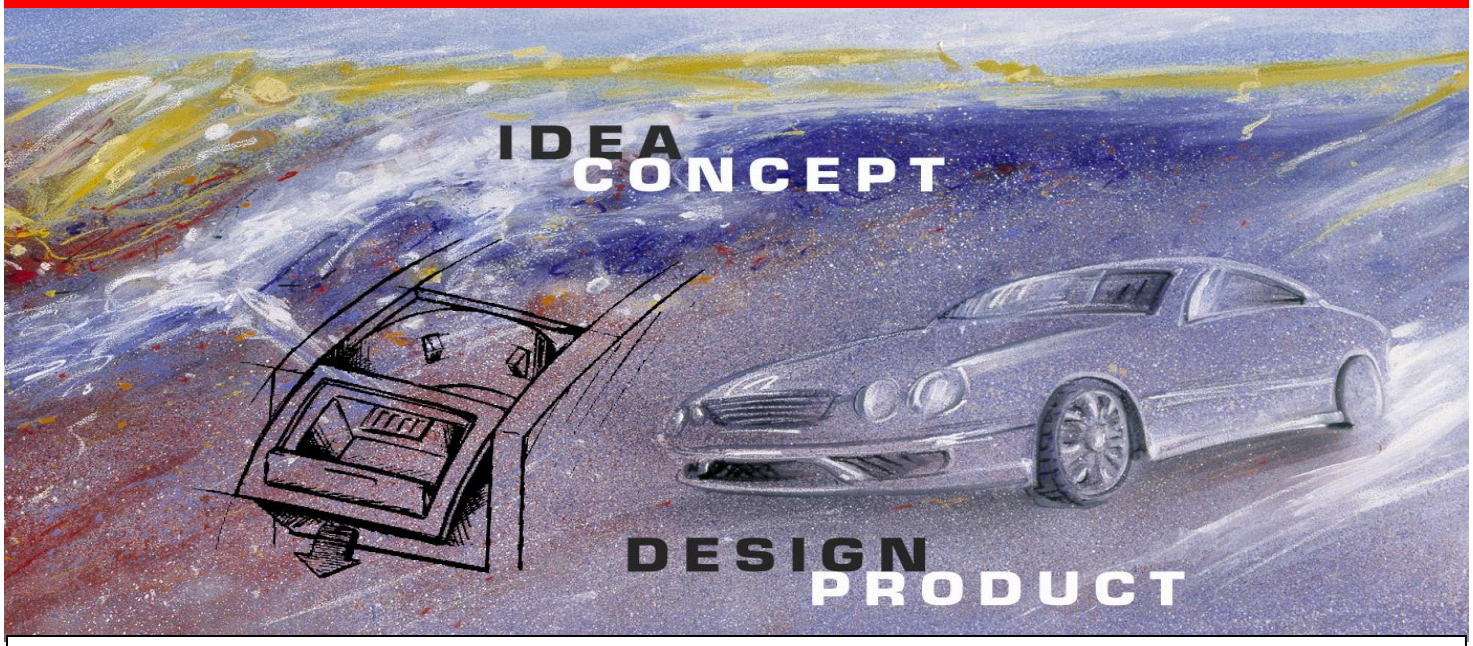
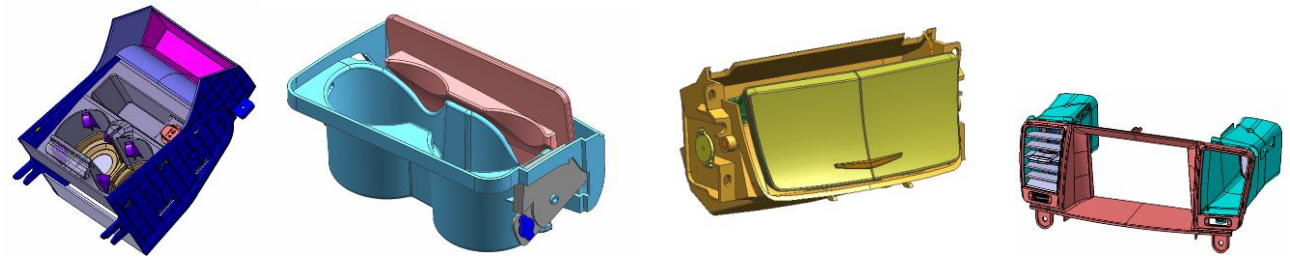
fischer America Inc.
SUPPLIER EXCELLENCE MANUAL





DESIGN IN MOTION

fischer Automotive

Content

1 PURPOSE

Define the standards and provide guidelines for suppliers to adhere for the parts and services what is provided to FAUS.

2 SCOPE / APPLICATION

All the approved suppliers of FAUS shall follow the below standards/guidelines on their parts/ services as per specifications to the standard.

3 ABBREVIATIONS / TERMS / DEFINITIONS

APQP – Advanced Product Quality Planning
ANAB – ANSI National Accreditation Board
CD – Compact Disc
DMR – Discrepant Material Report
DVD – Digital Versatile Disc
D&B – Dun & Bradstreet
DUNS – Data Universal Numbering System
EHS – Environmental, Health and Safety
IATF – International Automotive Task Force
AIAG – Automotive Industry Action Group
QR Code – Quick Response Code
SEC – Securities and Exchange Commission
SDS – Safety Data Set

4 DOING BUSINESS WITH FISCHER AUTOMOTIVE SYSTEMS

4.1. About fischer Automotive Systems

Fischer America, Inc. is a subsidiary of Fischer Automotive Systems. Fischer Automotive Systems is a leading supplier of kinematic components and assemblies for vehicle interiors. Fischer Automotive Systems is headquartered in Germany and has locations in the United States of America, Czech Republic and China. For more information, visit www.fischerUS.com.

Fischer works with suppliers who deliver the best quality, value and service at the most competitive cost. Our suppliers are innovative and dedicated to driving continuous improvement in their operations. Together, we will address all aspects of cost reduction, waste elimination and efficiency improvement in a dynamic global environment.

4.2. Purpose of the Supplier Excellence Manual

The purpose of this manual is to communicate expectations to our suppliers and the core set of tools, processes and systems that are to be used in the manufacture, design and development of parts, products and services supplied to Fischer and its business locations.

Fischer believes that the implementation of this manual will assist our suppliers in the development of their business and manufacturing processes, contributing to mutually enhance future competitiveness and success.

In this manual, the terms ‘shall’ and ‘must’ mean that the described requirement is mandatory, while the term ‘should’ means that the described requirement is needed and expected with some flexibility in how it can be completed.

4.3. Supplier Responsibilities

It is the responsibility of the supplier to understand and ensure compliance with this manual and the quality policies, procedures and work instructions of Fischer America and its business groups. Work performed by a Supplier's sub-tier/sub-contract Suppliers also shall meet Fischer's quality, procedures and work instructions. It is the Supplier's responsibility to flow-down these requirements to sub-tier/sub-contract Suppliers.

Fischer understands that our business locations are different in nature and in many cases have unique supplier quality requirements that are market specific. However, the processes and tools represented in this manual represent the core expectations and requirements of our business. The differences that you will see across our organization will be minimal and will be driven by customer and/or market specific requirements.

4.4. Conduct and Ethics

Fischer believes in conducting business with integrity, fairness and respect in all countries where we have a presence. Our employees will not, directly or indirectly, offer bribes, kickbacks or other similar payments for the purpose of influencing business decisions and we expect our suppliers to have policies and procedures in place that ensure the absence of similar corrupt practices with their own employees. We will manage our supplier relationships in good faith and we expect suppliers to exercise similar discretion in our relationship and in their relationship with suppliers.

