



Supplier Guide

1/2002 – rev. 1

PURCHASING

TRICO GLOBAL ORGANIZATION

Trico Products Corporation, Brownsville, Texas

Trico Products Technology Center, Rochester Hills, Michigan

Trico Componentes S.A. de C.V., Matamoros, Mexico

Trico Products Corporation, Buffalo, New York

Trico Limited, Pontypool, Gwent, U.K.

Trico PRY, Springvale, Victoria, Australia

Trico Latinoamericana, S.A. de C.V., Buenos Aires, Argentina

MISSION STATEMENT

The mission of the Trico Global Purchasing Organization is to provide required materials and components at the optimum combination of cost, quality, delivery and service. We will accomplish this by establishing a global procurement team to gain information about new technologies, materials, services, sources of supply and changes in market conditions. We will exceed internal and external customer needs by combining local and global purchasing and building supplier alliances, where appropriate.

This guide is provided to briefly describe some of the standard expectations of Trico to its supply base. It is intended to serve as an outline of our requirements for planning and

implementation and ongoing production of product. Throughout our association, other requirements may be issued under separate cover. Please use this guide as a resource to better understand Trico and the vital role you, the supplier, play in our corporation's future success.

GENERAL REQUIREMENTS

The ISO/TS 16949 System is the standard adopted by Trico. Suppliers are expected to establish and maintain, or be working toward the standards of the Quality System Requirements in their fundamental quality systems. It is the responsibility of the supplier to ensure that they are conforming/working to the latest revision of the Quality System Requirements.

QUALITY EXPECTATIONS

In order for Trico to maintain high customer satisfaction in meeting requirements of just-in-time delivery and higher product quality standards, it is expected that our suppliers commit to provide high quality, on-time delivery and a cost-efficient product.

Suppliers to Trico must be in compliance with the Automotive standards as defined by the Quality Systems Requirements of the automotive industry. This is to ensure that the documentation, development, and implementation of procedures and processes is done in a manner that will assure that product quality and/or services meet these standards. The challenge is to achieve zero defects.

Suppliers must inform Trico in advance of any potential quality or delivery problems on current product or new product which could affect Trico in meeting our customer's requirements or specifications. Suppliers are required to respond to quality concerns or rejections in a manner which will ensure the continued flow of production product to our customers on schedule.

The suppliers are required to identify the root cause of the problem, institute corrective actions, and verify the actions taken to prevent recurrence in a timely manner using recognized problem solving techniques. Documentation must be provided to Trico which addresses these issues when requested.

All sample submissions must be completed on time with no open issues and with the required documentation, testing, and material certification to meet the required automotive standards. Any problems or delays in meeting the sample dates must be reported to Trico as soon as identified so actions can be taken to remedy the situation.

These are a few of the expectations of quality and does not encompass all issues. Any questions concerning requirements or standards for quality should be directed to the Quality Manager of the specific Trico facility involved.

TECHNICAL EXPECTATIONS

Our goal at Trico is to achieve success through striving for Product Excellence. Product Excellence is achieved when we have a high level of internal and external integrity in our products, processes, and services. We expect our suppliers to be an integral part of the process we use to achieve Product Excellence. Trico's APQP (Advanced Product Quality Planning) process is used as a structured method of managing product and process design and development.

In order to achieve a high level of internal integrity and guarantee that our "parts fit and work well together," our suppliers are expected to be involved at the concept phase of each program through our APQP process. This early involvement in the product development process by suppliers is critical to our mutual success. Suppliers are "pre-sourced" early to solidify our relationship. Timely support of product development, on time prototypes, on time part approval and actively bringing new ideas and concepts to Trico is required to keep existing business and earn new business opportunities. It is imperative that suppliers optimize design and manufacturing on a world class level, use environmentally responsible practices, and adopt a lean manufacturing philosophy.

As the product and required processes move from the concept phase to development and into production, Trico and the supplier should be refining production and process to provide strong external integrity to our customers. Our products should provide the customer with an experience (performance, quality, and cost) that is consistent with their expectations. It is critical, and the intent of Trico, to have the pre-sourced supplier ultimately be the production source. The supplier must realize that his level of intensity in the program must be high throughout the product development process.

