



SUPPLIER/CONTRACTOR QUALITY MANUAL

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

Table of Contents		
Section	Description:	Revision
Purpose Statement	Purpose	6/15/2020
Policy	Quality Policy / Mission Statement	7/15/09
Location	Cleveland-Cliffs Tubular Components LLC – Location / address information	7/15/09
Web Locations	Web addresses / Additional Company Information	7/15/09
3.0	Supplier/contractor/contractor Approval Criteria	
3.1	Supplier/contractor/contractor Criteria	7/15/09
3.2	Initial Assessment	9/14/15
3.3	Supplier/contractor/contractor Approval	4/22/21
3.4	Supplier/contractor/contractor Quality Ratings	4/22/21
4.0	Supplier/contractor/contractor Performance Requirements	
4.1	Quality systems	7/15/09
4.2	APQP (Advanced Product Quality Planning)	7/15/09
4.3	Material Performance Test Results	7/15/09
4.4	Qualified Laboratory Documentation	7/15/09
4.5	Checking Aids	7/15/09
4.6	Inspection and Test	7/15/09
4.7	Corrective Actions Required	7/15/09
4.8	IMDS / REACH Compliance	7/15/09
4.9	Deviation Process	7/15/09
4.10	Quality Performance Requirements	7/15/09
4.11	Supplier/contractor/contractor Corrective Action	8/16/16
4.12	Mandatory Containment	7/15/09
4.13	Disposition of Non-Conforming Product	7/15/09
4.14	Parts Delivery Performance	8/16/16
4.15	Supplier/contractor/contractor Development	9/16/13
4.16	Continuous Improvement	7/15/09
4.17	Probationary Guidelines	7/15/09
5.0	Tooling	
5.1	Cleveland-Cliffs Tubular Components LLC owned tooling	7/15/09
6.0	Logistics	
6.1	Logistics Policy	7/15/09
6.2	Basic Packing List Requirements	7/15/09
6.3	Basic Bill of Lading Requirements	10/17/13
7.0	Packaging	

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

7.1	Labeling and Identification	7/15/09
8.0	Environmental Health & Safety, Misc.	
8.1	Environmental Health & Safety Expectations	7/15/09
8.2	IMDS (International Material Data System)	10/17/13
8.3	Supplier/contractor/contractor Visits	7/15/09
8.4	Security	7/15/09
8.5	Contingency Plans	7/15/09
9.0	Ethics	
9.1	Supplier/contractor/contractor Code of Conduct	11/1/19
9.2	Environmental Responsibility	7/15/09
9.3	Health & Safety	7/15/09
9.4	Security of Information	7/15/09
9.5	Record Retention	
	Appendix A- Sample Forms	
Sort Tag	Sort Tag (can be printed two to a page)	
Parent Company Website	www.clevelandcliffs.com	
4.1	www.AIAG.ORG	
8.2	http://www.mdssystem.com/html/en/home_en.htm	
8.2	http://echa.europa.eu/home_en.asp	
8.2	http://echa.europa.eu/chem_data/candidate_list_table_en.asp	
8.2	http://sec.gov/rules/final/2012/34-67716.pdf	
Revisions	Revision History	
Signatures	Signatures of Approval	

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

Section	Description	Rev
<p>Purpose Statement</p>	<p>The following document is the Cleveland-Cliffs Tubular Components LLC Supplier/contractor/contractor Quality Manual.</p> <p>This electronic document is provided to define both our customary and general guidelines of how Cleveland-Cliffs Tubular Components LLC conducts our business. This outline of our expectations is to create what Cleveland-Cliffs Tubular Components LLC believes is a strong, competitive and value added supply chain.</p> <p>Cleveland-Cliffs Tubular Components LLC's success is dependent upon our ability to provide the highest value to our customers through price, quality and service. A close working relationship with our Supplier/contractor/contractor base is critical to the achievement of this objective. Our hope is that this Manual provides you with the necessary information that will be valuable to our mutual efforts of conducting business in a professional, efficient and profitable manner.</p> <p>This manual addresses all Supplier/contractors and Contractors (Outside Processes) who supply products, raw materials, services, which directly affect the quality of Cleveland-Cliffs Tubular Components LLC's products. This updated manual supersedes all Supplier/contractor/contractor information manuals previously provided to you by Cleveland-Cliffs Tubular Components LLC.</p>	<p>6/15/2020</p>
<p>Quality Policy / Mission Statement</p>	<p>The CLEVELAND-CLIFFS TUBULAR COMPONENTS LLC Team is dedicated to being the leader in safely producing superior products with pride and integrity with management commitment to continually improve the effectiveness of the Quality Management System.</p> <p>We are committed to increasing profitability through mutually beneficial relationships with our employees, customers and supplier/contractors. Cleveland-Cliffs Tubular Components LLC shall seek to achieve excellence in Safety, Quality and Productivity through the selection and monitoring of key indicators. The spirit of Cleveland-Cliffs Tubular Components LLC is our people.</p>	<p>7/15/09</p>
<p>Corporate Location</p>	<p>Cleveland-Cliffs Tubular Components LLC 30400 East Broadway Walbridge, Ohio 43465 1-800-955-8031</p>	<p>6/15/2020</p>