4.5. Global Working Conditions

Recognizing that our supply chain spans many different regions around the globe, Fischer is committed to maintaining global working conditions and standards that result in dignified and respectful treatment of all employees within all our global operating locations, as well those of our supply chain. It is therefore Fischer's expectation that our suppliers will have appropriate policies, procedures and systems in place, to support the following standards:

1. Child labor shall not be utilized. Underage labor, as defined by local labor law, will not be utilized unless it is part of a government approved training or apprenticeship program that clearly benefits the participants.
2. Any form of forced or compulsory labor is prohibited.
3. Workers, without fear of reprisal, intimidation or harassment should be able to communicate openly with management regarding working conditions. They shall also have the right to join associations of their choosing and have the freedom of collective bargaining in accordance with local laws.
4. Workers shall be protected against any form of harassment and discrimination in any form, including but not limited to gender, sex, age, religion, disability and political beliefs.
5. Workers shall have a safe and healthy workplace that meets or exceeds all applicable standards for occupational health and safety.
6. Workers shall be compensated with wages and benefits that are competitive and comply with local law, including minimum wages, overtime hours and legally mandated benefits.
7. Working hours shall comply with all applicable local laws regulating hours of work.

It is our expectation that all our suppliers will maintain these global working conditions in all their operations, while also promoting adoption of these principles with their own suppliers.

5 SUPPLIER REQUIREMENTS

All suppliers must be compliant to an international quality management system, such as IATF-16949/ISO 9001 or Fischer business group specified system. Suppliers must comply to all Customer, Statutory, and Regulatory requirements.

Suppliers must maintain a quality management system that encompasses the following:

5.1. Supplier Confidentiality

Documents furnished by Fischer to the Supplier are solely for the purpose of doing business with Fischer. These documents shall be controlled by the Supplier and must not be transmitted to others without the consent and approval of Fischer.

5.2. Quality Planning

Suppliers shall follow industry standard Quality Planning. Please see the Advanced Product Quality Planning (APQP) section for additional examples. Quality planning must be maintained throughout all phases of the product life cycle, from inception to delivery to the customer. See section 7.0 of this Manual for more detailed information.

5.3. Sub-Tier Supplier Control

The supplier must maintain quality and technical qualifications for sub-tier suppliers/contractors and the products purchased through these sub-tier suppliers.
Fischer reserves the right to specify or approve sub-tier suppliers contracted by its suppliers for work performed on Fischer material. This includes but is not limited to special process, materials testing services, distributors, and other subcontractors. Special processes include but are not limited to, Non-Destructive Testing, Heat Treating, Welding, Chemical Processing, Plating & Coatings.

1. Suppliers shall flow down to its sub-tier contractors, all relevant quality requirements imposed by this manual and other contractual document, including government-regulatory and Defense requirements.
2. Suppliers shall conduct regular audits of their sub-tier contractors.

See section 7.0 of this Manual for more detailed information.

5.4. Material Identification

The supplier must establish, document and communicate to Fischer a system for the control and identification of all materials.
See sections 7.2, 7.3 & 7.6 of this Manual for more detailed information

5.5. Lot Traceability

Supplier's shall establish a lot traceability system that tracks components from raw material through inspection and test operations, including rework and sub-supplier procedures and finally through shipment to Fischer.

Suppliers must certify, as part of sample submission, compliance with current constraints on restricted substances as specified by Purchase Order or contract, especially toxic and hazardous substances.
See sections 7.2, 7.3 & 7.6 of this Manual for more detailed information.

5.6. Problem Solving

All suppliers for Fischer must establish and maintain documented procedures for implementing a system of closed loop corrective and preventive action with disciplined problem solving methods. See section 10.0 of this Manual for more detailed information.

5.7. Internal Audits

A supplier must conduct regular internal audits to ensure continued compliance with internal procedures and customer requirements.

5.8. Operator and Inspection Instructions

The supplier will prepare written operator and inspection instructions for employees who have responsibilities for operation of the process and inspection. In addition, suppliers will prepare, train and appropriately maintain operator and inspection instructions.

The supplier may use reduced-frequency (sampling) inspection plans only when historical records indicate that a reduction in inspection can be achieved without jeopardizing the level of quality. The supplier may employ sampling inspection in accordance with nationally accepted or customer required standards, as-specified by the Fischer purchasing business.

1. However if sampling reviews a defect or discrepancy, then 100% inspection of the lot is required.
2. The supplier shall maintain quality records in sufficient detail to establish evidence that any sampling was representative, the required tests and verifications were properly performed, and that only material meeting specified requirements have been accepted for production and delivery to Fischer. These records shall be available for review by Fischer or a Fischer authorized representative, as required. Copies of individual records shall be furnished to Fischer upon request.

See section 7 of this Manual for more detailed information.

5.9. Packaging Plan

The supplier must comply with specific packaging instructions defined by the receiving facility. Suppliers must follow-up as appropriate with the Fischer location on any additional or unclear packaging requirements. See section 18 for packaging guidelines.

5.10. Business Changes

Any significant changes in business climate such as acquisitions, divestitures, pending litigation, change of control or any activity that may change the financial viability of the supplier's organization must be communicated to Fischer. See section 8.3 of this Manual for more detailed information.

5.11. Communications

All documentation must be communicated to Fischer in English unless otherwise specified by the using facility. Suppliers must maintain and have access to an electronic form of communication i.e., the internet/worldwide web. See sections 7.2, 7.3, 7.9 & 7.10 of this Manual for more detailed information.

5.12. Environmental Health and Safety (EHS)

Through our products, practices and people, Fischer is helping to create a more sustainable world. Fischer's commitment to sustainability goes far beyond a mere program. It's woven into the fabric of our culture. At Fischer we have a culture of responsibility that

encourages every employee to ask the questions that lead to more sustainable processes and practices, and help our company support a sustainable future. We encourage ISO14001 for all our suppliers. Our suppliers are an important part of this culture. Fischer expects all suppliers to adhere to principles of

1. **Prevent** - Avoid, reduce, or control wastes and emissions to prevent pollution.
2. **Improve** - Apply continuous improvement techniques to our systems and processes.
3. **Comply** - Comply with Local, State, and Federal Laws and Regulations at a minimum.

Suppliers shall have special process and controls for the management of product safety characteristics. These controls should be from design through manufacture and extend into product traceability.

The organization shall have a process to manage Pass Through safety characteristics in products and services and establish policies to transfer requirements for product safety throughout the supply chain.

Fischer expects all suppliers to implement Management Systems that identify, document and address operational risks to the environment and employee health and safety. These EHS Management Systems should include identification of key EHS risks and impacts, development of operational controls to address the risks and minimize the impacts and preparation of response plans to address emergencies.

5.13. Supplier Diversity

Fischer believes that our corporation and our communities benefit from providing equal opportunities for diversity business enterprises to compete for Fischer business. Our suppliers are our business partners, and it is important that these partnerships reflect the communities where we live, work and serve.

Fischer is seeking small, veteran, minority and women-owned businesses that provide quality products and services at competitive prices. Companies wishing to apply as a diverse business must be US-based, 51% owned, controlled or operated by the diverse business owner.

5.14. DUNS Number

Every supplier must have a Dun & Bradstreet number (D&B D-U-N-S number) for each manufacturing location. Fischer may use this number to track Quality to each specific manufacturing location. For information on verifying or obtaining a D&B D-U-N-S number, visit their website (www.dnb.com). Enrollment in D&B Financial Service is not required.