As automakers face more and more pressure to reduce costs and new model development time, Trico is once again in lock-step with their needs. Through the implementation of a unique design and process automation technology called generative modeling, or "Knowledge-based engineering" (KBE), Trico is able to capture, retain, apply and enhance its best product development practices. The end result of the KBE system is a dramatic reduction in developmental cycle times. With KBE, product development teams can generate multiple designs in the time it would normally take to generate one. KBE, which can be used 24 hours a day through computer link-up with all of the company's worldwide engineering operations, allows Trico to optimize its designs, reduce complexity, and decrease time-to-market while holding costs in line.

The supplier is expected to provide expertise and experience in the product design and manufacturing of components, participate fully in simultaneous engineering activities, and work to prove product and process robustness up to and through production. Suppliers are expected to attend design reviews, provide CAD support as required, support prototype builds, participate in internal and customer product development teams, support and promote VA/VE activities, and provide documentation to fulfill the product development process. Normal advance quality planning tools such as process flow diagrams, process FMEA's, gauging plan, and process control plans must be submitted in the concept phase and finalized before the production phase.

During all program activities, the supplier is expected to submit a bi-weekly open issues summary chart of all activities to their respective Trico purchasing agent.

Prior to the sign-off for production release, the supplier must ensure manufacturing feasibility and that all quality requirements can be achieved.

DELIVERY EXPECTATIONS

100% on time delivery performance is mandatory. The due date on the purchase order is the date product is due at our door. Suppliers not meeting this performance level must communicate with Trico's buyer and provide a corrective action plan to the purchasing agent. In addition, failing to meet the delivery requirement for reasons listed below may result in a charge-back to the supplier with the associated premium freight costs:

- Supplier is behind schedule (past due)
- Supplier did not allow enough transit time for shipment to be received on time
- More than authorized number of shipments per week/or month
- Extra shipment due to rejects or supplier discrepancy or returns
- Failing to use designated milk run or appointed Trico carriers

COMMERCIAL CONSIDERATIONS

Request for quotation for components, goods and services for Trico will be solicited from Trico's Approved Supplier List by the purchasing department on product specific RFQ forms along with the applicable blueprints, descriptions and/or specifications.

Trico Standard Purchase Order Terms and Conditions are understood to be integral to the RFQ in addition to all other specifications. These terms and conditions supersede the same on vendor quotes, correspondence, etc..

The supplier is expected to respond on the RFQ form supplied and a Trico Component Quotation Sheet or your own sheet with the same information. Quotes not on the Trico Component Quotation Sheet or similar format will not be considered.

No one outside the purchasing organization is authorized to request quotes. Only quotes submitted in response to a Trico purchasing department RFQ will be considered. Only personnel within Trico's purchasing department are authorized to commit Trico financially. Quotations must include all costs including tooling, gaging, packaging and piece price as appropriate. All quotations must include product packed in conformance to Trico's packaging standards. Please see packaging section of this handbook for standards. If your process does not allow you to conform to our packaging specifications, you are required to complete the Packaging information form and include this in your quote for consideration by Trico's packaging engineering department.

Trico has made a commitment to work more closely with suppliers to offer customers the highest quality and best value possible.

Alternatives are encouraged as a means of improving quality, reducing cost or increasing serviceability. When this is done, it should be clearly marked as an "alternative addendum" to the original quote and included for consideration.

Productivity Decreases:

Suppliers are expected to sign up to Trico's productivity programs or other actions in support of Trico and/or Trico's customer cost reduction programs.

Supplier Suggestions:

Suppliers are invited to suggest any changes which will benefit the quality or cost of a product they supply to Trico. Cost savings as a result of a supplier's idea will be shared between Trico and the supplier in an appropriate and equitable manner.

Invoicing:

Payment terms will be negotiated individually with your purchasing agent.

Tooling invoices may only be submitted after the supplier has received written approval from Trico for the associated components. No tooling invoice will be honored unless Trico has issued an approval for the associated component(s) or prior arrangements have been made with Trico's purchasing department.

CONTINUOUS IMPROVEMENT

Trico has adopted the Kaizen Philosophy as our basis for continuous improvement. Kaizen has proven to us we must be open to change when it comes to our workplace, processes, assignments, and ourselves.

A comprehensive continuous improvement philosophy shall be fully deployed throughout the supplier's organization. Suppliers shall continuously improve in quality, service (including timing), delivery and cost.

