transport and storage. Parts within the package must be secured to prevent movement during shipment. This includes v-blocks for large cylindrical parts or bolts/blocking to secure the parts directly to the pallet or crate. Parts that can move during shipment provide a safety risk to material handlers during handling and removing packaging.

The method of packaging must be appropriate to the distance and mode of transportation (land, sea, air)

Parts within the package must be secured to prevent movement during shipment. Parts that can move during shipment provide a safety risk material handlers during handling and removing packaging.

Parts packaged in wooden boxes shall have one side or top of the box fastened using screws (not nails) to facilitate unpacking, reduce the risk of part damage, and increase the safety of material handlers.

Plugs are required for ports to prevent contamination and damage of critical surfaces

Additional requirements such as vacuum packaging and desiccant packages may be necessary for sea shipments

Packages intended for hand lifting must not exceed a gross weight of 20 Kg (44 lbs). Packages which exceed this gross limit must be delivered on load carriers (pallets, skids) specifically designed for mechanical lifting devices

If the center of gravity for the package is not at the center of its volume, it shall be indicated on the outside of the packaging.

For shock-sensitive parts, a shock absorbing packaging must be chosen and shock-watch indicators or similar must be used on the outside of the packaging.

## 5.2 Corrosion Protection Packaging Requirements

Parts must be protected to prevent rust. Rust inhibitors must comply with Husky's Health and Safety Regulations and must not be classified as Hazardous Material. Any deviation from the required rust inhibitors listed below, require an approval to be obtained through EHS and the Part Qualification Process.

### **Tooling** (Hot Runners and Molds)

- LPS-3 and Anti-corrosion Paper

### **Machines** (Local Shipment)

- Cortec VpCI-369H (or approved substitute)

### **Machines** (Overseas Shipment)

- Cortec VpCI-369H (or approved substitute) and wrap with anti-corrosion paper (wax paper)  
*or*
- Cortec VpCI-126, 4 mil film  
*or*
- placed into a VpCI-126, 4 mil bag.

## 5.3 Packaging Materials

Packaging materials used must comply with the final destination country requirements. The PO will reference the destination country. Note: if the "Ship to" address is for the purpose of consolidation, it remains the Supplier's responsibility to ensure the final destination country's requirements are met.

Reference for final destination Canada, ISPM 15 is required (including shipments from the US):

<http://www.inspection.gc.ca/english/plaveg/for/cwpc/wdpkge.shtml>

Reference for final destination United States:

[http://www.aphis.usda.gov/import\\_export/plants/plant\\_exports/wpm/index.shtml](http://www.aphis.usda.gov/import_export/plants/plant_exports/wpm/index.shtml)

For other final destination countries, it is the responsibility of the supplier to be familiar with and comply with these requirements.

## 5.4 Package Labelling

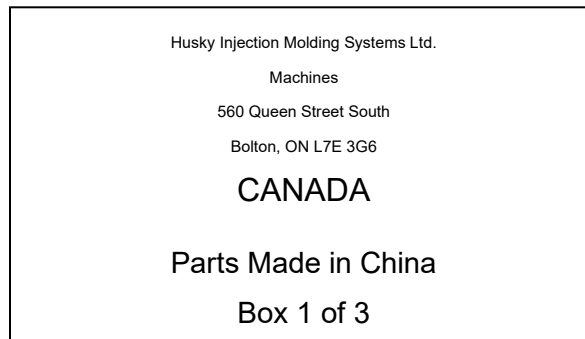
Each part must have the Husky Part Number marked on the outside of its individual packaging.

It is the Supplier's responsibility to indicate handling instructions for the package (i.e. fragility, do not stack, this side up, etc.)

Every box, crate, pallet or container within a shipment must be labelled. The label must contain the following information:

- Destination Company Name
- Destination Business Unit
- Destination Address (ensure the address corresponds to the business unit)
- Country of Origin/Manufactured In/Made In
  - The country name must be spelled in English in full form
  - The Country of Origin is the country in which the parts were manufactured. For various countries, indicate "Reference Customs Invoice"
- Box X of Y (required if more than one Box/container/crate is in the shipment, example "Box 2 of 5" if it is the second box of a total of 5)

### Example Label



For large containers, multiple labels on different sides may be necessary.

