

**PLZ:**  
C O R P



# SUPPLY QUALITY

## MANUAL

The partner of choice, making products  
that make people's lives better.™

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## INTRODUCTION

### Superior Products Since 1947

Quality products. Compliant practices. Client-centered solutions. That's how we've become the partner of choice in aerosol and liquid product manufacturing. We are the North American leader in specialty aerosol and liquid product manufacturing. PLZ develops, manufactures, packages, and distributes a comprehensive line of contract fill, branded, and private-label products. We formulate, blend, fill, and package more than 2,500 branded and private-label products.

### Our Mission

PLZ is committed to partnering with our customers to deliver quick-to-market, innovative, safe and compliant products and solutions. It's our pledge to provide high-touch service throughout the value chain to ensure the success and satisfaction of our customers.

### Value Driven Solutions You Need To Go To Market Successfully

Your experience from the first hello to the last truck leaving our facilities is dependent on the values we've established to ensure a seamless process. How do we get there?



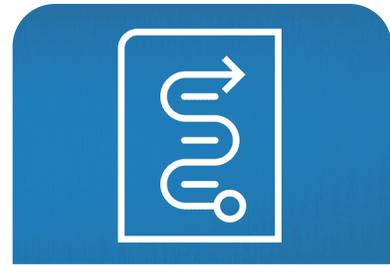
#### Safety

From production to manufacturing, to quality assurance and deliver, safety for employees, customers and end-users is a priority.



#### Customer Focus

We exceed our customers expectations for providing innovative, cost effective, quality products to market.



#### Integrity

We treat others with respect and take ownership over our work and actions.



#### Performance

We constantly push ourselves to be our best and we arrive every day inspired to make an impact through our talents, passion and hard work.



#### Continuous Improvement

We continually improve our processes, products and services by focusing on enhancing the captivities that generate the most value for our customers.



#### Teamwork

We work in a collaborative and respectful manner with a sense of urgency and a can-do attitude to achieve the best results possible.

## 1. SCOPE AND PURPOSE

This Manual sets forth Supplier requirements applicable to any PLZ Corp (PLZ) Supplier of products and services including, but not limited to, components, raw materials and intermediate goods. References in this manual to 'PLZ' mean the PLZ Corp and/or its wholly owned subsidiaries as reflected in applicable supply agreements and/or purchase orders.

PLZ recognizes the critical role our supply partners play in delivering providing quality products and services to our customers. Hence the need for this manual to set up Supply Quality expectations.

## 2. MANAGEMENT AND QUALIFICATION

### a. Quality Management Expectations

Supplier shall establish documents and procedures as needed to maintain an effective Quality Management System (QMS). QMS must include but not limited to the following key elements:

- Document Control
- Calibration system
- Non-conformance process
- Corrective Action process
- Training

Supplier does not have to maintain a certification by an accredited third-party certification body in order to be an approved supplier to PLZ, in general. However it is preferred that Suppliers' maintain certifications for their QMS like ISO 9001, IATF 16949, cGMP, SQF or equivalent.

Suppliers to Food and Personal care units must be able to demonstrate that you comply with all FDA regulations and the Food Safety Modernization Act. The facility may be certified by an accredited body.

PLZ reserves the right to perform audits on Supplier's site to verify compliance with this Manual.

### b. Supply Quality Alignment

The Supplier requirements and expectations in this Manual are fully aligned with manufacturing and customer Quality Assurance activities at PLZ. The Quality expectation that PLZ has from its Suppliers is no different than the expectations it has from its own manufacturing facilities.

### c. Performance Expectations

PLZ evaluates Supplier Performance by utilizing a scorecard approach to communicate expectations. Performance factors in the scorecard may include: SPPM (Supply Parts Per Million), PGR (Percent Goods receipt amount Rejected), Productivity, OTD (On Time Delivery), Contract Status, SCAR Responsiveness, Audit Scores.

Supplier shall implement procedures and processes with the objective of tracking and where necessary improving product Quality (SPPM) and Delivery (OTD) to PLZ.

PLZ expects Quality and On-Time Delivery performance of **500 PPM and 98.0%** respectively. Individual improvement targets, and an appropriate financial recoupment plans will be communicated by your PLZ Supply Chain contact.

#### **d. Supplier Qualification Process**

A PLZ qualified designee may conduct an on-site audit to assess the effectiveness of Supplier's Business and Quality Management Systems. In the alternative, PLZ may direct Supplier to perform a self-assessment of the Supplier's premises and to provide a summary of results. PLZ may establish and assign action items based on either a PLZ on-site audit of Supplier or Supplier's self-assessment.

#### **e. Supplier Audits and Visits**

PLZ reserves the right to visit Supplier's premises to audit its process, evaluate materials, processes, tooling and/or documentation used to manufacture PLZ products. Where PLZ's customers indicate the need to visit the Supplier's production process with reasonable prior notice, Supplier will accommodate such request in conjunction with PLZ representation.

### **3. PRODUCT QUALITY & DEVELOPMENT**

Supplier is recommended adhere to the AIAG: APQP (Advanced Product Quality Planning) approach to support new or transferred products or services that are supplied to all PLZ facilities and locations.