<p>Company Web Locations</p>	<p>www.clevelandcliffs.com</p>	<p>4/22/21</p>
<p>3.1 Supplier/contractor/contractor Criteria</p>	<p>A primary objective of Cleveland-Cliffs Tubular Components LLC is to achieve the "Best in Class" status in Supplier/contractor/contractor base management and Supplier/contractor/contractor performance. As Cleveland-Cliffs Tubular Components LLC focuses on core manufacturing processes, our Supplier/contractor/contractors must also be developing and perfecting their own core competencies. To maintain a long-term relationship with Cleveland-Cliffs Tubular Components LLC, Supplier/contractor/contractors must:</p> <ul style="list-style-type: none"> • Be globally competitive in quality, technology, service, and cost. • Provide defect free products for all direct and indirect materials / resources. • Maintain a quality system, which meets the requirements of the regionally recognized standard. • Proactive in Continuous Improvement • Be capable of validating products for Cleveland-Cliffs Tubular Components LLC specific applications. • Consistently deliver on time. • Be proactive and flexible in responding to changing customer demands. 	<p>7/15/09</p>
<p>3.2 Initial Assessment</p>	<p><u>First Step</u></p> <p>Cleveland-Cliffs Tubular Components LLC will send a potential Supplier/contractor/contractor a copy of the Supplier/contractor/contractor Quality Questionnaire. The Supplier/contractor/contractor will complete the Questionnaire and return it to the Cleveland-Cliffs Tubular Components LLC Purchasing Department. Cleveland-Cliffs Tubular Components LLC will evaluate the submitted information and, if deemed needed, may request to perform an On-Site audit of the Supplier/contractor/contractor.</p> <p><u><i>*Classification for New Supplier/contractor/contractors will be revised once performance history becomes available.</i></u></p> <p><u>Second Step</u></p> <p>When an On-Site Audit is required, Cleveland-Cliffs Tubular Components LLC personnel will conduct the audit. Upon completion of the audit, Cleveland-Cliffs Tubular Components LLC will review the results with the</p>	<p>6/15/2020</p>

	<p>Supplier/contractor/contractor. If Corrective Actions are required, the Supplier/contractor/contractor will be responsible for developing the necessary Corrective Action Plan and submitting it to Cleveland-Cliffs Tubular Components LLC within the given time allotment.</p>	
<p>3.3 Supplier/contractor Approval / Performance (See also 4.8 Supplier/contractor Development)</p>	<p>A Supplier/contractor may be approved after submitting the Supplier/contractor Quality Questionnaire and, if required, the completion of an On-Site Audit. If the Supplier/contractor is ISO: 9001 or IATF: 16949 certified, completion of the On-Site Audit may be waived. Cleveland-Cliffs Tubular Components LLC will request a copy of the registration certificate for our records. The approval process ends after all of the criteria have been met. The Supplier/contractor is then added to the Approved Supplier/contractor List.</p> <p>Supplier/contractor performance is monitored and recorded monthly for Quality, Delivery and Supply Chain/Customer Disruptions.</p> <p>Cleveland-Cliffs Tubular Components LLC requests its Supplier/contractors strive for:</p> <ul style="list-style-type: none"> - 100% On-Time Delivery (OTD) - 100% Defect-Free Product (PPM) - 0 Supply Chain/Customer Disruptions <p>Supplier/contractors may request a copy of their performance reports by contacting the responsible buyer or Cleveland-Cliffs Tubular Components LLC Purchasing Department.</p> <p>*If repeated infractions occur and Supplier/contractor Corrective Actions do not resolve the issues, the Supplier/contractor will be placed on a probation status. All purchases from these Supplier/contractors will be limited and monitored closely.</p> <p>*Cleveland-Cliffs Tubular Components LLC will remove a Supplier/contractor from the Approved Supplier/contractor List, after 6 months of probation and/or repeated attempts to work with the Supplier/contractor fail to produce an acceptable outcome. The Supplier/contractor may be removed sooner if the Supplier/contractor refuses to work with Cleveland-Cliffs Tubular Components LLC in resolving issues. This will be a joint decision with Quality Assurance. Reference section 4.17 for Probationary Specifics.</p>	<p>4/22/21</p>

3.4 Supplier/contractor Quarterly Ratings		DELIVERY	QUALITY	DISRUPTIONS	4/22/21
	Criteria	On time Delivery (OTD)	Parts Per Million (PPM)	0 Disruptions	
	Calculation	Total parts/lbs received divided by total parts/lbs should have received	Non Coil: Total parts rejected divided by total parts received multiplied by 1000000 stated as a PPM Defective	Cleveland-Cliffs expectations is for Zero Supply Chain/Customer disruptions.	
	(Based on 3 month Quarter)		For Coil: Total lbs rejected divided by total lbs received stated as a Percent Defective		
	Metric	OTD %	PPM Defective Percent Defective	GOAL = 0 Disruptions	
	Goal:	100%	0		
	Green	98%-100%	≤ 100 PPM 0-1.00%	Any Supply Chain/Customer disruptions will result in an immediate Corrective Action Request.	
	Yellow	96%-97.9%	101-299 PPM 1.01-2.99%		
	Red	< 95.9%	≥ 300 PPM ≥ 3.00%		
	<p>-The above table is used to generate monthly ratings for each Supplier/contractor. - OTD's and PPM'S are captured for three consecutive calendar months to calculate quarterly Supplier/contractor scores. - New calendar year begins in January. - Supplier/contractors with 3 consecutive months with "Red" level performance will be placed into a Probationary Status as referenced in Section 4.17. - Supply Chain/Customer Disruptions will result in an immediate request for Corrective Action.</p>				

