Handbook for Suppliers

Keep your world moving with rapid design and quality manufacturing of motion control systems that solve your toughest challenges

- Innovative
- Responsive
- Field-Proven
- World Class

Designed & Manufactured in the USA

Control Solutions LLC ™

Markets We Serve

For over 35 years, Controls Solutions LLC has designed, developed and manufactured a wide array of high-technology products that meet customer needs in target markets. Our core technology strengths allow us to provide rapid response to customer needs in worldwide markets including:

Military Vehicle Systems
We engineer and manufacture systems for the US military where quality and dependability are paramount. Our vehicle subsystems are designed from the ground up to perform around the clock in the harshest battle environments.

- Turret Control Systems that automate the movement of the vehicle gunner's armored turret
- Power Door Systems that assist the operation of the vehicle's armored doors; even on uneven terrain
- Emergency Egress Systems that light the way to safe exit from military vehicles in rollover situations

Commercial and Industrial Motion Control
We developed and manufacture a line of motion control products and related battery chargers, cables, and user interface systems for embedment in industrial and commercial products.

- Motor Controllers that provide smooth, stable operation across a variety of industries, including personal mobility.
- Controllers and chargers for heavy-duty material handling and floor care products
- Rechargeable batteries and chargers

Medical Electronics
Our industrial-grade products are recognized and incorporated by leading manufacturers of durable medical equipment and patient mobility products.

- Motor controllers and chargers in patient transport products
- Variable-speed controllers in hospital beds

Introduction

This handbook outlines the expectations of suppliers to CSLLC. Suppliers must ensure that their employees and contractors understand the requirements of this handbook. For additional information or help, contact the Purchasing Department at CSLLC.

Objective

The objective of this handbook is to provide our suppliers with an understanding of the requirements to supply CSLLC.

Strategy

CSLLC intends to establish and maintain long-term relationships with suppliers who are committed to continuous improvement in cost, quality, delivery and service. This commitment is an expectation of all suppliers who participate with us. Those suppliers who embrace this philosophy will have the opportunity to enter into long-term relationships with us. CSLLC believes evidence of this commitment to a continuous improvement philosophy includes, but is not limited to ISO9000:2015, proactive supply chain management, delivery, and productivity improvements. In turn, CSLLC will deal with our suppliers honestly and with integrity, strive to listen to our suppliers' concerns, communicate our requirements, and provide our suppliers with the appropriate tools to perform at world-class levels.

Supplier Quality Requirements

We recognize the critical role quality plays in our success. The cornerstone to this is the CSLLC Quality Policy that states:

Quality is a prime consideration for supplier selection and sourcing at CSLLC. Your dedication to quality and strict adherence to purchasing, quality, and shipping requirements, part drawings, and specifications will clearly document your value as a CSLLC supplier.

Monitoring Supplier Performance

Through a process of positive interactions, we want to assist in our supplier's continuous improvement efforts.

Our approach is to prevent problems before they become obstacles to success.

If problems arise, we strive to resolve them by working with our suppliers to find the appropriate solutions.

Purchase Order Quotations

All quotations must include any additional costs such as delivery, packaging to supply the item, or service. Contract Manufacturers must ensure a Costed Bill of Material (CBOM) is provided and/or available upon request.

Terms and Conditions

The Purchase of materials, products, and services can only be initiated by issuing a CSLLC purchase order. Payment terms agreed to between supplier and CSLLC will be called out on each purchase order. Tooling, NRE, and other costs will be added as a separate line item on a non-inventory line item.

Prices

CSLLC requires all supplier invoice prices to match CSLLC purchase order prices exactly to ensure timely processing. To achieve this, the issue of a modified purchase order must document any price change. The CSLLC purchase order defines what we understand as the agreed price. Invoices that do not match will not be paid until resolution between CSLLC and supplier.

Delivery Responsibility

CSLLC, Inc may specify freight carriers. The supplier is responsible for packaging the product to ensure the product is protected during transit and arrives without damage to CSLLC.

Quality Inspections

All materials furnished must conform to contractual requirements/specifications and are subject to inspection and approval at CSLLC after delivery. Our suppliers must conduct inspections of parts used in the manufacturing cycle for CSLLC. In our manufacturing process if fault is found with the material, CSLLC reserves the right to reject and/or return at the risk and expense of the supplier, all or any portion of shipment(s) which fail to comply with CSLLC requirements and specifications.

First Articles

CSLLC will, on all first-time purchase orders for custom materials, require first article paperwork to be submitted with the delivery which will be reviewed by the quality organization and review determination (approved, rejected) will be communicated to the supplier. The first article inspection includes responses to all drawing notes and drawing dimensions with their tolerances recorded.