## 5.5 Packing Slip

Each shipment must have a packing slip. The packing slip must be written in English. Failure to supply all or accurate information may affect on-time performance and may also delay payment to the Supplier.

The following information must be on the packing slip:

- Unique packing slip number (Supplier generated)

For each different Husky Part Number (according to the Purchase order) in the shipment, the following must be listed:

- Purchase Order Number and Line
- Husky Part Number-Rev
- Part Description
- Quantity
- Box/Container Number (if more than 1 box/container/crate in the shipment)

- Weight (total shipment weight is satisfactory)

One copy of the packing slip must be affixed in a clear plastic sleeve on the outside of the lead box (i.e. Box 1).

## 5.6 Packaging Intellectual Property

Securing intellectual property, supplies, parts or other goods is a vital component of packaging. All business, technical and financial information that goes beyond basic publicly available facts about Husky is considered sensitive.

## 5.7 Security Measures

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo from Suppliers. Security and safeguard of all Husky property is the sole responsibility of suppliers until it has been formally received on Husky property, by Husky personnel in the field and/or at designated Husky pre-authorized locations.

## 5.8 Technical Drawings

Technical drawings or other engineering specific information must not be included in or on any packaging from Suppliers. Inspection reports that include technical drawings or engineering specific information must be submitted by e-mail.

## 5.9 Total Value of Goods

Only the total value of goods shall be included on shipping labels, when appropriate, for international shipping. Do not include information of purchase order pricing agreements or other non-shipping relevant cost information.

## 5.10 Supplier Reference

Reference to supplier name or information including logos and marketing slogans on packaging is not permitted unless pre-authorized by Husky. Supplier/manufacturer specific information shall be included only on shipping labels and/or other appropriate documentation.

## 5.11 Referencing of Husky's Customers

Reference to Husky's end customer information shall not be included on or in any packaging or labelling. Direct shipments to customers under special circumstances as directed by Husky are the only exception.

## 5.12 Records and Data

Inspection records, SPC data, certificates of conformance, approval forms and/or other types of process or technical part quality related information is allowed only as defined under supplier agreements by component, package or service. All documentation described is only allowed within the internal sealed package as defined by supplier control plan requirements and authorized by Husky.

## 5.13 Customs and Trade Compliance Requirements

Customs and Trade compliance means operating within the many global regulations that surround trading activities and the import and export of products, services and technology. This means complying with international export, trade and financial laws.

Shown below are a list of Husky minimum expectations which apply to shipments which could be; intercompany Husky to Husky, to unrelated suppliers or to customers:

Provide clear and accurate Customs documentation for all shipments to a Husky location or drop shipment to an alternate destination, regardless of if the shipment is transiting through a local warehouse or freight forwarder, or if shipped to destination through a third country (trans-shipped).

Notify Husky buyer of any Country-of-Origin changes on Husky purchased merchandise.

Notify the appropriate Husky Trade Compliance Team of any changes/discrepancies on Customs documentation.

For goods shipped from a different location than location to which Husky issued the purchase order (Triangulations/Drop Shipments): Suppliers must provide the shipping invoice that corresponds to the purchase order with the parent company. Do not use internal invoice between related parties as a shipment invoice to Husky. Suppliers may need to engage 3rd party brokers in order to neutralize the documentation. Husky requires the purchase price to match the shipment invoice for importation.

Failure to comply to these Husky's Global policy – “International Supplier Requirements For Customs” may result in a Non Conformance Infraction being issued, and the supplier will be held responsible to reimburse Husky for any disruptions, losses, damages, fines, penalties, or legal costs incurred by Husky or levied against Husky by any governmental authority, for infractions relating to any failure to follow procedures specified by Husky including but not limited to, providing incorrect or false information on products packaging, customs or other documentation upon importation, invalid Trade Agreement claims, or country of origin errors.

## 5.13.1 Shipping Documentation Requirements

The table below shows the information that should be shown on each shipping document. Each shipment should at minimum include Customs Invoice, packing slip, and a bill of lading. Trade Agreements and Certificate of Origin are to be included if required or where a blanket is not on file.