#### **a. Product Development**

To develop and maintain an adequate Quality Management System for Product Development, PLZ may require Suppliers to establish and maintain documents such as; Process Flow Diagram, Process FMEA (Failure Mode and Effect Analysis) and Process Control Plan for all stages of the manufacturing process. Besides a robust gage calibration program, gages that measure key characteristics may be required to be evaluated for Gage Repeatability and Reproducibility (Gage R&R) regardless if the Gage provides variable or attribute data.

##### **i. New Product Launch/Production Trails**

In the case of a new product launch, PLZ may direct Supplier to provide on-site representation at the PLZ manufacturing site. Supplier's support representative shall be knowledgeable of the product and Supplier's process and shall be empowered to make decisions on behalf of Supplier.

##### **ii. PLZ Owned Assets**

At times PLZ may provide suppliers with assets such as tooling, fixtures, gages, etc. When these conditions exist, the supplier shall assume the responsibility for the protection, calibration, and care (other than normal wear) of all assets provided to the supplier by PLZ. In general, costs associated with normal upkeep and maintenance will be covered by the supplier. Supplier must notify PLZ of any concerns about tool wear or damage prior to producing unacceptable or non-conforming products. PLZ is responsible for costs associated with engineering product and/or specification changes that directly impact the consigned asset's ability to comply to the new requirement.

All assets must be clearly labeled as property of PLZ.

## **b. Product quality**

Below items are considered to be integral part Incoming Quality of products supplied to PLZ Facilities, Warehouses and Distribution Centers. PLZ Buyer may charge back Supplier for missing any of the below information in their shipment to all PLZ facilities or locations.

### **i. Traceability/Part Identification/Lot Coding**

All raw materials, components and intermediate goods supplied to PLZ should be traceable to the date and shift of manufacture (at a minimum). Traceability method (i.e. label, part marking or date wheel) will be agreed upon with the supplier and the Supplier Representative. At a minimum; all materials should be marked with a Lot number. Other materials that cannot be individually marked should have a traceability lot number on packaging container.

If PLZ Customer provided unique lot code format is required, Supplier shall implement this unique traceability requirements as requested.

### **ii. Packaging**

PLZ, based on its requirements and on consultation with Supplier as appropriate, shall agree to packaging for materials during the planning process. Supplier shall be responsible for loss and/or damage resulting from the use of packaging that does not conform to agreed specifications.

The packing of the materials shall be suitable for long distance transportation and well protected against dampness, moisture, shock, rust and handling.

### **iii. Labeling**

All products (raw materials, finished goods, components, etc.) that is shipped to any PLZ facility must be marked and labeled appropriately. All chemicals must have appropriate regulatory symbols and warnings based on the nature of the product as part of labeling (can be more than 1 label). All Finished Goods going in to a Distribution Center, must have barcodes that can recognize the products, such as UPC or I2of5 barcodes.

### **iv. Deviations**

PLZ will not accept, and Supplier shall not ship to PLZ a product that do not conform to applicable specifications and requirements. Only on an exception basis with prior approval, Supplier may ship products that do not conform to applicable specifications and requirements this requires Supplier's prior written request to PLZ and after issuance by PLZ of a written temporary deviation approved by an authorized PLZ Representative. Deviations may be requested via email. Text message or verbal requests may not be considered as a formal requested communication method.

## **4. PRODUCT AND PROCESS CHANGES**

PLZ is committed to continuous improvement of its products and processes to remain as an industry leader. Suppliers shall work with PLZ to identify and implement product and process changes aimed at continuously improving the quality and value of its. Upon determining that a product and/or process change is needed, and prior to implementing such change, Supplier shall contact and consult with the appropriate PLZ Supply Management representative. A proposed change implementation timeline shall include a plan and schedule for necessary product safety stock and End-Of-Life of current material.

Based on the risk of the proposed product or process change PLZ through its Supply Chain contact or a designee will advise the Supplier what level of Qualification Requirements will be required. Change or implementation of sub-contracted services by the supplier is not allowed once PLZ has approved.

Any change in product and/or process that is not communicated to PLZ prior to shipping impacted product to PLZ facility or customer will result in material rejection, corrective action and full cost recoveries.

## **5. NONCONFORMING MATERIAL, CONTAINMENT & SUPPLIER CORRECTIVE ACTIONS**

Should a PLZ facility or customer receive defective product, PLZ may give notice to Supplier with a request to provide corrective action and containment. Containment is required unless otherwise stated in writing, within 24 hours from initial notification. "Containment" means the implementation of

measures to prevent a shipment containing the identified or similar defect and measures to prevent the manufacture of additional products containing the defect.

**a. Nonconforming Material Certification**

Depending upon the nature of the defect, number of occurrences of the defect, and level of risk to PLZ's customer, PLZ may request Supplier to certify that products it has provided or processed meet applicable requirements and Supplier shall provide such certification. Such certification may be requested and shall be provided with respect to products in Supplier's facility, PLZ's inventory, and/or products released into the supply chain, including PLZ's customers' facilities.