Section 4.0	Supplier/contractor Performance Requirements	
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4.1 Quality Systems	<p>Cleveland-Cliffs Tubular Components LLC requires all Supplier/contractors of purchased product to achieve registration, by an accredited certification body to, at least, the current revision of the ISO 9001 standard. Cleveland-Cliffs Tubular Components LLC recommends that automotive Supplier/contractors to Cleveland-Cliffs Tubular Components LLC take the initiative to register to ISO/IATF:16949.</p>	6/15/2020
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	<p>All Cleveland-Cliffs Tubular Components LLC Supplier/contractors can purchase copies of the ISO/IATF:16949 standard or the ISO 9001 standard from Automotive Industry Action Group, AIAG. www.AIAG.org</p> <p>Any Supplier/contractor that has its Quality Management System Certification withdrawn by the issuing Certification Body or, the Supplier/contractor by its own action, cancels their certification, must notify their Cleveland-Cliffs Tubular Components LLC buyer and the Cleveland-Cliffs Tubular Components LLC manufacturing locations within five (5) working days.</p> <p>The Supplier/contractor's management shall review the quality system at appropriate intervals, to ensure its suitability and effectiveness. Cleveland-Cliffs Tubular Components LLC shall assess its Supplier/contractors with the goal of the Supplier/contractor maintaining registration to ISO 9001.</p>	
<p>4.2 Advanced Product Quality Process (APQP)</p>	<p>Upon notification of Supplier/contractor selection, it is the responsibility of the Supplier/contractor's organization to provide support / resources for Advanced Quality Planning activity. APQP activity should follow AIAG Guidelines.</p>	<p>6/15/2020</p>
<p>4.3 Material / Performance Test Results</p>	<p>Evidence of compliance must be submitted. Material Tests results must include: *Design record change level of parts tested (if applicable) *Revision number/date of specification to which parts were tested *Date on which testing took place *Material subcontractor's name</p> <p>Performance Tests results must include: *Design record change level of parts tested (if applicable) *Revision number/date of specification to which parts were tested *Any authorized engineering change documents not yet incorporated into the design record (if applicable) *Date on which testing took place</p>	<p>7/15/09</p>
<p>4.4 Qualified Laboratory Documentation</p>	<p>The Supplier/contractor shall have a laboratory scope and documentation showing that any external laboratories used for</p>	<p>7/15/09</p>

	testing/calibration are qualified to ISO/TS-17025 or the National equivalent.	
4.5 Checking Aids	Where checking aids (product specific gauges, etc.) are used, the Supplier/contractor shall certify that all aspects of these aids comply with product requirements. The Supplier/contractor shall provide for appropriate preventive maintenance for these checking aids for the life of the parts.	7/15/09
4.6 Inspection and Testing	<p><u>Receiving inspection</u> - The Supplier/contractor shall ensure that incoming product is not used or processed (except in the circumstances described below) until it has been inspected or otherwise verified as conforming to specified requirements. Where incoming product is released for urgent production purposes before verification, it shall be positively identified and recorded in order to permit immediate recall and replacement in the event of nonconformity to specified requirements.</p> <ul style="list-style-type: none"> • Rejected Material – any purchased material received and subsequently rejected will generate a Defective Material Report (DMR). Disposition of the non-conforming material will be either: <ol style="list-style-type: none"> 1. Use Material as is 2. Rework the material at the Supplier/contractor’s expense 3. Request that the material be returned to the Supplier/contractor or scrapped at the Supplier/contractor’s expense <p><u>In-process inspection</u> - The Supplier/contractor shall inspect and test the product as required by the Control Plan and/or documented procedures. No production parts should be made until a first piece inspection has been completed and approved. Any reworked material shall be re-inspected to ensure all characteristics meet the original specifications.</p> <p><u>Final inspection and testing</u> - Product cannot be shipped until all activities specified on the Control Plan or in the inspection procedures have been satisfactorily completed. The Supplier/contractor shall perform an inspection of the finished product and packaging prior to shipping.</p>	7/15/09
4.7 Corrective Actions Required	If the results of the actual manufacturing process do not meet the requirements for on-going quality and quoted tool capacity, Corrective Action must be taken to correct any deviation. If the manufacturing and/or quality plan does not correspond with the actual process, the issue must be corrected.	7/15/09

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

<p>4.8 IMDS Compliance</p>	<p>Supplier/contractors must submit and meet all requirements of IMDS prior to PPAP approval being granted. See section Cleveland-Cliffs Tubular Components LLC IMDS requirements, section 8.2.</p>	<p>7/15/09</p>
<p>4.9 Deviation Process</p>	<p>Cleveland-Cliffs Tubular Components LLC requires strict adherence to a formal deviation procedure when the following situations arise: Cleveland-Cliffs Tubular Components LLC production schedules require shipment of new/revised materials prior to Production Part Approval Process; or Supplier/contractor discovers any type of non-conformance in a lot/batch of product, which is urgently needed to meet the Cleveland-Cliffs Tubular Components LLC production schedule. In either situation, the Supplier/contractor MUST obtain prior approval from Cleveland-Cliffs Tubular Components LLC before making shipments. An approved deviation is required before shipment of any product. The acceptance of a deviation will be dependent on the nature and extent of the non-conformance and will be authorized in writing to the Supplier/contractor. In the case where a deviation is required the Supplier/contractor will notify Purchasing of the situation with detail. Purchasing will write the deviation and submit to Engineering and the affected manufacturing site for approval. When approval is received Purchasing will notify the Supplier/contractor that the deviation has been granted. The Supplier/contractor must include a copy of the approved Deviation Form with the shipment of parts to the manufacturing site. The Deviation Number must be clearly marked on all shipping papers, documents and containers. Failure to follow this procedure will result in a Material Rejection Report and reflect on the Supplier/contractor's Quality Performance Rating.</p>	<p>7/15/09</p>