- |                                  |                        |   |
|----------------------------------|------------------------|---|
| • Reference Number               | • Part Description     | • Total # of pieces in the shipment       |
| • Shipment Date                  | • Country of Origin    | • Total Gross Weight per shipping invoice |
| • Seller                         | • HS Classification    | • Total Net Weight per shipping invoice   |
| • Shipper/Exporter               | • Weight               | • Kind of Packaging                       |
| • Buyer                          | • Quantity             | • Delivery Terms/Inco Terms               |
| • Consignee                      | • Unit Price           | • Freight Costs                           |
| • Carrier /Forwarding Agent      | • Extended Price       | • Mode of Transport                       |
| • Country of Export for shipment | • Total Shipment Value | • Customer Reference                      |
| • Customs Broker name            | • Currency             | • Special Instructions                    |
| • Purchase Order/Position #      | • Purpose of shipment  |   |
| • Part number                    | • Measurements         |   |

See Appendix “B” for a more detailed explanation.

Husky may request Trade Agreement or Certificate of Origin documents through a separate yearly solicitation.

## 5.13.2 Additional Notes

All documentation must be written in English. No handwritten notes other than a signature is to be shown.

Kits, sets, spare parts packages, conversion kits, retro-fit, etc. - all components within the designated kit must be identified individually with a separate part number, quantities, unit price, and country of origin of each item. See section under “Kits/Sets” for additional information.

For ocean shipments, express bills of lading are to be used.

Obtain customs rulings where the Country of Manufacture / Origin is questionable or where the goods may not undergo enough of a substantial transformation in order to determine the true origin of the goods.

### 5.13.3 Markings

All items in the shipment must be physically marked with the country of origin. This marking must match the country of origin declared on the Customs invoice.

Marked on all items subject to marking laws and regulations currently in force in the country of destination (permanent where possible). If the item cannot be marked with c/o due to size, or is incapable of being marked, all outer packaging (permanent where possible) must be marked with country of origin of goods inside. If package contains multiple country of origins, statement "Package contains various countries of origin, parts individually marked".

All marking must be clear and readable, adequate size (easily seen), placed in a conspicuous place on the item and the packaging.

Written in English language with NO abbreviations. Full name of the country must be spelled out.

Markings can be in different forms; one that becomes part of the item (i.e. branding, stamping, etching, printing, molding, etc.) , adhesive labels , hang tags or other

### 5.13.4 Kits and Sets

Customs authorities define "kits/sets" as: "Goods that are put together that consists of at least two different articles which are "prima facie", classified under different HS classification numbers. The goods must be put together to meet a particular need or carry out a specific function/activity. The goods must also be packaged in a manner suitable for retail sale directly to end users, without repacking. Simply combining various loose components to make up a kit/set is not acceptable for Customs purposes."

Kits/Sets are NOT - Goods that are put together for the ease of shipping or for the purpose of a sale a one high level item. Goods that do not make up a complete finished good and that when put together do not carry out a specific function/activity are not considered a kit. For example, a number of loose components put together as a spares package, conversion, compatibility, retro-fit that all have different functions and different classifications, and when put together do not function as a complete finished good, cannot be declared as a kit.

If goods do not meet the criteria stated in box #1 of this section, the goods can still be called a kit with one high level description and one price, however, all the components within the "designated kit" must be individually declared with separate part numbers, English description of the items, country of origin, quantities, and unit price of each item with the total extended value for each line. The total value of all the items within the "designated kit" must equal the high level price.

### 5.13.5 Packaging

All international (crossing country border) shipments must adhere to the IPPC international Standards for Wood Packaging ISPM15. All customs documents for international shipments must declare "The wood packaging in this shipment meets the Phytosanitary Entry requirements of ISPM15". In lieu of ISPM declaration or adherence, suppliers must issue a fumigation certificate for any wood packaging.

### 5.13.6 International Trade Agreements

International trade agreement certificates or statements are considered legally binding documents. Suppliers

are liable for any false or incomplete statements that may cause Husky financial or legal damages. Suppliers must provide properly completed trade agreement certificates with each shipment or blankets certificates, where applicable, for items that qualify for duty relief in the importing country. Suppliers are liable for increased fees in cases where a certificate is deemed invalid, resulting in financial hardship to Husky.