Supplier Requests for Temporary Deviations

To receive a temporary deviation, the supplier:

- Must contact CSLLC Purchasing Department and get a written deviation prior to shipment.
- Each deviation must state the maximum quantity of items and/or the period of time for the deviation.
- When required by CSLLC, a temporary deviation label shall be adhered to the product.

Nonconformance / Charge Back Policy

If CSLLC holds materials because of nonconformance to specification the following are the solutions:

Solution	Effect	Cost to Supplier
Nonconformance	Return	Freight and charge back for product
Nonconformance	Scrap	Charge back for product
Rework	Charge to Supplier	Charge back for product and labor (Supplier responsibility)

If we have nonconforming items, we will communicate the problem to the supplier. At that time, we will discuss any action needed. The supplier’s personnel may be requested to sort, rework, or replace the components and resolve the problem at CSLLC location. If time does not permit, CSLLC will take the required action and charge back the supplier for costs incurred.

In cases where there are repeated / systemic issues with a supplier’s material, CSLLC quality team will issue a SCAR & an 8D will be required.

Counterfeit Part Prevention

- **Supplier Responsibility**
  - Implement and enforce a written Counterfeit Parts Prevention and Control Plan designed to prevent, detect, and remove any counterfeit components from all deliveries to CSLLC.
  - Maintain a database to track, maintain, and dispose of any counterfeit parts received and applicable source.
  - Review Plan regularly to confirm procedures are appropriate and effective.

- Cooperate with CSLLC in the implementation of policies to eliminate counterfeit parts from all products.
- Ensure this policy is communicated to Supply Chain, Quality, and Business Leaders throughout your company.
- Supplier shall flow the requirements of this provision to its subcontractors and suppliers at any tier for the performance of components provided to CSLLC.

- **Use of Non-Authorized Suppliers**
  - The use of non-authorized suppliers without written consent by CSLLC is hereby strictly prohibited. Should business reasons dictate the use of such suppliers, the following process is required:
    - Supplier shall notify the CSLLC Supply Chain representative of a requirement to use a non-authorized source.
    - Supplier shall provide specific details regarding the suggested source, Date Code and process utilized to ensure component authenticity.
    - Supplier shall provide all details in writing on a Supplier Request Document which includes a Customer Approval and Sign Off section.
    - The CSLLC Supply Chain Representative shall review the supplier request and either approve, reject, or return with comments if additional information is required for determination.
    - Should CSLLC provide approval, the supplier shall provide C of C, verification documentation, and any test results to CSLLC..
    - Supplier is not approved to deliver product or components to CSLLC until signed approval, C of C, and test results are provided and confirmed to be compliant to the details agreed upon in the approved supplier request form.

Conflict Minerals

CSLLC expects all suppliers to comply with any applicable laws and regulations regarding conflict materials and assist us in meeting our obligations under law and regulation.

When required, we report on our use of conflict minerals (tantalum, tin, tungsten and gold) originating in the Democratic Republic of Congo (DRC) or any of the DRC's adjoining countries in products manufactured or contracted to be manufactured by the company. We are required to do our due diligence on the use of conflict minerals in our supply chain.

Our suppliers must support our efforts to conduct due diligence on the use of conflict minerals in our supply chain which includes the identification of products in their supply chains that contain conflict minerals and validating country of origin of these minerals.

Verification of Supplier's Processes and Services at Supplier's Premises

When required, CSLLC must be provided access to the supplier's facility/sites to review / inspect areas where our products are being manufactured / fabricated. CSLLC will work with / communicate when these times arise in advance to minimize any impact of the supplier's time and resources. We expect the suppliers to make reasonable accommodations when requested.

Packing Slip Documentation

One pack slip and one invoice per delivery is required. Each supplier must include the following information on each pack slip: CSLLC purchase order number, CSLLC part number, total quantity shipped, number of cartons included in the shipment, and supplier name. The invoice must contain the previous information as well as the unit price and total price.

Federal, State, Local Laws

We expect our suppliers to comply with all federal, state and local laws.
Individual solicitations will include specific regulations and requirements that are required and expected for specific solicitations.

Delivery Terms

It is the supplier's responsibility to ensure goods are received at the required location on the date the supplier confirmed the purchase order. CSLLC definition of on-time delivery is 5 days early and 0 days late. If late deliveries cause damages supplier will be charged back accordingly.

It is the supplier's responsibility to inform CSLLC Purchasing Department immediately of any potential difficulties in meeting delivery requirements. Alternative plans may be available to avoid downtime and corresponding costs.