<p>4.10 Quality Performance Requirements</p>	<p>Cleveland-Cliffs Tubular Components LLC expectation is that our Supplier/contractors ship defect-free material. If nonconforming material is identified at any Cleveland-Cliffs Tubular Components LLC site, the Supplier/contractor will be immediately notified of the non-conformance. Supplier/contractors have the opportunity to mitigate and dispute the validity of the non-conformance. All validated non-conformances will affect the Supplier/contractor's overall performance rating. Once disposition of the material is determined, a copy of the Material Rejection Form is sent to the Supplier/contractor. If so noted on the Material Rejection Form, the Supplier/contractor has responsibility to provide Corrective Action. Note: When a non-conforming part number is identified, Supplier/contractors are required to notify all other Cleveland-Cliffs Tubular Components LLC receiving site(s) of the non-conformance issue.</p> <p>*Quality Alerts will be sent to all Supplier/contractors on any issue that has the potential to occur at another "like" Supplier/contractor. (All Supplier/contractors will be notified to be "on the alert," to watch for the similar issue at their location.)</p>	<p>5/1/18</p>
<p>4.11 Supplier/contractor Corrective Action</p>	<p>The Supplier/contractor shall emphasize prevention rather than detection through quality planning practices such as the use of Control Plans, FMEAs, and In-Process Data Collection. The Supplier/contractor shall establish and maintain documented procedures for implementing Corrective and Preventive Action. When external non-conformances occur, Cleveland-Cliffs Tubular Components LLC may require a formal written report from the Supplier/contractor as to what actions have been taken to correct the problem using the 8-D disciplined problem solving format. The Corrective Action form currently used by the Supplier/contractor is acceptable provided it covers the following areas: (8D format)</p> <ol style="list-style-type: none"> 1.) Team- who is working on the issue, with leader's name / phone number 2.) Problem Description – must reference the Cleveland-Cliffs Tubular Components LLC claim number. 3.) Containment – reference section 4.5.2 for mandatory containment activities. Exit criteria must contain re-certification per section 4.14 of this manual as a minimum. 4.) Root Cause – complete with validation – what caused error to occur, what allowed it to go through your system undetected. 5.) Corrective Action(s) – list actions required 	<p>6/15/2020</p>

	<p>6.) Implementation Plans – complete with timing /validation 7.) Prevention – evidence of evaluation of “like and similar” processes / products 8.) Congratulations – how was team rewarded? If you do not have a Corrective Action form that covers these areas, one will be provided upon request. Note: Timely documented Corrective Action to this report is required.</p> <p>Upon notification of the problem:</p> <ol style="list-style-type: none"> 1. Containment action must be developed and implemented within 24 hours. 2. Possible root cause(s) with timely planned Corrective Action(s) and responsibilities must be completed and submitted to Cleveland-Cliffs Tubular Components LLC within two weeks, unless otherwise agreed upon with the concurrence by the Cleveland-Cliffs Tubular Components LLC facility representative. 3. Robust Corrective Actions should be targeted for verification/closure within 30 working days and all process documentation (Process Flow, PFMEA, Process Control Plan, and Operating Instructions) needs to be updated. <p><u>Raw Materials:</u> <u>Criteria that would potentially generate a request for an 8D:</u></p> <ul style="list-style-type: none"> • Damaged slit to width materials in excess of \$5,000 • 2 or more damaged Master Coils in a 30 day period • Damage examples: edge damage, wrong gage, rust, surface defects • Three (3) consecutive months of On-Time Delivery performance of less than 98% • Supplier/contractor with multiple issues over a 7 day period (regardless of cost) • Consistently borderline performance – monitored quarterly 	
<p>4.12 Mandatory Containment Activities (See also 4.12.1)</p>	<p>In addition to the Corrective Action requirements listed above, the following containment activities are to be implemented by the Supplier/contractor following issuance of a Material Rejection Form.</p> <ul style="list-style-type: none"> • Current material held by Supplier/contractor is to be 100% evaluated for reported nonconformance (records of sort results must be maintained and available). • Sorted material is to be identified by labels stating “100% SORTED – Material Rejection (###)” This can be handwritten or via a printed label. This must be visible on each unit (or container), and placed near the part number label. 	<p>7/15/09</p>

	<ul style="list-style-type: none"> • Sorting shall continue until material has been re-certified. <p>NOTE: Material received following a Defective Material Rejection (DMR) and prior to the Supplier/contractor being released from Level 1, without this sort label attached is subject to rejection without inspection by Cleveland-Cliffs Tubular Components LLC.</p> <p>For material in-transit or at Cleveland-Cliffs Tubular Components LLC location(s), Supplier/contractors shall contact the receiving department at Cleveland-Cliffs Tubular Components LLC for determination of appropriate disposition per the following:</p> <ul style="list-style-type: none"> • Return to Supplier/contractor for sorting • Accept at Cleveland-Cliffs Tubular Components LLC site under deviation (reference section 4.4 of this manual) • Sort at Cleveland-Cliffs Tubular Components LLC site by Supplier/contractor personnel • Sort at Cleveland-Cliffs Tubular Components LLC site by third party personnel (Supplier/contractor responsible for all charges) • Sort at Cleveland-Cliffs Tubular Components LLC site by Cleveland-Cliffs Tubular Components LLC personnel (reference section 4.13 for charges) <p>NOTE: If a third party source is not available for sorting / development / process improvement activities; contact the receiving Cleveland-Cliffs Tubular Components LLC facility for assistance.</p>	
<p>4.13 Disposition of Nonconforming Material</p>	<p>Cleveland-Cliffs Tubular Components LLC shall contact the Supplier/contractor for disposition of suspect material. In the event of shipment of suspect or non-conforming product to Cleveland-Cliffs Tubular Components LLC, caused by the Supplier/contractor's product, the Supplier/contractor will be debited for associated customer charges. Supplier/contractors are expected to be involved with customer required sorting / on-site review as appropriate.</p> <p>If Supplier/contractor sorting proves to be ineffective (i.e., Cleveland-Cliffs Tubular Components LLC continues to receive defective material from sorted shipments), the Supplier/contractor will be placed on Monitored Shipping Status.</p> <p>It is the responsibility of the Supplier/contractor to make sure that all claims accurately reflect the non-conformance and amount of defectives reported. These numbers impact the individual Supplier/contractor Performance. If the Supplier/contractor disagrees, they must contact Cleveland-Cliffs Tubular Components LLC site to resolve.</p> <p>The Supplier/contractor will be responsible for "extraordinary" costs incurred because of the non-conformance.</p>	<p>7/15/09</p>