For audit purposes by Husky or a Customs Agency – the supplier is responsible to maintain and produce records on how items have been qualified for a particular trade agreement for which the supplier has provided a certificate for. Records must be maintained for the time period as specified in the International Trade.

**Note:** Husky's Suppliers must meet the expectations founds in: *GSC PRO 40042 - Supplier Exporting Goods Cross Border to or on behalf of Husky.*

## 5.14 Trade Certifications

Trade Certifications are Customs programs designed to:

- foster predictable delivery through Customs,
- reduce logistics costs,
- lower supply chain security risks to member nations,  
*and*
- recognize yourselves as a trusted partner to Husky.

Examples of Country specific Customs programs are:

- **US:** Customs-Trade Partnership Against Terrorism (CTPAT): [CTPAT: Customs Trade Partnership Against Terrorism | U.S. Customs and Border Protection \(cbp.gov\)](https://www.cbp.gov/ctp)
- **CA:** Partners in Protection (PIP): [Partners in Protection \(cbsa-asfc.gc.ca\)](https://www.cbsa-asfc.gc.ca/partners-in-protection)
- **EU:** Authorized Economic Operator (AEO): [AEO \(Authorised Economic Operator\) \(europa.eu\)](https://ec.europa.eu/euroa/eao/)
- **CN:** Authorized Economic Operator (AEO): [Service Guide - Service Center - GACC \(customs.gov.cn\)](http://www.customs.gov.cn/serviceguide)

All suppliers are required to complete Husky's Self-Assessment Questionnaire online once per year through a Husky-contracted audit company. Once assigned, the supplier must complete the questionnaire within 30 days and submit the results to the Husky-contracted audit company.

After review of the audit results, corrective actions may be prescribed for completion, also within 30 days. There are no Husky fees, for material suppliers, associated with the questionnaire.

Failure to complete the questionnaire may affect a Supplier's rating with Husky and have potential impact on future business opportunities. On occasion, a virtual audit will be conducted through a Husky-contracted audit company. Any assigned corrective actions are required within 30 days. Logistics Service Providers shall also be required to participate in Husky's Random Monthly Audit. All requested data must be provided to Husky within 5 business days of request. A Logistic Service Provider list of requirements is available from their local Husky Logistics department.

For shipments that cross international borders, Suppliers must ensure all shipments are secured with an ISO 17712 certified high-security seal, and that the conveyance have a documented inspection checklist. All domestic shipments must have a padlock controlled by the carrier. Principles of these programs apply to all shipments, from dedicated containers to small, express-courier packs.

Should a Supplier detect an attempt to gain unauthorized access to their property, computer systems, or shipments, the Supplier must promptly declare it to Husky by email at: [tradecertifications@husky.ca](mailto:tradecertifications@husky.ca).

## 5.15 Contact Information

For any questions regarding Customs Requirements, please send an e-mail to the following:

- Canada: [bolcb@husky.ca](mailto:bolcb@husky.ca)
- United States: [hkycususa@husky.ca](mailto:hkycususa@husky.ca)

## 5.16 Substance Compliance

All substances used in the product and packaging must comply with the Husky's regulation (HS 730) and the regulations for the country the product is being supplied.

Specifically for supplying to Europe, Suppliers are required to comply with REACH. REACH is a European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the Registration, Evaluation, Authorization and Restriction of Chemical substances. The new law entered into force on 1 June 2007.

The REACH approach is likely spread out in future as a worldwide regulation to control the usage of hazardous chemicals and substances.

The aim of REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. At the same time, innovative capability and competitiveness of the EU chemicals industry should be enhanced. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH.

The REACH Regulation gives greater responsibility to industry to manage the risks from chemicals and to provide safety information on the substances. Manufacturers and importers will be required to gather information on the properties of their chemical substances, which will allow their safe handling, and to register the information in a central database run by the European Chemicals Agency (ECHA) in Helsinki. The Agency will act as the central point in the REACH system: it will manage the databases necessary to operate the system, co-ordinate the in-depth evaluation of suspicious chemicals and run a public database in which consumers and professionals can find hazard information.