5.15. Conflict Minerals

The U.S. Securities and Exchange Commission (SEC) has adopted rules to implement reporting and disclosure requirements related to “conflict minerals” as directed by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

The rules require manufacturers who file certain reports with the SEC to disclose whether the products they manufacture or contract to manufacture contain “conflict minerals” that are “necessary to the functionality or production” of those products. The definition of “conflict minerals” refers to gold, as well as tin, tantalum and tungsten, the derivatives of cassiterite, columbite-tantalite, and wolframite.We are committed to the responsible sourcing of “conflict minerals” throughout our supply chain and to continuing to comply with the underlying SEC rules and regulations surrounding “conflict minerals”.

5.16. Supplier Information Security

All suppliers to Fischer America, Inc. shall ensure/protect the security of proprietary, confidential and secret information shared between Fischer America, Inc. and supplier. Compliance to the below requirements are mandatory. Certification to ISO27001 can be used as evidence of compliance.

1. A person responsible for information, system and physical security must be assigned, visitor, photography, and confidentiality policies established for normal business practices.
2. Physical access to premises and support infrastructure (communications, power, etc.) must be controlled to prevent, detect and minimize the effects of unauthorized access to these areas.
3. Processes to control user access, monitor system integrity, and investigate security incidents.
4. Complex and unique passwords must be mandatory for all user accounts on all networked and stand-alone information systems. System files holding the authentication information or passwords must be protected from unauthorized access.
5. Write access to external removable media (USB Drives/CD or DVD Writers/Floppy Drives) must be disabled or encrypted.
6. All computers/networks must have approved anti-virus software and firewalls installed.
7. Supplier must have a disaster recovery plan.

5.17. Supplier Content Reporting

1. Fischer may request content reporting information on an annual basis from its suppliers. Suppliers are responsible to comply with fischer standards (stated on each request), customer requirements, AIAG standards, government laws, and regulations.
2. As new parts are contracted, items removed from contract, or the information contained in the Supplier's current certification/documentation is changed, the supplier shall notify Fischer of these changes by forwarding corrected documents.
3. Any questions specific to Fischer America, Inc. should be directed to the Logistics or Purchasing departments. If further assistance or help understanding the laws, regulations, and reporting requirements is necessary, the Supplier should consult with their customs broker and/or legal advisor.

5.18. Safety Data Sheet (SDS)

1. The Supplier shall comply with the Federal Regulation requiring notification of all hazardous substances by appropriately notifying Fischer through the use of SDS sheet.
2. The Supplier shall prepare and submit SDS documents in the native language of the country in which Fischer uses the material, component, or assembly is located.

6 SUPPLIER ASSESSMENT AND QUALIFICATION

Each Fischer business group maintains a supplier selection and sourcing process that adequately evaluates and identifies potential sourcing partners for Fischer.Fischer suppliers must be capable of meeting the applicable Fischer business group's quality, delivery, cost, environmental and health and continuous improvement requirements and Fischer will validate these requirements as a part of their supplier selection process through supplier assessment and qualification activities. Supplier assessment results from one Fischer supplier quality review may be sufficient endorsement for another Fischer business to use that supplier without re-qualification. This is Fischer's option; however, any such assessment may require additional surveillance for specific business needs.

The supplier assessment and qualification process include the following:

6.1. Initial Supplier Profile

The “Initial Supplier Profile Survey” or similar tool is used to obtain initial data and information concerning a supplier that will be used throughout the sourcing and assessment process.

6.2. Supplier Screening/Data Analysis Process

The Purchasing Group will perform the screening process based on several factors, most important considerations below:

1. Supplier’s current delivery performance based on 100% on-time expectation
2. Supplier’s quality performance
3. Supplier’s registration to an industry sector quality system (i.e., IATF-16949/ISO 9001)
4. Cost competitiveness
5. Supplier’s financial strength for future growth

Upon completion of initial screening process, the group responsible for the approval will meet and review the outcome. This group will make a determination whether the supplier qualification process will continue. Further follow-up and/or corrective actions may be requested of the supplier. If the results are considered acceptable the process continues.

6.3. Supplier Assessment

Once the initial screening process is completed and the supplier is identified as a potential supplier to Fischer, a supplier Quality System Assessment (QSA) shall be completed either on-site or via desk-audit or self-assessment. Suppliers are encouraged to conduct self-assessments to become familiar with Fischer’s Quality System expectations.

As a minimum, the Fischer business group will utilize the Fischer standard Quality System Assessment (QSA), which includes separate scores for Quality and Environmental, Health and Safety Assessment (EHS). In addition, Fischer business groups may use an audit format that is specified by market and or customer requirements. Fischer may also, at its option, conduct financial assessments/reviews on a periodic basis. Per customer requirements, some Fischer facilities may require annual on-site supplier quality assessments.

Fischer reserves the right to schedule additional assessments based on factors not limited to risk, performance and/or non-compliance to quality system requirements. The cost associated with audits performed as a result of risk induced by supplier performance or compliance issues may be charged to the supplier at Fischer’s option.

Third party quality system registration such as IATF 16949/ ISO 9001 may be recognized in lieu of a periodic on-site assessment if the Fischer business group deems it appropriate. Any third party providing certification to these standards must be accredited from a country authorized entity such as ANAB (USA).

6.4. Assessment Results

In most cases the potential supplier will receive a formal report within 15 days of the assessment. When system deficiencies are identified, a response time will be provided by Fischer personnel for the supplier to define corresponding corrective actions. Failure to provide a suitable response in a timely manner is cause for disapproval for further consideration. Fischer personnel may discontinue the qualification process at any time.

6.5. Approvals

Types of approvals may be granted:

1. **Full approval** – enables Fischer to award business with a supplier at any time within the capabilities or categories listed on the Fischer Approved Supplier Listing (ASL).
2. **Conditional approval** – enables Fischer to award business to a supplier that is pending a corrective action completion/verification from the Quality System Assessment (QSA). A corrective action plan must be submitted and approved by Fischer within 30 days.
3. **Un-approved** – suppliers previously approved who fail to meet Fischer quality and product requirements. Fischer shall not issue contracts/purchase orders to suppliers who are not approved.

Once Approval has been established, the supplier will be added to an Approved Supplier Listing (ASL).

7 QUALITY PLANNING AND PRODUCT APPROVAL

7.1. General Requirements

Advanced Product Quality Planning (APQP) is a structured method of defining and establishing the steps necessary to assure that a product meets customer expectations, and that the Supplier's manufacturing processes have the capability to consistently meet these requirements. Suppliers are expected to follow the AIAG standardized format for all documents and processes related to APQP. http://www.aiag.org/scriptcontent/index.cfm

This section defines the general requirements for production part qualification and approval. Additional requirements may apply.

Prior to first production shipment, part or component being sourced must be approved for production by the Fischer facility. The Fischer facility or business group will approve parts via Production Part Approval Process (PPAP).

7.2. Record Retention

The supplier must retain adequate quality system records, including all advanced quality planning documents, process guidelines, laboratory test instructions, gauge/test equipment verification, calibration and performance test methods and product and process validation test results based on end customer requirements which should be obtained from Fischer Supplier Quality Engineer/ Buyer for the program.

7.3. Change Management

Once approved, the supplier shall notify Fischer of any planned changes to the design, process, or site. Conditions requiring notification and/or PPAP resubmission are listed in the latest edition of the AIAG PPAP manual. Note: Whenever Fischer notification is required, the supplier shall complete the Product / Process Change Notification form located in the appendix section of the latest version of the AIAG PPAP manual or Fischer's Supplier Request for Deviation/Change approval form.

7.4. Drawing and Change Control

The supplier's quality system must ensure that the latest engineering drawings and

specifications are available at the manufacturing, test, or inspection location. This includes applicable previous revisions if Fischer contract/PO language requires other than the most recent revision(s)

- The written procedure(s) should indicate the method utilized for receipt, review or distribution of all changes and the method of recalling and disposing of an obsolete item.