The supplier will identify and pursue opportunities for continuous improvements in all areas of quality and productivity. Some examples are: machine set-ups, die change, excessive cycle times, downtime, repairs, process layout (waste in labor/materials/space), excessive handling and storage, excessive variation, sorting/inspection, scrap/rework/repair, non-value added activities, packaging, etc..

PRODUCTION SAMPLES

Suppliers shall fully comply with all requirements set forth in the AIAG Production Part Approval Process (PPAP) manual, latest revision. Payment for all component/tooling purchase orders are dependent on the supplier receiving Trico's full production approval of supplier sample submission in accordance to the PPAP requirements.

Trico's PPAP requirements are known as and will be referred to as First Article Sample Submission (FASS). After receipt of the purchase order and FASS package, the supplier will be responsible for manufacturing the parts per the applicable specifications. The supplier will be responsible for notifying Trico of any errors in the specifications or problems found during the manufacturing cycle via the Supplier Request for Engineering Approval (SREA) form. In the event of sample submission rejection, the supplier must pro-actively contact Trico purchasing with action plan and timing for re-submission.

Production part approval re-submission is needed for a change in the part number engineering level, manufacturing location, material subcontractor(s) and production process environment. Refer to PPAP manual, latest revision, for definition of when submission is required. If there are any questions concerning the need for production part approval, please contact your supplier quality engineer. For tooling or changes which involve a purchase order from Trico, the “date due” as shown reflects the date when FASS must be provided.

Any supplier sample submission requiring re-submission due to rejection of samples may result in a charge back to the supplier for additional labor costs, handling costs, travel expenses, etc. which Trico may incur.

All samples for shipments into Trico must be clearly marked as “samples” with the following information: part number, quantity, addressed to the correct person. Stickers, or if unavailable, sufficient marking with this information must be applied to sample submission. Sample packages must be clearly marked in order that they can be properly directed to the correct person at Trico and must contain fully complete documentation.

It is the responsibility of the Trico supply base to submit the annual required material certification and dimensional layout criteria as specified in the customer specific section of the AIAG Parts Production Approval Process (PPAP) manual, or as required by Trico for part specific criterion.

TOOLING AND GAGING

Trico tooling department must approve all tooling and gaging design before building. A complete set of fully detailed and dimensioned tooling and gaging (if applicable), blue print and complete disc's per Trico Spec.#I-2, latest revision, must be provided and approved before final payment is made.

Trico will assign control numbers to all tooling and gages before building. Each tool and gage must be marked with these assigned numbers. All tool details must be marked with tool and detail numbers.

A detailed timeline (gant chart) must be provided for all tool work. This includes new tooling and modifications to existing tools. The timeline must include part number, start and finish dates, team members/ department and facilitator. Timeline must be updated bi-weekly and distributed to each team member.

Unless otherwise agreed to by Trico, the supplier, at its own expense, shall keep and maintain in “good running/operating condition,” all tools, jigs, dies, gages, fixtures, molds, patterns, machines, etc., including those owned by Trico. “Good running/operating condition” means that these items are maintained to meet Trico’s performance and quality control program requirements.

The supplier will ensure that the appropriate protection insurance is in place to cover the cost of replacement of Trico or customer owned tools, gages, fixtures, etc. and the appropriate product liability insurance is also in place and will provide Trico with certificates of insurance naming Trico as an additional named insured. It is the suppliers responsibility to provide Trico with updated certificates of insurance on an annual basis or within 10 working days of any change of said insurance coverage.

Trico and/or persons authorized by Trico shall be entitled at all reasonable times to check and inspect the tooling, component parts, and suppliers records thereof and may enter the supplier's land and building for those purposes. This shall not absolve the supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by Trico.

Any tool or process changes which affect the supplier quoted tool capacity or any changes relating to the tools purchased by Trico (i.e., reduction in tool cavities) must be communicated to Trico purchasing to obtain written authorization to proceed. Demonstrated capacity must be shown on the quoted numbers or Trico reserves the right to adjust tooling cost accordingly.

In order for the supplier to proceed with any tool changes which are cost related, Trico purchasing department must authorize in writing the cost of the tool change prior to the commencement of the change. Whether a tool change or repair is initiated by Trico or supplier, the supplier is responsible to maintain release quantities and to coordinate inventory requirements in writing with Trico production scheduling to obtain authorization prior to proceeding with the repair or change.