REACH provisions will be phased-in over 11 years. Companies can find explanations of REACH on the ECHA website, in particular in the guidance documents, and can contact national helpdesks. It is the responsibility of the Supplier to be familiar with and comply with these requirements.

For further information suppliers shall review the following website: <http://echa.europa.eu/>

## 5.17 Logistics

The Supplier is responsible to use only the approved service provider for freight forwarding when the terms of the purchase order are Free Carrier (FCA). The approved service providers are dependent on the overall size of the shipment and region the part is coming from. The freight forwarder is established by Husky's Global Logistics group.

Please contact your Husky Commodity Manager to ensure the proper service provider and accounts are used.

In all cases, including Free Carrier (FCA), it is still the responsibility of the Supplier to properly package, label, and provide the required packing slip and customs invoice with the shipment.

## 5.18 Part Labelling

This section is relevant to part labels, identification and serial numbers.

**The supplier must ensure that** the label meets specification, is readable, straight, and in the proper location as identified on the drawing. This must allow for full traceability of raw material or material supplied by Husky

All part labels, identification and markings must have the following characteristics:

- Legible (readable), English characters
- Permanent (unless otherwise approved or specified). Methods for marking include: laser, engraving, acid, stamping. The method selected must not distort the part or affect feature specifications.
- Located on the surface indicated on the drawing (if indicated) Alternate locations can only be used if approval is granted through a DAF (reference section 6)
- Straight and tidy.
- Modified parts (i.e. reworked or converted from one HPN to another) shall maintain both serial numbers but the original HPN shall be removed and replaced with the new part number.

The details for identification are based on the part type and have been broken into 3 categories (see below).

## 5.18.1 Identification of Husky Designed Parts

Components that Husky provides a design and drawing. All Husky designed components require part identification. The part identification must be located on the surface indicated by the drawing. If the surface is not indicated, a non-critical surface shall be selected and approved by Husky Quality. The following table describes the requirements for part identification (Note: Husky Business Unit Specific). Part Identification requirements are shown below.

	Husky Tooling (Hot Runners and Molds)	Husky Machines
<b>Identification</b>	<p><b>As specified on the drawing by Husky Engineering:</b></p> <ol style="list-style-type: none"> <li>1. Husky Part Number / Revision</li> <li>2. Project Number (if available)</li> <li>3. Manufacturing Sequence Number (3 digit code)</li> </ol>	<p><b>Supplier Identification-Husky Part Number (HPN) – Revision</b></p> <p>Note: Supplier Identification should be the Supplier Number (6 digit code) or Supplier Initial(s) approved by the SOE</p>
<b>Traceability Information</b>	<ol style="list-style-type: none"> <li>4. Husky Supplier Number (S- with 6 digit code provided by Husky)</li> <li>5. Production Date (CW/YY is the 2 digit calendar week and 2 digit year when the part was manufactured)*</li> </ol> <p>*if space is limited the information should be applied according to priority</p> <p>Permanently mark 1 to 5 as per drawing definition location shown. Text must be clear and legible.</p> <p>Recommended font: ARIAL - 3mm high, 0.03 to 0.1 deep</p> <p>If space limited, engraving height must be adjusted by designer</p>	<p><b>YYYYMM##</b></p> <p>YYYYMM: 4 digit year and 2 digit month (date code) manufacturing date</p> <p><b>##:</b> part number specific to the year and month of manufacture</p> <p>Serial Numbers are not required for non-critical components (sheet metal, brackets, gates, hardware, and small machined components with loose tolerances).</p> <p>The requirement for Serialization will be verified by Husky's SQA/SQE.</p>
<b>Example</b>	<p><b>1234567/0 890123</b> <b>456 S-123456 – 22/15</b></p> <p>HPN = 1234567</p> <p>Revision = 0 Project No. = 890123 Manufacturing Sequence No. = 456</p> <p>Supplier number = 123456 Calendar week = 22 Year = 2015</p>	<p><b>S-1234567-0</b> <b>20091005</b></p> <p>Supplier Identification = S (supplier number also acceptable) or supplier initials approved by the Husky Quality</p> <p>HPN = 1234567 Revision = 0 Manufactured Year = 2009 Manufactured Month = 10 Part Manufactured in 2009-10 = 5</p>

Notes: For parts that cannot be labelled directly, they must have an identifying label on the supplied packaging. Separate labelling must be provided for each package.