A review process must be established in that system to confirm that applicable drawings and specifications are at the latest revision level with the issuing source. Conditions requiring Fischer notification include, but are not limited to the following:

- Change of material
- New or modified production tooling
- Production parts produced at a new facility.
- Product or process changes (internal or external by sub-suppliers)
- Change of raw material suppliers or sub-supplier for outside services (heat treat, plating, etc.)
- Change in test/inspection methods (techniques)
- Shipping to additional Fischer facilities (approved at one Fischer facility does not constitute approval at other facilities)
- Change in engineering drawings or specifications.

7.5. International Material Data System (IMDS)

Note: When required by the Fischer business, proof of IMDS data submission is required as part of the PPAP documentation. Approval by the Fischer business is required.

In an effort to comply with domestic and foreign restricted/prohibited substance legislation, Original Equipment Manufacturers (OEM'S) of passenger automobiles are requiring all Tier 1 suppliers to report parts data for every supplied component and assembly. The data being requested includes material composition, weight, recycled content, and recyclability for each assembly, component, and applicable subcomponent. This includes non-dimensional substances such as lubricants, gases, and fluids. Fischer is required to enter and send this data to our customers via the International Material Data System (IMDS). In some instances, an AIAG spreadsheet is manually completed and forwarded. In order for Fischer to meet these numerous OEM IMDS reporting requirements, we are requesting each of our suppliers to submit parts data for all components and or sub-component supplied to us. Reporting shall be performed via IMDS or per specific destination facility guidelines. Fischer prefers that suppliers utilize the IMDS method of sending parts data as it is probable that this will be the only accepted format in the future.

7.6. Advanced Product Quality Planning (APQP)

The work practices, tools, and analytical techniques describing Advanced Product Quality Planning are based on the latest version of the AIAG (Automotive Industry Action Group) APQP and Control Plan manual. Some of the most important items are listed below:

- Technical and Specification Review
- Design Failure Mode and Effects Analysis (DFMEA)
- Process Flow Diagram
- Process Failure Mode and Effects Analysis (PFMEA)
- Control Plan
- MSA Studies

- Process Capability
- Full Dimensional Layout
- Pass Through Characteristics

7.7. Performance Test Requirements

Suppliers shall conduct performance testing to confirm that current production meets design requirements. Testing is to be conducted in accordance with the established control plan. Performance test failures are cause for a supplier to stop production immediately, pending analysis of the process and corrective action. Suppliers are required to immediately notify the Fischer location of test failure, suspend shipments, and identify shipped suspect lots.

7.8. Measurement System Analysis (MSA) Requirements for Special Characteristics

The Supplier shall perform Measurement Systems Analysis (MSA) studies for all gauges used to measure special characteristics (see Definitions) as defined by the design record (drawings and specifications). The supplier's measurement and calibration methods must be agreed to by Fischer representatives to ensure consistent qualification of parts.

Suppliers should reference the latest version of the AIAG Measurement Systems Analysis manual for further details.

7.9. Process Capability Requirements for Special Characteristics

Process Capability Study

Special Characteristics require process capability analyses at new product launch and when product or process changes affect these characteristics. Additional periodic capability analyses may be required by the Fischer businesses. Special characteristics which require data collection and/or statistical analysis are typically found on Fischer drawings designated by "Q" or as designated by fischer customer.

If no special characteristics are identified, the Supplier should evaluate and identify product and/or process.
Characteristics that can be used to ensure process capability. This should be reviewed and agreed to by Fischer representatives to ensure alignment and process quality.
Initial process studies shall be summarized with the following capability or performance indices (Cp / Cpk / Pp / Ppk)

Results and Interpretation:
Fischer's minimum requirements for short-term capability and stability is a Cpk > 1.67. Fischer's minimum requirements for long-term capability and stability is a Ppk = or >1.67.

If acceptance criteria are not satisfied, Supplier shall contact Fischer with a corrective action plan and a modified Control Plan providing for 100% inspection. Variation reduction efforts shall continue until the acceptance criteria are met, or until approval is obtained from Fischer. Note: 100% inspection methodologies are subject to review and concurrence by Fischer.

For special cases where the annual usage volumes do not meet the guidelines for a thorough process capability assessment, requirements shall be defined by the Fischer business. Suppliers should reference the latest version of the AIAG manual for further details.

7.10. Production Part Approval Process (PPAP)

The PPAP submission will be based on the latest edition of the Production Part Approval Process (PPAP) Manual, available through AIAG (Automotive Industry Action Group). As Fischer policy to be environmentally friendly a PPAP package will be only accepted in electronic copy which should be only in a pdf format. The PPAP package shall be submitted in the same order using a reference of faus PPAP checklist in one single pdf only. If any changes requested by Supplier Quality Engineer after the review of PPAP, the supplier should submit the whole PPAP package instead of the change requested by Supplier Quality Engineer.

A Fischer representative from Quality Assurance or Supplier Development will identify the appropriate PPAP submission level and additional requirements for the part or component to be sourced. Unless otherwise specified, a Level 3 PPAP shall be submitted.

All PPAP samples must be produced using production tooling and processes at the production line rate. Supplier shall ensure compliance to all requirements listed on Fischer drawings, purchase orders, and engineering specifications.

PPAP documents and sample parts shall be submitted to Quality Engineering and/or specified Fischer personnel.

Suppliers may be required to perform annual layout/validation and PPAP submission as directed by the Fischer facility. In addition to the annual submission of PPAP the supplier should be submitting the Master samples along with the annual PPAP for free of charge.

Inspection and testing for PPAP shall be performed by a qualified laboratory with a third-party accreditation to ISO/IEC 17025 (or equivalent). The laboratory shall have a defined scope that includes capability to perform the required inspection, test, or calibration that meets customer requirements. The name of the laboratory that performed the tests, the date(s) of the tests, and the standards used to run the tests shall be identified on formal company letterhead or standard report format.

PPAP Status (As determined by the Fischer facility):

- **Approved:** Indicates that the product meets all Fischer requirements and authorizes supplier to ship production quantities of the product.

- **Interim Approval:** Permits supplier to ship product on a limited time and/or piece quantity basis. Note: Interim approval expires after 90 days from the time PPAP is dispositioned. A PPAP re-submission is required by the supplier, along with a corrective action, to obtain a status of approved. Additional guidelines on product containment should be reviewed in the latest edition of the AIAG PPAP manual.

- **Rejection:** Indicates that the PPAP documentation and/or product does not meet Fischer's requirements for approval. The supplier shall take appropriate action to correct the deficiency and PPAP re-submission is required. Note: Supplier is not authorized to ship product until product is approved by Fischer. Failure to comply with this may lead to a Defective Material Report (DMR) being issued against the supplier and associated fees may be levied.

7.11. Tooling, Gauges & Test Fixtures

Tooling design and build is generally the responsibility of the supplier; however, Fischer has developed detailed Tooling Standards to ensure suppliers manufacturer tools that will provide high quality parts throughout the life of the tooling. These Tooling Standards will be communicated to you if required. Suppliers are responsible for the maintenance of all tooling, testing and inspection equipment. Customer owned tooling, gauges and test fixtures must be identified as prescribed by the customer, including identification with appropriate asset tags, or similar identification. Final payment of tooling will be contingent upon verification of proper identification and completion of PPAP. PPAP approval will not be signed off without completion and signing of the Tooling Bailee Bond Agreement, including pictures of tooling, gauges and test fixtures and associated tagging or identification. At any time, following notification to the supplier, Fischer reserves the right to complete an on-site inspection of tooling owned by Fischer or by a Fischer customer.