Gage calibration:

Suppliers are expected to comply with the requirements involved in the Control of Inspection, Measuring and Test Equipment Element of the Quality System Requirements, QS9000. Supplier owned, Trico owned or customer owned gages at the supplier will be calibrated, maintained, and repaired as necessary to ensure integrity of quality for production parts.

NON CONFORMING MATERIAL

Non conforming components, products, services, etc. shipped into Trico must be dispositioned by the supplier in a timely manner. As part of their problem resolution, the supplier is expected to initiate/identify a containment action immediately. This includes providing on-site knowledgeable personnel at the Trico's facility affected for containment actions required. Suppliers are expected to utilize problem solving techniques in 8D process format in order to achieve a long term permanent solution.

Trico reserves the right to charge back all out of pocket costs resulting from supplier non conformance. Payment for non conforming goods/services shall not constitute an acceptance, limit or impair Trico's right to charge back for any out of pocket costs including suppliers responsibility for latent defects.

It is the suppliers responsibility to assure that governmental, safety, environmental constraints and laws are complied with relative to purchased products and the manufacturing process.

NAFTA

It is the suppliers responsibility to provide a certificate of origin on an annual basis for all material supplied by the supplier which originate in the U.S., Canada or Mexico, and are qualified under the rules of the agreement. Any new material added during the year will require a certificate of origin for the remainder of the year and should be added to the annual form the following year.

GRATUITIES

Consistent with the values endorsed by the Trico Global Purchasing Organization Mission Statement and Trico's Code of Business Conduct Trico policy prohibits employees from accepting or giving gratuities or hospitality of any kind. This includes use of property or facilities, gift certificates or favors extended to Trico employees or their families. Our policy on gifts, entertainment and other gratuities emphasizes our determination to conduct business based on the superior value of the goods and services we purchase from our suppliers. It is the intent that each employee conduct Trico business with integrity. Our policy is global in scope and application and applies to all employees whether or not they are directly involved in purchasing activities.

SUPPLIER VISITS

Trico requests that suppliers direct all communications through our purchasing organization. An appointment can be made with your established purchasing contact. Prospective suppliers are encouraged to provide literature and/or reports to introduce their company and products prior to the initial contact with purchasing.

MEXICAN WORK PERMITS

Every supplier, customer or visitor, who is a non-resident of Mexico, is required to obtain a FMN (temporary work permit) or a FM3 (regular work permit) before entering Trico Componentes in Matamoros, Mexico. Visitors to the Matamoros Plant who do not have a FMN or FM3 will not be allowed access into Trico Componentes. Any supplier, customer or visitor working in Mexico without a FMN or FM3 Work Permit may be denied entry into Mexico, or, if caught could be fined, jailed, and/or deported by Mexican authorities.

The FMN can be obtained at the New Gateway Bridge at the Immigration office in Mexico (open 24 hours, 7 days/week) or from the Mexican Consulate, 7th St. and Elizabeth, Brownsville, Texas or from a Mexican Consulate in another state.

The FMN permit is valid for 30 days and you are allowed only 2 FMN permits annually. The FMN must be returned before the expiration of the 30 days. You must return it to Mexican Immigration at the bridge before you leave Mexico.

If you do not turn the FMN in before the 30 days, YOU, not Trico, are subject to a fine for up to N\$800.. You may also be barred from any future entry into Mexico. Please do not forget this important fact.

CONFIDENTIALITY AND PROPRIETARY RIGHTS

Every supplier is expected to maintain the confidentiality of all proprietary information that is received or acquired regarding Trico's business.

During the course of this relationship, the supplier and Trico may disclose to each other certain confidential information orally, in writing or through factory visits, such information may include, but is not limited to, formulas, programs, data, improvements, discoveries, developments, designs, inventions, techniques, marketing plans, strategies, forecasts, new products, unpublished financial statements, budgets, projections, licenses, prices, costs, sales, and customer and supplier lists, and all technical, scientific or business information or know-how of Trico or supplier given to the other party either orally, or in diagram, written or other recorded form, which is not already known and documented to the receiving party; known within the industry or information that becomes publicly available other than through the receiving party; rightfully received by the receiving party from a third party without similar restriction from such party, where the disclosure by such third party does not constitute a violation of an obligation by such third party to the disclosing party; or developed by or on behalf of the receiving party independent of any disclosure by the disclosing party hereunder by the receiving party's written records.