Additionally, where PLZ, in its sole discretion determines that it is necessary to prevent the release of defective products to its customer, Supplier may use third-party containment to inspect product for a specified length of time. PLZ shall direct the use of third-party containment in writing by the Vice President Supply Chain, "In writing" may include email. Criteria for termination of third-party containment shall be subject to agreement of PLZ and Supplier. Product certified by Supplier at Supplier's location shall bear a certified product label clearly reflecting the product's certification.

**b. Supplier Corrective Action Report (SCAR)**

Supplier shall take prompt corrective actions to address its failures to meet delivery and/or Quality performance requirements. If Supplier repeatedly fails to meet delivery and/or Quality performance requirements, PLZ may require preparation and implementation of improvement plans.

Supplier shall have a corrective action process in place in accordance with its Quality Management System. The corrective action process shall include the use of disciplined problem-solving methods. Where PLZ determines that corrective action is required, PLZ may provide Supplier with a supplier corrective action request (SCAR). SCAR form is based on the common 8D methodology. Supplier shall provide a responsive corrective plan to PLZ within ten (10) business days after SCAR release. Closure of the corrective action shall take place no longer than sixty (60) days.

**c. Returned Material Authorization (RMA)**

Suppliers shall respond to RMA requests from PLZ facilities within 3 working days of notification. Failure to respond to the RMA request may result in shipping material back to the Supplier "collect" or scrap at Supplier's expense. These costs will automatically be deducted from the next PO that is placed with the Supplier.

## 6. REGULATORY, CODE OF CONDUCT & COMMUNICATIONS

### a. Code of Conduct

PLZ's Supply Chain Code of Conduct provides guidance for the business expectations, and compliance requirements. Please refer to the website below for further information.

<https://www.plzcorp.com/supplier-compliance/supply-chain-code-of-conduct/>

### b. Regulatory

Transparency in Supply Chain Statement, please refer to the website below for further information.

<https://www.plzcorp.com/supplier-compliance/transparency-in-supply-chain/>

#### i. Conflict Minerals

Presence or use of any of the below "conflict minerals" in the product/material in your supply chain must be disclosed to a PLZ supply management representative: Tin, Tantalum, Tungsten, Gold, Cassiterite (derivatives), Columbite-tantalite (derivatives), Wolframite (derivatives)

#### ii. Heavy metal content

All components supplied to PLZ must have <100 PPM of heavy metals such as Lead, Hexavalent Chromium, Cadmium & Mercury. This is industry standard, exceptions cannot be made.

All paint or paint related materials must have lead content of less than 80 PPM. If your material needs exception, please reach out to your Supply Management Representative.

### c. Communications/Cyber Security

Supplier shall maintain updated contact information with appropriate Supply Management at PLZ. Supplier shall inform PLZ promptly of any significant changes in its management and/or organizational structure as well as significant changes in its facilities, including but not limited to changes in manufacturing locations. Change of manufacturing location requires pre-notification and acknowledgement from PLZ before implementation.

English is the corporate language for PLZ Corporation. Where a record is written in both English and the common language and a conflict exists between the English and native versions, the English version shall take precedence.

"Protecting PLZ's confidential and sensitive data is everyone's responsibility. Protect PLZ's information security policies, data privacy policies and intellectual property and confidential information at all times.

Treat all sensitive Personally-Identifiable Information, confidential information and intellectual property, including that of third parties and competitors, like you would your own. Be sure to protect it and use it as intellectual property for business purposes only, and don't disclose it or any confidential information to third parties without prior company approval.

## 7. CERTIFICATE OF ANALYSIS/CERTIFICATE OF CONFORMANCE

The Supplier must provide a "Certificate of Analysis" (CofA) as applicable to all raw materials received by any PLZ facility. Packaging components may or may not need a CofA, Supply Management Representative might be able to help with this as needed.

Supplier must be able to provide a CofA within 24 hours from request for any Finished Goods that is supplied to PLZ.

The CofA/CofC must meet the following requirement: at a minimum, each certificate must contain the following:

### a. Certificate of Analysis

CofA must detail the applicable quality control specifications in place to ensure that the material supplied to PLZ will meet the requirements for use in PLZ facilities.

#### i. CofA Minimum Requirements:

- PLZ SKU Number
- Product Description
- Lot Code/date code
- Supplier Product Number
- Test Description, Method, and Specification
- PLZ P.O. Number
- Release Signature and Date
- Quantity Shipped

## 8. TERMINATION

The failure of Supplier to meet and maintain each of the requirements or obligations set forth herein will constitute a material breach of any Contract and/or Agreement between Supplier and PLZ, and PLZ shall have the right to terminate any such Contract and/or Agreement immediately and without prior notice to Supplier.

## 9. REFERENCES

CORP-QA-FRM-01 – Qualification Questionnaire for Potential Supplier

CORP-QA-FRM-02 – PLZ SCAR Template

CORP-QA-FRM-03 – Supplier Quality System Audit Questionnaire

CORP-QA-SOP-05 – Vendor - Supplier Evaluation and Qualification

CORP-QA-SOP-04 – Vendor Non-Conformance Process

CORP-QA-SOP-11 – Supplier Chargeback Process

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