Tooling payment is typically based on completion of key milestones in the design and fabrication process. However, as terms differ, you need to make certain that you reference your applicable tooling purchase order for actual payment schedule.

7.12. Data results and Q points data on drawing

Considering fischer America, Inc. compliance to IATF 16949 and AIAG customer specific requirements of end customers.

Fischer America, Inc. shall request all suppliers supporting production to submit Data Results and capability reports along with minimum and maximum values for dimensions which are listed in the drawing for all the Q values for every lot/batch of parts produced. These results shall be emailed before the receipt of material to fischer and/or provided upon immediate request of fischer Quality or Engineering team. Fischer America, Inc. is an environmentally friendly and ISO 14001 certified organization requesting suppliers to send information via email to **receiving-certs@fischerus.com**. Data received with the shipments or via U.S. mail will not be accepted.

Failure to adhere to above requirement will result in a DMR issued to the supplier and parts will be processed for return. Please contact fischer America, Inc. Supplier Quality Engineer (SQE) for any questions or concerns.

7.13. Warranty

A primary focus of Fischer's customers is expenses attributed to product performance after vehicle sale. Financial liability associated with warranty is more significant now due to consumer awareness and extended warranty coverage. Customers have stipulated that warranty costs will be shared with their supply base. As such, suppliers will be expected to participate in warranty activities including:

- Warranty returns reviews/analysis.
- Improvement actions
- Warranty cost responsibility

Supplier shall follow below minimum requirements and timeline to complete a part analysis.

- Analyzing warranty of parts shall be conducted according to VDA Volume Field Failure analysis.
- Every warranty part will be assigned a DMR which consists of warranty part information and due date. Failure to meet the due date without prior approval of extension will result in supplier acceptance of the warranty claim.
- Analysis should minimum consists of Standard test, load test (If defect is not observed in standard test or customer complaint cannot be replicated), Analysis report and 8D report.
- Standard and Load test questions and report formats shall be preapproved by fischer field quality engineer / Supplier Quality engineer.
- Any extensions of due date shall be communicated at least one week prior the due date via email to Fischer's field quality and supplier quality engineers.
- Approval of the due date extension will be based on the timeline of actions provide by the supplier to complete the Warranty analysis.
- Fischer and our customer have an ultimate authority to approve extension requests.
- Any warranty claim part which acquired by the supplier shall be returned to fischer in the original condition without any alteration (disassembly or destruction) unless a preauthorization or approval is provided by fischer upon request by the supplier.
- The part will be automatically "supplier accept" - if the part is disassembled or destroyed without prior fischer approval, if the part report is not submitted by the due date, if the part is returned late.
- Every warranty report should have the Shipping tracking number information after shipping back to Fischer.
- All submissions do require an 8D report as applicable.

When a supplier's component is implicated in a warranty, campaign or recall issue, with financial consequences to Fischer based on Fischer's customer's warranty or recall policies, the supplier must be prepared to accept these costs. The costs for which a supplier shall be responsible shall be determined by Fischer Purchase Order Terms & Conditions, and in conjunction with Fischer's procuring division, and will be recovered in compliance with the Fischer Purchase Order Terms and Conditions.

8 COST OF POOR QUALITY

All costs incurred by Fischer that are associated with the failure of a supplier to meet Fischer's quality requirements will be charged back to the responsible supplier.

A DMR (Discrepant Material Report) Administrative Fee may be charged due to costs associated with disposition of the DMR and managing the corrective actions process. Costs incurred beyond this administration fee may be assessed; below is a sample list. The DMR Administrative Fee is debited or invoiced to suppliers after the DMR is issued or upon DMR closure (depending upon Fischer Business Unit specific processes.)

The following is a list of examples of COPQ (Cost of Poor Quality) charges. The list should not be construed as exhaustive:

Receiving Process

- DMR Administrative Fee (as described above)
- Sorting
- Rework
- Line disruption

- Premium freight
- Cost of increased inspection
- Premium product cost paid to support production.
- Excess inventory
- Misidentified parts
- Shipping documentation errors

In-Process Fallout

- Downtime
- Overtime
- Line speed reduction
- Additional manpower
- Line changes due to material availability
- Equipment breakage
- Associated material losses.
- Outside processing required
- Premium product cost paid to support production.
- Rework-labor, tooling, and fixturing.

Customer Issues

- Rework at customer premises, travel, manpower
- Replacement of material at customer
- Premium freight
- Reimbursement of all charges from customer
- Costs of Internal containment actions
- Added inspection, certification of product, etc.
- Warranty costs

9 CLOSED LOOP CORRECTIVE ACTION

9.1. Escalation Procedure

Level 1: Controlled Shipping I (CSI)

CSI requires the Suppliers to implement a 100%-part inspection at its production plant (an appropriate test station must be separate from the production area (a minimum distance of 10 meters) or at FAUS's assembly plant. The Suppliers' labeling for checked parts must be coordinated with FAUS. The Supplier must regularly report the results to FAUS. The announcement of Level 1 can be started after two months of not achieving agreed PPM-targets or after customer complaints.

Level 2: Controlled Shipping II (CSII)

In CS II an independent service provides an additional part inspection with a defined scope of work approved by FAUS. The Supplier bears the incurred costs. FAUS must agree with the choice of contractor. Also, FAUS may inform the supplier´s registrar of quality certification of this requirement.

The following conditions must be satisfied in full, in order to be removed from (or to exit CSI or CSII:

- All corrective actions must be implemented, and their effectiveness verified.
- At least four weeks defect-free production including an additional 100% inspection.

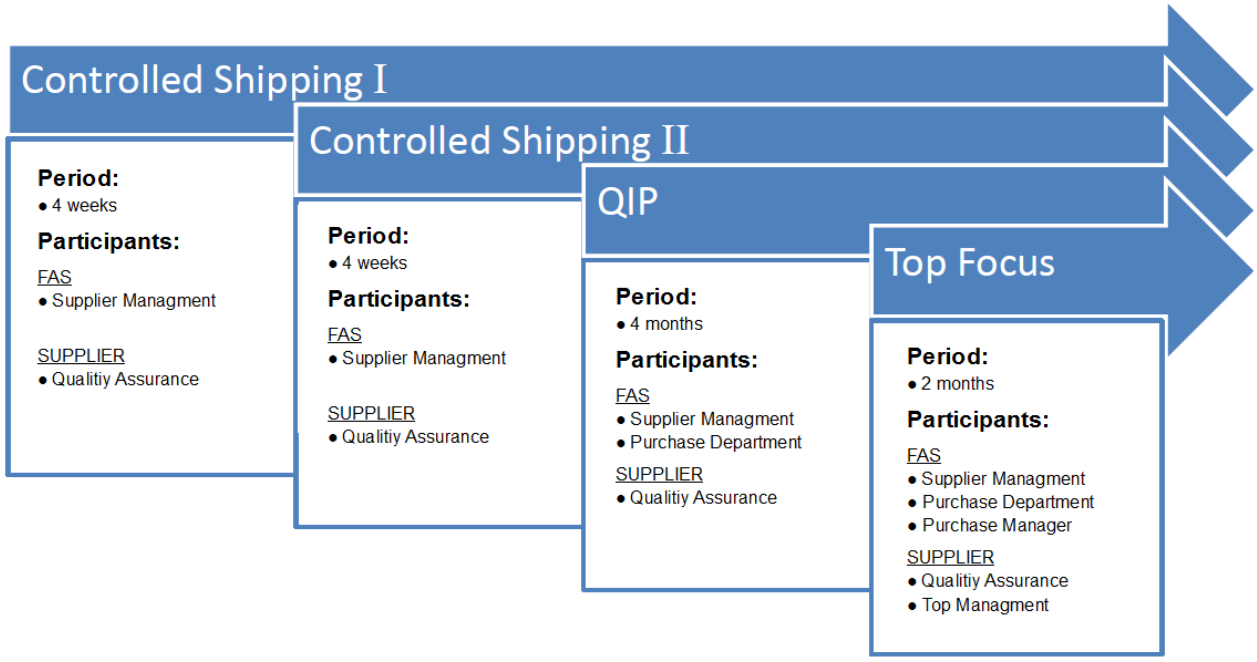
- A written release and approval from FAUS

Level 3: Quality Improvement Plan (QIP)

A Quality Improvement Plan (QIP) for escalated cases is launched in the event the Suppliers do not successfully complete CSI and CSII-programs or PPM targets are not continuously met. The program begins with a QIP discussion, in which the Supplier presents its explicit action plan detailing the corrective actions to be implemented. The Supplier shall implement its continuous improvement plan with appropriate quality assurance measures and to present these results in regular on-site audits. Suppliers receiving QIP-Status may continue to be nominated for new projects/business. The duration of QIP usually lasts no longer than four months.