<p>4.14 Parts Delivery Performance</p>	<p>Cleveland-Cliffs Tubular Components LLC requires 100% On-Time delivery performance from its Supplier/contractors. Any changes to the delivery schedule, unless presented in writing from Cleveland-Cliffs Tubular Components LLC, are not valid. If material does not meet the delivery schedule in either quantity and/or date required as specified by the Cleveland-Cliffs Tubular Components LLC manufacturing site, the Supplier/contractor will be notified of the non-conformance. If this occurs, the Supplier/contractor may be required to submit Corrective Action per sections 4.5.1 and 4.5.2. It is the responsibility of the Supplier/contractor to make sure that all Delivery Issue Notices are accurately reported. These documents impact the individual Supplier/contractor performance record. If the Supplier/contractor disagrees, they must contact Cleveland-Cliffs Tubular Components LLC to resolve. The Supplier/contractor will be responsible for “extraordinary” costs incurred resulting from the delivery issue.</p>	<p>8/11/16</p>
<p>4.15 Supplier/contractor Development</p>	<p>Supplier/contractor Development will be based on the Supplier/contractor’s quality performance and importance of the product supplied. On an annual basis as a part of “Supplier/contractor Development,” raw materials Supplier/contractors that are not certified to IATF or the current quality standard will need to re-submit the Supplier/contractor Quality Questionnaire. Supplier/contractor may be subject to an On-Site Audit based upon past performance or changes based upon the information provided on the Supplier/contractor Quality Questionnaire.</p>	<p>6/15/2020</p>
<p>4.16 Continual Improvement</p>	<p>Continual Improvement is essential to successfully compete in today’s business environment. All Supplier/contractors shall continuously improve in Quality, Service (including timing and delivery) and cost to benefit Cleveland-Cliffs Tubular Components LLC and the Supplier/contractor’s own organization. Continuous improvement shall extend to all product characteristics with the highest priority on special characteristics. (Those characteristics that will have the most significant effect on the finished product produced.) Characteristics identified as “pass through” characteristics, are required to have Error-Proofing (poke-yoke) applied to process steps where possible. Where a poke-yoke is not feasible, capability data must be available upon request.</p>	<p>6/15/2020</p>

	Improvements made where the original targets have not been met are by definition Corrective Actions, not continuous improvement.	
4.17 Probationary Guidelines	<p>Cleveland-Cliffs Tubular Components LLC Supplier/contractors who fail to meet the quality and/or delivery requirements may be subject to Probationary action. Probationary guidelines are as follows:</p> <ul style="list-style-type: none"> • 3 consecutive months with Parts Per Million defective (PPM) greater than 300. If PPM rates are not applicable, determination will be made by 3 consecutive months of claims for poor quality or poor quality trends over a 6 month period. • 3 consecutive months with Delivery Performance less than 98% • Recommendation of Purchasing Agent with agreement of the VP Procurement • Recommendation of CLEVELAND-CLIFFS TUBULAR COMPONENTS LLC Facility Quality Supervisor or higher and / or Site Manager with agreement of the Purchasing Agent. <p>Purchasing Dept. will send notification of probation and require the Supplier/contractor to be placed on Probation status.</p> <p>Supplier/contractors, who fully demonstrate successful and satisfactory results of all mandates and requirements, may be reinstated and their status of probation lifted.</p> <p>Supplier/contractors who have been placed on Probation more than once may be subject to termination as a Supplier/contractor to Cleveland-Cliffs Tubular Components LLC. This does not include Probationary Status when in the “New Supplier/contractor” approval phase.</p>	6/15/2020
Section 5.0	Tooling	
5.1 Tooling	<p>Tooling purchased by Cleveland-Cliffs Tubular Components LLC, for use by the Supplier/contractor in the production of Cleveland-Cliffs Tubular Components LLC products, must be specifically marked and designated for use on the production of Cleveland-Cliffs Tubular Components LLC products only. Use of Cleveland-Cliffs Tubular Components LLC owned tooling for any purpose other than production of Cleveland-Cliffs Tubular Components LLC products is strictly forbidden without prior written consent.</p>	7/15/09
Section 6.0	Logistics	
6.1 Logistics Policy	All Supplier/contractors are required to fully comply with Cleveland-Cliffs Tubular Components LLC’s policies as	7/15/09