## 5.18.2 Supplier Designed and Husky influenced

Components or assemblies that the Supplier Designs with input from Husky's engineering regarding the application. These parts are exclusively supplied to Husky as they are modified to meet Husky's requirements. This category includes (but is not exclusive to) control panels, computers, servo valves, electrical and hydraulic motors, sensors, transducers, heaters, thermocouples, conveyors etc.

In accordance with Customs regulations, the country the part is "Made in" or "Country of Origin" must be included on the label and spelled in English without using abbreviations. For Example, "Made in Germany".

## 5.18.3 Supplier Designed (Catalogue Components)



Components or assemblies that are generic to all of the Supplier's customers. This category includes (but is not exclusive to) hardware (fasteners, washers etc.), generic electrical components (breakers, wires, connectors, I/O cards etc.),

Parts in this category must follow industry standards for identification, if applicable. The supplier's part specific number and revision level must be present on the component, if possible. For parts that cannot be labelled directly, they must have an identifying label on the supplied packaging. Separate labelling must be provided for each package.

Where possible, the Husky Part Number should also be included.

If a Husky component specification (design standard document) is available, all requirements must be followed.

In accordance with Customs regulations, the country the part is "Made in" or "Country of Origin" must be included on the label and spelled in English without using abbreviations. For Example, "Made in Germany".

## **Section 6.0 – General**

### **6.1 Husky Deviation Approval Process**

A deviation request must be submitted by Suppliers if they produce non-conforming parts which they would like Husky to consider accepting. All deviation requests must appear on the Husky Deviation Approval Form or DAF. DAFs may be submitted for either a permanent or non-permanent deviation. The DAF is a one-time approval process the Supplier must follow for non-conforming products/parts that are identified prior to shipping the part to Husky. This process applies to parts that are out of tolerance, missing components in an assembly or any application where parts do not meet specification.

This process also applies to permanent change requests to product changes initiated by the Supplier.

Husky may apply an administration charge for each Supplier DAF request. The charge would be applied regardless if the DAF is approved or rejected by Husky.

This process also applies to Supplier initiated improvement requests i.e. drawing updates, improvement/clarification on drawings and design.

#### **6.1.1 Non-permanent Deviation Requests**

A one-time request for change will be considered under the following circumstances:

- A minor non-conformance (slightly out-of-tolerance) for manufactured components
- Planned repair (approval from Husky must be obtained)
- Missing components in assemblies that are easy to install

A Deviation Assessment Form must be completed. The form must be completed in English and all fields must be filled in. Incomplete forms will be returned to the Supplier and this will delay the process.

The Supplier must provide a proposed solution for rework or repair, as well as a corrective action, preventing the deviation from happening again. Photographs, inspection reports, and/or drawings may be attached to help explain the non-conformance from specification.

Husky will review the DAF to determine if the part(s) can be reworked, repaired or used as is. The completed form, with disposition will be returned to the Supplier. If the non-conformance from specification is accepted, the Supplier is responsible to review the approved solution and complete the actions as indicated in the form for the specified Purchase Order(s) and Serial Number(s). It is the Supplier's responsibility to ensure rework is completed as directed.

The Supplier must ensure that the Serial Number(s) engraved on the part matches with the serial number(s) on the form before shipping of the item to Husky.

Once the rework is complete, the Supplier must confirm that the rework is not visible (i.e. the part appears as if no rework was completed). If the Supplier is unsure the rework is acceptable and meets all aesthetic and technical requirements, the Supplier must contact Husky and provide photos showing the rework.

Husky may also request the Supplier to submit photos or an on-site inspection before shipment and final approval of the reworked part.

A copy of the completed Deviation Assessment Form must be attached to the part and final inspection report must be e-mailed before shipment.