Level 4: Top Focus (TF)

If QIP is not successfully completed, then the Supplier shall be put on Top Focus (TF) status. During this part of the program, the Supplier's Managing Director shall be involved in the responsibility; and the Supplier will NOT be nominated for new projects/business. The duration of the TF program is no longer than 2 months. If quality targets are still not reached, then FAUS's Purchasing Department shall initiate Repositioning of the Supplier's status.



9.2. Non-Conformance & Corrective Action

All suppliers for Fischer must establish and maintain documented procedures for implementing a system of closed loop corrective and preventive action with disciplined problem-solving methods. This shall be used when a nonconformance to specification or requirements occurs.

Any corrective or preventive action taken to eliminate the causes of actual or potential non-conformities shall be appropriate to the magnitude of problems and commensurate with the risks encountered. The supplier shall implement and record any changes to the documented

procedures resulting from corrective and preventive action.

When supplier non-conformances are identified within a Fischer Business Unit and are determined to be significant in nature, a Corrective Action Request (CAR) will be initiated and sent to the supplier as a DMR. Each Fischer location will determine when a Corrective Action Request will be generated, and the response will be expected in the 8D (eight disciplines) format.

Once the Corrective Action Request is made the following steps will be implemented:

- The supplier and/or assignee will acknowledge receipt, investigate the system deficiencies, and provide a detailed and complete plan to correct.

- Responses are to include adequate detail and supporting data to assure Fischer that appropriate system corrective actions have been taken. Responses are to be returned by the date required by the Fischer coordinator.

Written responses will include:

- **Identifiable contact person**: Identify the contact person(s) responsible for this CAR (if other than assignee).

- **Definition of the problem**: A statement of the deficiency/condition as documented in the complaint, restated in terms of the supplier's process, as necessary.

- **Immediate Containment Action**: Action taken immediately upon identification of the potential noncompliance, such as rejection tags, line checks or sub-supplier notification.

Containment actions must be completed within the appropriate time indicated by the Fischer facility. Failure to do so will negatively impact the supplier quality performance metric.

- **Identify and Verify Root Cause:** The source or origin of the noncompliance, as well as any contributing factors involved. Should include the following three steps of root cause:

1. **Process root cause:** What process failure allowed the nonconformance to be generated?
2. **No detection root cause:** What allowed the nonconforming product to escape the immediate process, subsequent processes, and the supplier's facility?
3. **Systemic root cause:** What management systems allowed the nonconformance to be generated?

Suppliers should be cautious to avoid root causes of "operator error" and instead look deeper for underlying factors. If operator error is truly the cause, error-proofing actions must be employed to prevent recurrence; re-training alone is insufficient.

- **Develop and Verify Solution:** The team must quantitatively confirm that the actions will resolve the problem for the Customer and will not cause undesirable side effects.

- **Implement Root Cause Corrective Action:** The remedial corrective action implemented to address the source or root cause of the noncompliance that will preclude recurrence.

- **Follow-up and Preventive Action:** Preventive actions must include an evaluation of, and corrective action for, other processes or products where the same or similar defect could occur.

- **Recognize the project team.**

The supplier will provide periodic corrective action status reports if/as directed by the Fischer coordinator.

Failure to respond to requests as required will result in procedural escalation to the appropriate Fischer Supplier Development Manager and or Quality Assurance Manager. Any questions are to be directed to the Fischer coordinator.

Assignee's written corrective action plan will be returned to the responsible Fischer coordinator for review of adequacy and effectiveness. This may require an on-site visit at the assignee's facilities. Assignee will be notified of acceptance or rejection of plan upon review.

For product that has been found or suspected discrepant prior to shipment to Fischer, all requests for approval for repair or to be "used as is" must be submitted to Fischer for approval, following a material deviation request process. In addition, material must be held at the supplier's address pending receipt of documented Fischer approval, prior to further processing and/or shipment of nonconforming material.

For products identified or suspected as nonconforming returned from the customer's facility; performance testing; and/or field vehicles, the analysis must determine the cause(s) of the nonconformance.

Failure to respond to a corrective action request may result in penalties up to and including suspension and/or removal from the Fischer Approved Supplier List (ASL). Parts or products removed from the normal process flow must be positively segregated and clearly marked per applicable requirements such as IATF16949/ISO 9001.

10 SUPPLIER DEVELOPMENT

Supplier development activities at Fischer involve working closely with key suppliers to achieve the following supplier results:

- Process control improvement
- Quality system improvement
- Product quality improvement
- Delivery performance improvement
- Cost reduction
- Supply Chain effectiveness improvement
- Lead time improvement
- Productivity improvement
- Capacity increases

- Supply Chain optimization

The amount of supplier development activity varies among the Fischer Business Units, Initiating and performing supplier development activities with a supplier involves the following activities:

- Management involvement and business group sponsorship
- Cross-functional teaming
- Project Selection
- Supplier Selection
- Pre-Audit
- Communicating and training the supplier on Lean and/or Six Sigma as necessary
- Project Management
- Implementation
- Post Audit
- Analysis of Benefits

Management involvement from the supplier as well as the Fischer business group site is vital to the success of the supplier development project. Fischer selects suppliers for development who present the best opportunity for improvement and the greatest potential impact to the organization. Suppliers may be selected for development based on the following factors:

- Strategic growth suppliers
- Provider of critical parts
- Risk revenue partner
- Key to manufacturing flow
- Performance issues

Suppliers selected for development projects must have a willingness to change and improve and show evidence of internal continuous improvements efforts. Suppliers should also have adequate capability and systems such as:

- Approved quality system
- Material scheduling
- Cost tracking, etc.

Once a supplier has been selected, a cross-functional team consisting of appropriate Fischer and supplier personnel will be formed to conduct a pre-audit (situation analysis) in order to gather and establish baseline data. The supplier may be trained on techniques for operational and process improvement as deemed appropriate.

The team develops and implements the improvement plan. A Fischer Supplier Development Engineer (SDE) may serve as the Project Manager for supplier development activities. The Fischer SDE facilitates the supplier team through development and implementation of an improvement plan and ensures project implementation and completion. A post audit should be performed on all projects in order to verify improvement and follow-up actions.