	<p>defined in this manual and associated purchasing document. Each Cleveland-Cliffs Tubular Components LLC location has specific requirements, it is the Supplier/contractors' responsibility to obtain and follow these requirements. Requirements can be obtained from the Cleveland-Cliffs Tubular Components LLC Purchasing Manager.</p> <p>The selected transportation modes shall be appropriate for the movement of the product, as well as compliant with national and international transportation and safety regulations. Cleveland-Cliffs Tubular Components LLC has preferred carriers for land, air and ocean transport. Contact the Cleveland-Cliffs Tubular Components LLC Shipping Manager when seeking carrier preferences.</p> <p>During transport, product must be secured in such a manner that shipments arrive intact and in good condition. Cleveland-Cliffs Tubular Components LLC reserves the right to refuse loads if the shipment is deemed unsafe to offload or store. Examples of unsafe conditions may include, but are not limited to, rotted trailer floorboards, unstable stacks of pallets and general poor trailer, container or load conditions. Documentation for each shipment is the responsibility of the Supplier/contractor and must be complete, timely and legible. The Supplier/contractor is to provide all necessary customs and legal documents as required by each country. Requirements for documents such as Bill of Lading, Packing list, and Manifests can be obtained from the Cleveland-Cliffs Tubular Components LLC Shipping Manager.</p>	
<p>6.2 Basic Packing List Requirements</p>	<p>Each shipment must be accompanied by a Packing Slip that clearly and legibly displays:</p> <ul style="list-style-type: none"> • Sold to address • Ship to address • Ship from address • Ship date • Cleveland-Cliffs Tubular Components LLC purchase order number or release number • Cleveland-Cliffs Tubular Components LLC purchase order line item number • Cleveland-Cliffs Tubular Components LLC part number and revision level letter • Cleveland-Cliffs Tubular Components LLC part description (per Cleveland-Cliffs Tubular Components LLC Automotive drawing) • Quantity (units as specified by the purchase order) • Number of containers, skids, etc. • Weight of the shipment (gross and net) • Manufacturer's lot number or heat number (when applicable) 	<p>7/15/09</p>

	<ul style="list-style-type: none"> • Chemical/physical analysis (when applicable) • Carrier used <p>Electronic packing slips, provided by an electronic document number, may be acceptable in some locations. Contact your local Cleveland-Cliffs Tubular Components LLC Logistics Manager to determine if this service is available. Shipping documents must be provided in a separate envelope.</p>	
6.3 Basic Bill of Lading Requirements	<p>The bill of lading must be included with each shipment and reference:</p> <ul style="list-style-type: none"> • Bill to address (freight billing) • Ship to address • Ship from address • Weight • Freight pieces • Description of product • Carrier • Any other regional requirements, such as origin of melt. <p>Please note that Cleveland-Cliffs Tubular Components LLC uses 3rd party freight payment in some regions. Please ensure that the freight invoices are sent to the appropriate address.</p>	10/17/13
Section 7.0	Packaging	
7.1 Labeling and Identification	<p>The Supplier/contractor with a non-handwritten, identification label shall identify incoming material. Specification AIAG B10 (www.AIAG.ORG) or other regional shipping part identification requirements shall apply. Provision shall be made on the package system for the container identification and its contents. Regional requirements for hazardous material shipments must also be adhered to. Specific identification requirements and label locations shall be agreed upon with the receiving location.</p> <p>For purchased steel coils – the identification should include the Cleveland-Cliffs Tubular Components LLC part number, heat number, quantity and date of manufacture.</p>	7/15/09
Section 8.0	Environmental Health And Safety	
8.1 Environmental Health & Safety Expectations	<p>People are our most important asset; therefore, Cleveland-Cliffs Tubular Components LLC is committed to health and safety as a primary focus. It is expected that all Supplier/contractors to Cleveland-Cliffs Tubular Components LLC locations conduct business in the same manner and that goods and services provided to this location be delivered in a safe, ergonomic and environmentally friendly condition.</p>	7/15/09

<p>8.2 IMDS (International Material Data Systems) Requirements</p>	<p>Cleveland-Cliffs Tubular Components LLC supports the End-of-Life Vehicle Initiative being implemented by the major original equipment vehicle manufactures. The data to support this initiative is provided through the IMDS (International Material Data System).</p> <p>You will not be allowed to PPAP new material or material changes to Cleveland-Cliffs Tubular Components LLC unless your Reportable Substance Data is entered into IMDS. Further information on this initiative can be obtained by clicking on the following link: http://www.mdsystem.com/html/en/home_en.htm</p> <p>You are required to register directly into the IMDS database and enter your BOM, material, and weight data, directly into the IMDS web-site.</p> <p>Cleveland-Cliffs Tubular Components LLC requests that each Supplier/contractor obtain a user id and password for the IMDS System. Include in your PPAP submission, a letter stating that you have entered the data on the IMDS web site. Include with the letter, the part numbers for which the data was entered, the date when the data was entered, and the ID Node number.</p> <p>Note: Supplier/contractors may be required to provide IMDS information for items with previously approved PPAP's. This is in support of OEM's IMDS requirements for existing products. Cleveland-Cliffs Tubular Components LLC supports the European Union initiative, R.E.A.C.H. Although we are not Supplier/contractors of any "Substances of Very High Concern" (SVHC) to any of our customers, we continue to monitor this every-growing list of substances.</p> <p>Supplier/contractors may be required to provide proof of Conflict Minerals compliance according to the Securities and Exchange Commission (SEC) regulations, section 1502 of the Dodd-Frank Act. http://sec.gov/rules/final/2012/34-67716.pdf</p> <p>Cleveland-Cliffs Tubular Components LLC strongly suggests that Supplier/contractors make themselves aware of the European Union requirements under the REACH initiative by visiting: http://echa.europa.eu/home_en.asp</p> <p>An updated list of "Substances of Very High Concern" (SVHC) should be monitored: http://echa.europa.eu/chem_data/candidate_list_table_en.asp</p>	<p>10/17/13</p>
<p>8.3 Supplier/contractor Visits</p>	<p>Supplier/contractors are encouraged to visit Cleveland-Cliffs Tubular Components LLC Manufacturing and test areas. This requires approval, in advance of the visit, to facilitate the participation of the appropriate level of Cleveland-Cliffs</p>	<p>6/15/2020</p>