## 6.1.2 Permanent Deviation Requests

A permanent Change Proposal will be considered under the following circumstances:

- Supplier designed product has design improvements or reduces cost
- Supplier is requesting a drawing update to improve manufacturability or reduce cost
- Supplier is requesting an alternative equivalent material

The Supplier is required to notify Husky a minimum of 6 months before the change is planned to be implemented. Sample parts must be available for testing with validation results at the time of request. Supplier will be required to work with Husky Engineering to ensure that product is compatible and meets performance specifications. The Supplier must not assume that the new product is compatible with Husky's product. Approval for the change and validation with Husky product is required.

## 6.1.3 Unapproved Change Proposal

If the Change Proposal is not approved, the part cannot be used and may not be shipped to Husky. If this is a One-Time request, the part(s) is deemed as scrap. In all cases, the Supplier must immediately contact the Husky expeditor or buyer to discuss the next steps.

If Husky owns the raw material, the Supplier will be charged for the cost of the raw material in accordance with the Purchasing Agreement.

Completed Deviation Assessment Forms must be submitted according the Husky Business Unit shown below while copying your Husky Quality representative:

Bolton and Shanghai Machines: [+Insp/DAF@husky.ca](mailto:+Insp/DAF@husky.ca).  
Luxembourg Hot Runner Components: [lxhrseat@husky.ca](mailto:lxhrseat@husky.ca)  
Luxembourg Mold Components: [lxmdhotseat@husky.ca](mailto:lxmdhotseat@husky.ca)  
Asia Design Support for Tooling: [agong@husky.ca](mailto:agong@husky.ca)  
Milton ECN: [miltecn@husky.ca](mailto:miltecn@husky.ca)  
Bolton Molds: [bmdengs@husky.ca](mailto:bmdengs@husky.ca)

## APPENDIX “A”: Glossary of Terms

<b>A</b>	Audit	A careful check or review of something
	Auditor	Person conducting the audit
<b>B</b>	Bill of Lading	Detailed list of a shipment of goods in the form of a receipt given by the carrier to the person consigning the goods.
	Broker	A person who buys and sells goods or assets for others.
<b>C</b>	CE	Conformité Européenne (CE) Mark is the European Union's (EU) mandatory conformity marking for regulating the goods sold within the European Economic Area
	Center of Gravity	The point around which the resultant torque due to gravity forces vanishes.
	CMM	Coordinate Measuring Machine. A precise measuring tool
	Contamination	Made impure by polluting or poisoning.
	Contingency Plan	Plan designed to take a possible future event or circumstance into account.
	Corrosion	A natural process that converts a refined metal into a more chemically stable oxide.
	CSA	Canadian Standards Association, a standards development organization.
	CTQ	Critical to Quality. Very important features. Usually involves stringent measuring controls
<b>D</b>	DAF	Deviation Assessment Form. Communication form used to document a deviation request and disposition.
	Deviation	Departing from an established course or accepted standard.
<b>E</b>	8D	Eight Disciples. A systematic approach to problem solving
	EHS	Environment (E), health (H) and safety (S), is an acronym for the set that studies and implements the practical aspects of protecting the environment and maintaining health and safety at occupation.
<b>G</b>	Gauge R&R	Gauge Repeatability & Reproducibility. A statistical method to assess a measuring tools suitability for use.
	GD&T	Geometric Dimensioning and Tolerancing (GD&T) is a system for defining and communicating engineering tolerances and relationships.
<b>H</b>	HPN	Husky Part Number
	HS	Husky Specification
	HS	Harmonized System (HS) of tariff nomenclature is an internationally standardized system of names and numbers to classify traded products.
<b>I</b>	Incoming Quality meeting	A formal meeting between the Supplier and Husky to discuss Supplier performance and improvement actions
	Infraction	An infraction of a rule or law is an instance of breaking it.
	Intellectual Property	Products of human intellect which are given the same protective rights that apply to physical property
	ISO	International Organization for Standardization (ISO) is an international nongovernmental organization who develop & maintain national standards
	ISPM	International Standards For Phytosanitary Measures
<b>M</b>	Micron	Unit of measure. 1 micron (1μ) = 1/1000 mm
<b>N</b>	NCR	Nonconformance Report
	NDA	Non-disclosure agreement is a legally binding contract that establishes a confidential relationship.
<b>P</b>	PO	Purchase order (PO) is a legal document that is created by a buyer and sent to a seller to confirm their intention to purchase products and/or services.
	PPM	Abbreviation for "parts per million"
	Production	Ongoing supply of product after initial assessment
	Prototype	An original model on which something is patterned
<b>S</b>	SC	Special Characteristic. Product and process characteristics designated by the customer and/or selected by the organization through knowledge of the product and process
	SPC	Statistical process control (SPC) is the use of statistical techniques to control a process or production method.
<b>U</b>	UL	Underwriters Laboratories (UL) is a safety organization that sets industry-wide standards for new products.
<b>V</b>	V-Block	Block having a V-shaped groove in one side to support round work
	VDA 6.3	Verband der Automobilindustrie. VDA 6.3 defines a process-based audit standard for evaluating and improving controls in a manufacturing organization's new product introduction and manufacturing processes.