11 SUPPLIER PERFORMANCE

Fischer recognizes supplier quality achievement on a regular basis using measured results and

takes the appropriate action regarding, expanded business or de-sourcing based on these results. In order to review performance, several types of meetings may be held with suppliers including Quarterly Business Reviews (QBRs), Focus Five, Supplier Improvement Performance Process (SIPP), Executive Meetings, etc. Our governance processes include, but are not limited to the following key measures:

- Quality – DPPM
- Quantity of Defects
- DMRs – Quantity, Effectiveness
- Delivery - OTD
- Third Party Certifications
- PPAP - acceptance & timeliness
- Continuous Improvement

12 CONTINUAL IMPROVEMENT

Fischer may deploy Supplier Development Engineers with suppliers based on the criteria stated in the Supplier Development section of this manual. However, Fischer America requires all its suppliers to pursue continuous improvement initiatives and the deployment of these initiatives are the responsibility of Fischer's suppliers.

12.1. IDEAS

Innovation **D**rives **E**xcellence, **A**chievement and **S**avings

Fischer requires supplier-initiated cost-reduction and improvement suggestions. We want open, forthright dialogue with our suppliers so that, in collaboration we can reduce waste and improve quality. We seek creativity, innovation, and ingenuity in improving how we do business together.

For more information, download an IDEAS Program Brochure. To submit an IDEAS suggestion, download the Suggestion Form and return the completed form to your principal Fischer Supply Chain Management contact. For more information refer to section 8.3 on Change Management.

13 CLAIMS FOR OBSOLESCENCE

In the event that obsolescence occurs due to discontinuation of a part, the following procedure applies: Supplier should submit all claims regarding obsolescence costs to the using site within three weeks of Supplier's final ship date, including cost breakdowns for component material. A copy of the claim should also be provided to purchasing.

1. Complete the obsolescence claim form and provide copies of the high point and final releases cited in the claim. Attach relevant documentation of minimum order quantities, unusual material lead times or any other extenuating circumstances that the procuring facility has agreed to.
2. Submit the form and supporting documentation to the Production Control Manager at the using site.
3. Management will review the claim and advise Supplier as to the validity of the claim within thirty days of receipt.
4. All material claimed to be obsolete must be segregated and stored at Supplier's facility pending a possible audit by Fischer.
5. The relevant Fischer customer may require an audit of the material.
6. No material may be disposed of until after a final settlement is achieved.

7. If the claim is accepted, Fischer purchasing will issue a purchase order to the supplier.
8. The supplier should submit an invoice for the charges only after receipt of the purchase order.

14 RISK MANAGEMENT AND BUSINESS CONTINUITY GUIDELINES

Fischer's supply chain has become increasingly complex, global, diversified, and subject to a variety of risks that could jeopardize continued operations. In this environment, our customers have challenged us to establish Business Continuity Plans within our businesses, operations, and supply chain, as these are more important than ever before.

Similarly, Fischer is challenging its suppliers to establish Risk Management and Business Continuity Plans. While it is clear that contingency plans cannot be developed for all potential scenarios, we are asking our suppliers to establish recovery plans and steps that will facilitate quick response, reaction and resumption of parts and services in the event of disruptions.

Fischer suppliers are expected to establish a comprehensive crisis management approach to deal with potential disruptions (proactive) and disasters (reactive). The approach should include plan of action, checklist of activities, communication plans, escalation procedures, and organization with teams, roles, and responsibilities.

When Fischer deems necessary, based on the risk situation or as part of the Quarterly Business Performance Review process, the supplier may be asked to provide risk management and business continuity plans. The supplier is expected to conform to the risk management and business continuity requirements in the Supplier Excellence Manual including alternate manufacturing site or process options wherever applicable to ensure operation's continuity. Fischer will notify suppliers in writing when identified as part of a risk situation or as part of the Quarterly Business Review process. Also, in case of financial risks, Fischer expects their suppliers to provide requested financial information wherever applicable. Fischer suppliers must plan for the following (as applicable) disruptions:

1. Business Continuity to deal with event-based risks such as fires, chemical spills, natural disasters, terrorist threats, medical emergencies, and human resources (Example: Strikes)
2. Supply Chain Continuity to check and prepare the "Supplier's" suppliers to deal with potential disruptions (proactive) and disaster situations (reactive)
3. Pandemics Preparedness Plan (Example: Avian Flu Pandemic)
4. IT Disaster Recovery and IT Security for "Supplier" telecommunications, data, systems, and infrastructure
5. Eliminate potential disruptions due to Financial and Regulatory Non-Compliance [Example: For US publicly traded companies – SOX404 or International Financial Reporting Standards (IFRS) in Europe], as applicable.
6. Human Resources guidelines to conducting security, drug & background checks.
7. Confidentiality Policy (including protection of Fischer Intellectual Property), as applicable.

Fischer suppliers are expected to develop, deploy, and maintain these business continuity planning requirements. Fischer suppliers are expected to periodically monitor the Global Supplier Excellence Manual for changes or additions to the risk management and business continuity requirements.

Trade Compliance

The purpose of this section is to re-emphasize Fischer America's commitment to trade management, regulatory compliance and provide awareness to our supply base and business partners. As a U.S. company, Fischer expects all of its partners to comply with any applicable U.S. regulations listed below. As a global company, Fischer expects all of its partners to adhere to all local and regional trade management regulations.

Below are two U.S. government websites for your reference and basic overview of U.S. export regulations.

Export

Commercial/Dual-Use articles and data controlled under the Department of Commerce (DOC) jurisdictionally need to comply with the Export Administration Regulations (EAR):

- http://www.export.gov
- http://www.access.gpo.gov/bis/ear/ear_data.html

Military/U.S. Munitions List articles and data controlled under the Department of State (DOS) jurisdictionally need to comply with the International Traffic in Arms Regulations (ITAR):

- http://www.pmddtc.state.gov and
- http://www.pmddtc.state.gov/regulations_laws/itar_consolidated.html

Import

As a supplier exporting to Fischer where Fischer is the importer of record with the U.S. Customs and Border Protection (CBP), there are specific Federal regulations and Fischer required procedures to follow. Refer to contractual documentation and your Fischer contact for further information regarding the Fischer required procedures.

Suppliers shipping to the USA and its Territories/Commonwealths must comply with the following requirements.

1. Commercial Invoice and Packing List
2. Free Trade Agreement Requirements
3. Country of Origin Marking Requirements
4. ISPF 15 – Wood Packaging Requirements
5. Importer Security Filing
6. C-TPAT – Customs Trade Partnership Against Terrorism

Please check with the local customs broker or your Fischer America contact for requirements for other international shipments that are non-USA, its Territories, and its Commonwealth.

15 GLOBAL LOGISTICS

Global logistics has Regional Specific requirements as well as Global Requirements:

Standard Routing/Shipping Instruction – U.S. Activity – Cross Border Canada and Mexico

Each country has established clear requirements in shared responsibility concerning import process. All Fischer suppliers are required to understand such informed compliance and set up correct processes and procedures in export arrangement. All Fischer suppliers shall check with, and use Fischer managed and approved logistics services providers for Fischer paid shipments before a shipment is made.

Global Shipping Hazardous Materials/Dangerous Goods to Fischer America
All suppliers must comply with all in-country and international transport regulations when shipping Hazardous Materials or Dangerous Goods to Fischer America. Depending on the mode of transport, domestic or international shipping such regulations are prescribed by the U.S. Department of Transportation (DOT) 49 CFR, TDG – Transport Canada; IATA/ICAO for international and domestic air shipments, and IMDG for international dangerous goods by sea.

Global Trade Compliance
All Third Party Suppliers are required to classify their product for HTS number and to provide this information to Fischer and/or its agent for shipping requirements. This information should be confirmed from the vendor at time of order placement.

Global Sourcing and Vendor Managed Inventory (VMI)
Some Fischer businesses utilize integrated logistics and VMI programs in support of global sourcing initiatives and inbound material requirements.