	<p>Tubular Components LLC personnel. Visitors entering any test or manufacturing areas (beyond front offices) are required to wear a hard hat, safety glasses, metatarsal boots, hearing protection, cut-resistant gloves, welding jacket or long sleeve shirt, cut resistant sleeves, and long pants with removal of rings and earrings.</p> <p>Cleveland-Cliffs Tubular Components LLC maintains a supply of protection devices for visitors.</p> <p>Levels of protection should be discussed with the appropriate purchasing and health and safety personnel in advance of the visit. Supplier/contractors going into the plant must be on the alert at all times and obey all warning signs and plant visitor rules. When walking in the aisles, stay to the right and obey all traffic signs. Cleveland-Cliffs Tubular Components LLC facilities and offices maintain a smoke free environment. Smoking is prohibited except in designated areas.</p> <p>Any visitor to the Cleveland-Cliffs Tubular Components LLC facility must be accompanied by a member of Cleveland-Cliffs Tubular Components LLC at all times when on the manufacturing floor.</p>	
<p>8.4 Security</p>	<p>Cleveland-Cliffs Tubular Components LLC maintains security systems to protect assets and limit the entry of authorized personnel. To help maintain building and office security, Supplier/contractors must make an appointment to visit a site in advance. Once at the facility, all Supplier/contractors will be required to sign in, be assigned a visitor badge and sign out at the end of the visit. While going into manufacturing, office or test areas, visitors must be accompanied by the responsible Cleveland-Cliffs Tubular Components LLC representative at all times. Taking pictures or video taping of Cleveland-Cliffs Tubular Components LLC operations of facilities without authorization is strictly forbidden. No Cleveland-Cliffs Tubular Components LLC printed or electronic files, blueprints or other documents may be removed from the premises or copied without permission.</p>	<p>7/15/09</p>
<p>8.5 Contingency Plan</p>	<p>The Supplier/contractor shall prepare and document contingency plans to satisfy Cleveland-Cliffs Tubular Components LLC requirements in the event of an emergency such as utility interruptions, labor shortages, natural disasters, key equipment failure and field returns.</p>	<p>6/15/2020</p>
<p>Section 9.0</p>	<p>Ethics</p>	
<p>9.1</p>		<p>6/15/2020</p>

<p>Supplier/contractor Code of Conduct</p>	<p>At Cleveland-Cliffs Tubular Components LLC, we are dedicated to helping our Customers succeed by providing innovative ERW tubing products that offer consistent high quality, shorter lead times, and value-added features that set their products apart.</p> <p>We accomplish this goal, in part, through creating partnerships with Supplier/contractors who share our commitment to quality and low cost, and who operate under a philosophy that focuses on integrity and doing the right thing. We value the partnership commitment we share with our Supplier/contractors.</p> <p>The Supplier/contractor Code of Conduct applies to businesses that provide products or services for Cleveland-Cliffs Tubular Components LLC.</p>
<p>9.2 Environmental Responsibility</p>	<p>Cleveland-Cliffs Tubular Components LLC recognizes that legal and cultural requirements vary in a global business environment, and expects that all our Supplier/contractors follow the applicable laws of their country or territory. Furthermore, Cleveland-Cliffs Tubular Components LLC requires Supplier/contractors to follow and comply with statutory and regulatory requirements of the country of receipt, the country of shipment, and the customer-identified country of destination for the final product. If this information is not supplied by Cleveland-Cliffs Tubular Components LLC, it is expected other Supplier/contractor to perform activities to ensure these requirements are met. At the same time, the Supplier/contractor Code of Conduct sets forth certain universal requirements that Supplier/contractors are also expected to follow.</p> <p>These requirements are consistent with Cleveland-Cliffs Tubular Components LLC's values and the expectations the company places on its own employees. The Code provides the foundation for Cleveland-Cliffs Tubular Components LLC's ongoing evaluation or audit of a Supplier/contractor and constitutes additional terms of the Sourcing Agreement.</p>
<p>9.3 Health & Safety</p>	<p><u>Supplier/contractors must protect the environment</u></p> <p>Supplier/contractors must comply with all applicable environmental laws and regulations. If these requirements are less stringent than Cleveland-Cliffs Tubular Components LLC requirements, the Supplier/contractor will be encouraged to meet the standards outlined below:</p> <p>A. The Supplier/contractor should work to minimize environmental impact through a program similar to ISO 14001.</p> <p>B. The Supplier/contractor should have procedures for notifying local community authorities in case of an accidental discharge or release of hazardous materials into the</p>

- environment, or in the case of any other environmental emergency.
- C.** The Supplier/contractor must store hazardous and combustible materials in secure and ventilated areas and dispose of them in a safe and legal manner.
 - D.** The Supplier/contractor should monitor, measure and reduce greenhouse gas emissions and manage ozone-depleting compounds in a manner that meets standards such as the [Montreal Protocols](#).
 - E.** The Supplier/contractor should establish programs to minimize industrial waste and promote recycling.
 - F.** The Supplier/contractor should maintain emission and discharge permits that monitor compliance.

Supplier/contractors must provide a safe working environment

A safe working environment is a critical component of an effective partnership between Cleveland-Cliffs Tubular Components LLC and a Supplier/contractor.

To that end, the following guidelines apply:

- A.** The Supplier/contractor must comply with all applicable laws regarding working conditions, including worker health and safety, sanitation, fire safety, risk protection and electrical, mechanical and structural safety by implementing an employee safety management system such as [OHSAS 18001](#).
- B.** The work environment should be well lighted, ventilated and free from temperature extremes.
- C.** There must be sufficient, clearly marked exits that allow workers to evacuate in an orderly fashion in the event of a fire or other emergencies. Emergency exit routes should be posted and clearly marked in all sections of the Supplier/contractor's facility. Fire alarms and extinguishers should be placed on each floor, along with emergency lights above exits and on stairwells.
- D.** Production machinery must be equipped with operational safety devices, and must be inspected and serviced on a regular basis.
- E.** The Supplier/contractor should have strict procedures that prevent the use of illegal drugs or alcohol in the factory and that prevent impaired employees from working.
- F.** Appropriate personal protective equipment, such as gloves, rubber boots, safety glasses, goggles, earplugs and earmuffs should be used where applicable and made available to all workers at no cost.
- G.** A Supplier/contractor must provide safe and accessible drinking water for all workers and allow reasonable access to clean and sanitary toilet facilities throughout the working day.
- H.** The Supplier/contractor must have procedures for dealing with injuries that require medical treatment inside of the facility, as well as procedures to manage serious injuries or