## APPENDIX “B”: Shipping Documentation Requirements

#	Data Elements	Explanation	Trade Agreement/ Certificate of Origin			
				Airway or Bill of Lading		
				Customs Invoice	Packing Slip	
1	Reference Number	Shipping/Customs Invoice number.	X	X	X	X
2	Shipment Date	Date the goods are actually shipped	X	X	X	X
3	Seller	Party who owns the goods. Complete company name/address/contact name/telephone/email/ & tax identification number	X	-	X	X
4	Shipper/ Exporter	Party who is actually shipping the goods. Complete company name/address/contact name/telephone/e-mail & tax identification number	X	X	X	X
5	Buyer	Party who will be paying the seller for the goods. Complete name/address/contact name/telephone/e-mail & tax identification number	X	-	X	X
6	Consignee	Party where the goods will actually be delivered to. Complete name/address/contact name/telephone/e-mail & Tax Identification number.	X	X	X	X
7	Carrier/ Forwarding Agent	Party who will transport goods on supplier/customer's behalf	-	X	X	X
8	Country of Export for shipment	Where the shipment originates from	-	X	X	X
9	Customs Broker name	Identify the customs broker for the Husky location that the goods are destined for.	-	-	X	-
10	Purchase Order/Position #	Husky purchase order number and position on the purchase order	-	-	X	X
11	Part number	Must always show Husky's part number. Supplier part number can be shown if applicable	X	-	X	X
12	Part Description	Complete written Alpha description - no acronym. Must be in written in English. If possible, the material, size and any other item description details.	X	-	X	X
13	Country of Origin	For each part number in the shipment - country where the part is <i>made</i> , not necessarily where it is shipping from.	X	-	X	X
14	HS Classification of the Import Country	Contact Husky if the supplier does not have the information. Refer to country specific section for contact details in the destination country.	X	-	X	-
15	Weight	Net weight of each item. This is a compulsory requirement in many countries to support import accuracy and enhance security. Please refer to country specific sections for details on destination country weight requirements.	-	-	X	X
16	Quantity	of each item	-	-	X	X
17	Unit Price	of each item	-	-	X	-
18	Extended Price	line total	-	-	X	-
19	Total Shipment Value	Zero value is not acceptable	-	-	X	-
20	Currency	Currency of the transaction	-	-	X	-
21	Terms of sale	sale, warranty, return, further processing, temporary, etc.	-	-	X	X
22	Measurements	Total gross weight and number of packages/skids/crates/etc.	-	X	-	X
23	Total number of pieces in the shipment	Total number of crates, boxes, skids, etc. contained in the shipment	-	X	X	X
24	Total Shipment Gross Weight	Gross weight of the total shipment	-	X	X	X
25	Total Shipment Net Weight	Net weight of the total shipment	-	X	X	X
26	Kind of Packaging	Type of packaging (i.e. wooden box, cartons, containers, etc.)	-	X	X	X
27	Delivery Terms/Inco Terms	Incoterms are unique to destination countries – contact a customs agent for more info – see 10.7.2.	-	X	X	X
28	Freight Costs	If applicable (inland freight) to point of export	-	X	X	-
29	Mode of Transport	How the goods will be transported to the destination (truck, ocean, air)	-	-	X	X
30	Customer Reference	Project number or tag number, if applicable	-	-	X	X
31	Special Instructions	Any specific delivery/clearance or special instructions	-	-	X	X