CSLLC expectation is that all deliveries will be adhered to including during holiday or other supplier shutdown periods, unless prior written arrangements are made.

Purchase Order confirmation is expected within 2 business days unless otherwise negotiated with CSLLC.

Delivery Times

Our facility Delivery hours are Monday-Friday from 7:00 a.m. until 3:30 p.m. Please contact Purchasing to confirm the times.

If unable to deliver during these times, then you must contact CSLLC to make alternative arrangements.

Labels on Packaging

All cartons and shipping containers must be labeled with: Purchase Order number, CSLLC Part number, Number of cartons, quantity, and any other requirement per the purchase order and should include both a human readable as well as bar code – scannable equivalent.

Products that are required to be serialized must include a copy of the serial numbers contained within each package placed in a window envelope – both human readable and scannable.

Hazardous Material

Follow all relevant Health, Safety, and Environmental regulations.

Ensure all proper markings are on containers along with SDS attached and proper paperwork is supplied to CSLLC.

NOTE: CSLLC reserves the right to refuse delivery that does not conform to these delivery conditions.

Visitors

We welcome our suppliers to visit CSLLC at any time by arranging your visit with your purchasing contact. As an ITAR facility all visitors would be required to provide the purchasing contact your contact information (name, company name, and address) prior to your visit, then sign the visitor log upon your arrival.

Our requirements related to visitors is as follows:

- Restricted and denied party screening process is preferably conducted and adverse reports resolved PRIOR to a visitor's entry into the facility. Preferred screening method is Descartes Visual Compliance™ by Contracts Administration. Whenever possible, the Contracts Manager shall be notified of anticipated visits no later than 24 hours prior to the scheduled visit. Screening and its documentation are mandatory practices under trade compliance and federal cybersecurity regulations.
- If a Non-disclosure Agreement (NDA) is required prior to the visit, please contact Contract Administration so one can be prepared and sent to the visitor for review and signature prior to the visit.
- Visitor access to Controlled Unclassified Information (CUI) must be cleared with the Contracts Manager prior to CUI disclosure. Screening is a prerequisite for visitors to access CUI.
- All visitors must enter through the front door, sign the Visitor's Logbook located in the Chicago Conference Room and be given a Visitor Badge. If the visitor enters restricted areas beyond the lobby the Visitor Badge must be visible.
- Freight forwarders, USPS, and other delivery services may enter the building without a badge but are restricted to designated delivery areas in the facility such as the loading dock or lobby.
- Visitors shall be escorted by a Control Solutions employee when entering restricted areas beyond the lobby. The host or delegated escort has sole responsibility for the visitor's safety and their compliance with Control Solution's policies and regulatory requirements. Non-U.S. citizens are prohibited from

entering ITAR-controlled areas which shall be clearly marked as such. Unauthorized entry into these areas and prohibited “deemed exports” shall be immediately reported to the Contracts Manager.

- The host should be prepared to escort the visitor(s) to fire exits and tornado shelters.
- Visitors are prohibited from taking pictures while inside the facility unless authorized by the Contracts Manager or senior management. Direct access to the CS internal network as well as use of CS’ IT equipment by visitors is strictly prohibited. Visitor Wi-Fi access shall be limited to the “Visitors only” network (“Hadron”). Visitors who misuse the internet connection, disclose confidential information or take unauthorized photographs shall be immediately escorted out of the facility.
- Any employee is authorized to question unbadged visitors, and, if necessary, escort them to the Chicago Conference Room to obtain a badge if one was not originally provided or it was lost. If an employee feels incapable of performing this role, they should contact their supervisor or the Contracts Manager immediately.
- Visitor entry during non-working hours is prohibited unless authorized by the host employee’s supervisor.

Dear Supplier:

Our commitment to steady, long-term improvement in our products and process is a cornerstone of our business strategy. Maintaining customer satisfaction and enhancing our leadership value is a mutual goal of both CSLLC and its suppliers. To achieve this objective, we must continuously work together to improve the overall efficiency and productivity of our design, manufacturing, administration, quality, and support organizations.

The CSLLC Supplier Handbook contains supplier purchasing, quality, and material handling requirements. This document expresses the expectations of CSLLC for all suppliers.

Additionally, we ask each supplier to complete an NDA, Reps & Certs, Business Survey, and conduct a self-directed quality survey. This information must be completed and returned to CSLLC Purchasing Department before the approval process is complete. Please follow the directions for each form and return in 10 days to CSLLC Purchasing Department.

We want your commitment as part of a long-term relationship.
Please address your questions to CSLLC Purchasing Department.

Thank you

Purchasing Department

CSLLC

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