9.4
Security of Information

	<p>emergency cases that require support from outside organizations.</p> <p><u>Supplier/contractor's must protect Cleveland-Cliffs Tubular Components LLC technology, information and intellectual property.</u></p> <p>The secure use and distribution of information and data in the workplace is critical to Cleveland-Cliffs Tubular Components LLC and a Supplier/contractor's success in a competitive marketplace. Both parties must maintain physical and electronic security for all confidential information. Each party's employees should use extreme care in protecting confidential or proprietary information of any kind. Face-to-face confidential discussions should be conducted in a secure location.</p> <p>If confidential information is to be discussed or exchanged between Cleveland-Cliffs Tubular Components LLC and the Supplier/contractor, or the Supplier/contractor and a Third Party, the parties must first ensure that a Confidentiality or Non-Disclosure Agreement has been signed and is being complied with.</p>	
<p>9.5 Record Retention</p>	<p>Production part approvals, tooling records, purchase orders and amendments shall be maintained for the length of time that the part (or family of parts) is active for production and service requirements PLUS one calendar year unless otherwise specified.</p> <p>Quality performance records (e.g. control plans, inspection and test results) shall be retained for the life of the product (production and service) PLUS one calendar year unless otherwise specified.</p> <p>Records referenced in this manual shall be made available to Cleveland-Cliffs Tubular Components LLC upon request. These requirements do not supersede any regulatory requirements. All specified retention periods shall be considered "minimums".</p>	<p>6/15/2020</p>

*Printed copies of this document are considered to be **UNCONTROLLED** unless the word "CONTROLLED" is stamped in **RED**.*

100% SORTED

Material Rejection # _____

Sort Issue: _____

Sort Date: _____

Inspector (print): _____

Inspector (signature): _____

Notify Quality Control upon receipt of this material

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

REV #	REVISION DATE	REVISION SUMMARY	AFFECTED PAGES
0	6/27/02	Initial Revision	All
1	4/2/08	Added cover page for SQM. Removal of references to QS9000, replaced with TS16949. Reference to AIAG web site for PPAP edition, PPAP level 4	1, 3, 4, 17
2	12/19/08	Added Index; added 11.1.5 – Supplier/contractor Development; added 8.1.9.6 – Contingency Plans	2, 7, 15
3	2/13/09	Revised the format and content of each section in this manual to be more in line with current requirements	All
4	7/15/09	Revised ISO/TS16949:2002 to 2009	All
5	9/16/13	3.4: changed “The PPM is generated on the total quarterly...” to “When specified as an additional requirement, the PPM may be generated...” 4.15: changed “ On an annual basis as a part of “Supplier/contractor Development” raw material Supplier/contractors will be asked to provide evidence of conformance to one of the elements...” to “raw material Supplier/contractors, that are not ISO/TS16949 certified will be asked to provide evidence of compliance to one of the elements...”	8, 14
6	10/17/13	3.2: Removed the “Ratings ranking” from the section. 3.4: Removed the “Ratings ranking” from table. 4.11: changed “on-time delivery performance...” to “Three (3) consecutive months of on-time delivery performance of less than 98%”. 6.3: changed “country of origin” to “melt of origin”. 8.2: Added “Supplier/contractors may be required to provide proof of Conflict Minerals compliance...”.	8, 12,14,16,17
7	2/18/14	Corrected grammatical errors throughout the entire document.	All
8	9/14/2015	Globalized document for implementation at all Cleveland-Cliffs Tubular Components LLC locations. 3.3 removed rating numbers. 3.2: changed Supplier/contractor Quality Survey to Supplier/contractor Self Assessment Questionnaire 3.3: removed Supplier/contractor criteria for approval of having a rating of 2, 3, or 4 3.4: changed the method of metric for Coil and non-Coil materials and modified scoring for PPM of each category (Coil & Non-Coil) 3.4: changed calculation from tons to lbs.	8 & 9

Cleveland-Cliffs Tubular Components LLC Supplier/Contractor Quality Manual

9	8/16/16	<p>Section History – Updated and revised section.</p> <p>Section 3.4 – Revised Quality PPM requirements to reflect Cleveland-Cliffs Tubular Components LLC customer requirements.</p> <p>Section 4.11</p> <ol style="list-style-type: none"> 1) Changed the word will to may in paragraph 1 2) Removed paragraph 4, reference to quality alerts 3) Changed will to may in paragraph 5 (now paragraph 4) 4) Corrected spelling in the last paragraph. <p>Section 4.14</p> <ol style="list-style-type: none"> 1) Changed the word will to may paragraph 2. 	6, 9, 13-15
10	5/1/18	Removed obsolete references, updated Approval block	5, 7-9, 12, 14, 26
11	10/22/19	Updated Metrics for PPM in 3.4. Added Language for Statutory and Regulatory compliance in 9.1. Updated Table of Contents. Added Rev. in footer.	8,19, ALL
12	6/15/2020	Updates to the following sections: 3.2, 3.3, 3.4, 4.1, 4.2, 4.11, 4.15, 4.16, 8.3, 8.5.	See sections
13	4/22/21	Updated to outline Supply Chain/Customer disruptions tracking and expectations.	3.3, 3.4

APPROVALS

Signature	Title	Date
	Corporate Quality Systems	