The parties shall receive and maintain the confidential Information in the strictest of confidence, and will not at any time, without the prior written consent of the other party, either directly or indirectly make any use, for the receiving party's own benefit or otherwise, of any portion of the Confidential information, including but not limited to any commercial or potentially commercial use thereof; or duplicate, disseminate, disclose or transfer any portion thereof to any other person including any employee, agent, or representative of the receiving party to whom the disclosing party did not itself disclose such Confidential Information, governmental agency, firm or business.

At any time upon the disclosing party's request, the receiving party will promptly return to the disclosing party all Confidential Information received by it in whatever form or media, and no copies or reproductions thereof, in whole or in part, shall be retained by the receiving party, its employees, agents, representatives or any other party.

SUPPLIER EVALUATION

Supplier Assessment:

An on-site audit of the suppliers Total Quality System in accordance with the Quality System Assessment to include a review of the quality system documentation will be conducted at least once every three calendar years. Third party registration to QS9000 may be accepted in place of performing this audit.

Supplier Review Meetings:

This meeting is set up to give the supplier and Trico management the opportunity to discuss current quality issues in the 8D format. The supplier will be expected to present the results of their analysis of each problem with supporting data. This will include the containment actions, root cause analysis, corrective actions, verification and validation of the actions.

Supplier Evaluation:

A key link in our endeavors towards achieving excellence is the goal for continuous improvement. Trico has a supplier evaluation and rating system which measure ongoing performance.

Areas of concern will be reported to the supplier to allow the supplier to develop process improvement plans. A history of the supplier's product performance will be maintained and communicated to the supplier, corporate purchasing, and quality management.

The following is the rating system criteria:

QUALITY 50 POINTS

formula: $\frac{5000 - \text{Actual Monthly PPM}}{5,000} \times 50$

DELIVERY RATING 30 POINTS

formula: Actual In-Ship Delivery %	Points
90	0
91	3
92	6
93	9
94	12
95	15
96	18
97	21
98	24
99	27
100	30

SERVICE RATING 20 POINTS

formula: 2 Point Rating for each category shown on the suppliers monthly service rating form

Point Scale:

- 0 - Requirements are not met at all, or there are major inconsistencies
- 1 - Requirements are met, but there are minor inconsistencies
- 2 - Requirements are met and effectively implemented

The rating evaluation is forwarded to each supplier on a monthly basis. It is the suppliers responsibility to submit 8D's for discrepancies. If 8D's are not received, the supplier will be placed on probation until evidence is shown of implementation. This will affect the placement of new business.



December 17, 2001

SUBJECT: FORD'S Q1 2002 REQUIREMENTS

Dear Supplier:

Ford's description of its revised Q1 policy for 2002 is as follows; "A set of fundamental quality and manufacturing disciplines that insures a supplier's success and drives its continual improvement."

As stated on the attached electronic document, " In a competitive industry, consistent quality and continual improvement are necessary for survival in today's dynamic marketplace, companies that don't improve get left behind."

This document is being forwarded to all Trico key suppliers for two specific reasons. The first is to make our supply base aware of Ford's requirements to achieve and maintain Q1 status. The second and most critical is to communicate to our key suppliers that Trico has Q1 status and what the importance of maintaining this status means to Trico and its suppliers and sub-contractors.

As you may or may not be aware, only Q1 facilities are considered in new product development and source selection. A supplier's Q1 standing and quality score will have greater visibility in ongoing sourcing decisions.

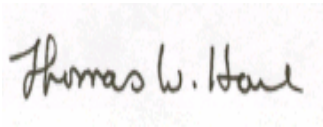
Please read the attached document and note the expectations of Trico and its sub-contractors (pgs.37-53). Your immediate attention and implementation of any required corrective action(s) to comply with these requirements is expected. We want to emphasize that future business growth is dependent on meeting these requirements by not only Trico but its suppliers as well.

Thank you in advance for your cooperation and compliance, please feel free to contact us if you have any questions, comments, or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'M.A. Kubasiak', written in a cursive style.

M.A. Kubasiak
Vice President-Global Purchasing

A handwritten signature in black ink, appearing to read 'Thomas W. Hare', written in a cursive style.

T. W. Hare
Senior Director of Global Purchasing