Program Eligibility:

Final determination of supplier eligibility to participate in the program will be made by the respective Fischer Business Unit's Procurement Management Lead. Once participation is confirmed, a three-phased implementation process will commence. (1) Data acquisition, (2) inventory planning, and (3) process training, required for all participating suppliers. Program User Guide and other relevant documents will be provided during the supplier on-boarding phase.

For additional information regarding the program and its applicability to your situation, contact your Fischer Buyer or production control and logistics representative.

16 ELECTRONIC COMMERCE

There are three key steps to our e-Commerce initiatives:

1. Initiation of the Replenishment activities
2. Submission of the Invoice and
3. Payment for the goods and services.

Suppliers must comply with Fischer's suite of e-Commerce tools for electronic purchase orders, invoicing, and payments dependent upon requirements stipulated by Fischer's procuring division and where allowable by the
statutory requirements of each country.

These requirements include the utilization of Fischer's Supplier portal "Supplier Select," as applicable, in combination with the internet-based framework for the e-Commerce tools utilized by Fischer which include, but may not be limited to the following:

1. Electronic purchase orders – Fischer's EDI, etc.,
2. Electronic Invoicing – EDI, ERS, Fischer's Supplier Invoicing North America Tool, etc.), and
3. Electronic payments – EFT / ACH, Wire Transfer, etc.

17 PACKAGING GUIDELINES

Suppliers are required to adhere to Packaging Guidelines as defined by the AIAG Standards. In some cases, Fischer divisions have defined specific packaging requirements in support of automated assembly and manufacturing processes. Special packaging and labeling requirements, in support of specific product launch activity, may be requested by a division. In the event special packaging is required, design and approval will be managed as part of our overall APQP program delivery process.

In preparation for product launch, packaging approval must be obtained from the Fischer procuring division prior to a line Run @ Rate, in order to ensure planned packaging fits with the divisional assembly line and assembly practices. Typically, a signed approval must be submitted with the PPAP submission. Packaging that will be used to support service requirements, also requires approval. A complete Supplier Packaging Form must be submitted to Fischer for approval of all new packaging or proposed changes to existing packaging. Approval must be granted prior to the first shipment. All suppliers supplying goods to Fischer, which are considered to be “controlled” under the Workplace Hazardous Material Information System (WHMIS), must comply with appropriate legislated regulations for packaging and shipping, including SDS documentation. No material requiring SDS approval shall be shipped, without approval. All solid wood packaging/pallets and crates must comply with the International Plant Protection Convention Standard ISPM #15. Suppliers are responsible for the removal of all expired labels and debris from containers prior to packaging new material. Suppliers are responsible for ensuring that all containers are clean and that all functional gates and hinges are operational and safe. Any inquiries regarding packaging and all requests for changes to approved packaging must be submitted to the appropriate personnel at Fischer.

Note: Supplier is responsible for supplying Fischer good quality parts, Packaging approval by Fischer does not relieve supplier of responsibility for ownership of any parts damaged during transit or any other reason due to packaging.

18 LABELING GUIDELINES

All materials for production consumption, shipped to fischer, must be identified with labeling containing text/graphics, and machine-readable, bar-coded symbols. All the Labels should comply with fischer’s supplier label standard **“faus-purchasing-Specification, Supplier Label”** which can be downloaded from fischer’s website. For all shipments a Part Label, a Box label, a Master label is required unless otherwise agreed upon with fischer supplier quality engineer.

18.1. Pre-Production Labels (Blue Label)

All the Pre-production (Spot-buy/Engineering samples) parts shipped to fischer should be identified with the PPO label – **Blue label** from “**faus-purchasing-Supplier tags**” which can be provided by the fischer SQE, and all the data fields should be filled with 2 labels on each box. One on the top and the other on the side. Pre-production Labels are required until the faus-Supplier Quality Engineer approves to move to **“faus-purchasing-Specification, Supplier Label.”**

18.2. Saleable (Orange Label)

Saleable Production parts need to be identified with the Saleable label – **Orange label** from "**faus-purchasing-Supplier tags**" which can be provided by the fischer SQE, and all the data fields should be filled with 2 labels on each box. One on the top and the other on the side. These are required until the PPAP is tuned to Green/Approved status.

18.3. Engineering Change Label (White Label)

All the Production Engineering change level parts need to be identified with the Engineering Change (ECN) Label – White Label from "faus-purchasing-Supplier tags" which can be provided by fischer SQE, and all the fields should be filled with 2 labels on each box. One on the top and the other on the side.

Note: Human written text shall not be accepted, and the lot will be rejected by the Fischer Incoming Inspection

19 APPENDIX

Definitions

Control Plan

Written description of the system for controlling processes that produce products for Fischer. Suppliers must establish a control plan for each new product and address all significant and critical design characteristics, process parameters and performance tests.

DMR

A Discrepant Material Report (DMR) is a method by which all non-conforming quality conditions are reported to the supplier and corrective action is requested.

Functional Check

Evaluation performed on initial samples by some Fischer facilities to ensure that the samples can be assembled properly and conform to operational requirements. The engineering sample evaluation report is utilized for this approval.

Pass Through Characteristics

(PTC) – Those component characteristics with potential fit or function issues that will not get detected within Fischer or the customer using facility.

Process Change

Change in a process that could alter its capability to meet design requirements or durability of a product. This includes: (1) new, different, relocated, or rehabilitated production machinery/equipment; (2) any change in subcontracted products or services including the use of engineering-approved alternate materials; or (3) changes to rework methods. Process change also includes changes in the sequence of operations and chemical compounds such as adhesives, sealers, lubricants, etc., which are parts of the product. Contact your Fischer business group representative for further definition.

Special Characteristics: Characteristics designated in the Design Record (drawings and specifications) that, with reasonable anticipated variation, could significantly affect a product's safety or compliance with applicable standards or regulations and/or is likely to significantly affect customer satisfaction with a product. Special Characteristics may be described by the

Engineering teams in various Fischer businesses as 'special,' 'key,' 'critical,' 'safety' 'significant' or 'pass through' and are designated by those teams with defined symbols in the Design record. All these designations are generally referred herein as 'Special.'

Quality System Assessment (QSA)
Multi-part questionnaire used by an auditing team during an on-site visit to verify a supplier's effective implementation of a quality systems and environmental compliance.

Special Forms, Documents and Manuals:
Available for download at:
Lieferanteninformationen (fischer-automotive.com)

- Fischer Supplier Request for Deviation/Change Approval Form (Referenced in Section 7.3.)
- Innovation Drives Excellence, Achievement and Savings (IDEAS) Manual and submission form (Referenced in section 12)
- Obsolescence claims form.
- Packaging Submission Form (Referenced in Section 17)
- faus-purchasing-Specification, Supplier Label (Referenced in Section 18)

20 REVISION UPDATES

REVISION DATE & VERSION	SECTION NO.	DESCRIPTION OF CHANGE
3/13/2024 & Rev 1	1,2,3	Added Purpose, Scope/ Applications, and abbreviations
	5.18	MSDS is changed to SDS
	7.2	End customer requirements statement added
	7.8	Special Characteristics designation is revised
	7.9	Electronic copy, PPAP checklist and Annual Submission information is added
	7.11	Data results revised based on new standards
	7.12	Minimum requirements for part analysis are added
	9.1	General Control shipping information is removed and escalation procedure with levels added
	18	Added information regarding faus label standards
	18.1, 18.2,18.3	Added Information regarding PPO, Saleable and ECN Labels
	19	Corrected Defective to Discrepant in DMR
		Special Documents and Information's – updated
	Overall	TS 16949 is replaced with IATF 16949 throughout the document
		Supplier Excellence Award Section removed – Previously Section 6

Fischer Contacts
Purchasing
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