

Trico Supplier Manual



PURPOSE: The purpose of this Supplier Manual is to communicate TRICO's Business Management system requirements to our suppliers. These requirements and expectations apply to Suppliers that supply production goods and/or services to Trico.

SCOPE: This manual applies to all product (Internally used and or shipped direct, Includes Customer directed source), material and services to Trico Products Inc.

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- 1. INTRODUCTION:** The purpose of the Trico Supplier Manual is to communicate TRICO's Business Management system requirements to our suppliers. Trico believes in manufacturing excellence and believes the highest standards create the highest quality. This journey to excellence includes a close working relationship with our suppliers to continuously focus on the products and services provided to ensure excellence and always in search of continuous improvement. Trico's suppliers must be committed to the same vision and meeting these same goals.

1.1. Vision and Mission

Trico Products is committed to maintaining an atmosphere of high integrity, trust, teamwork, and continuous improvement throughout all levels of the company. We strive for excellence in our people, products and services. We recognize achievements, celebrate success and encourage people to reach their full potential. Management provides the structure and support necessary for the success and continued growth of our business

As a worldwide leader in the development and supply of Windshield Wiper Systems to the automotive industry, Trico Products will exceed the requirements of all our customers while providing for the return of a fair profit to our stockholders. We will maintain a strategic position in the competitive global market through the continuous improvement of our products and services.

1.2. Quality Policy

Trico Products Executive Steering Committee ensures that quality improvement is continuous, effective and is a pervasive theme throughout all business activity. The commitment and policy for quality are expressed in the KEY OBJECTIVES for quality:

- Provide best-in-class products and services
- Continuous improvement approach to all aspects of the business
- Motivate, train, and educate all employees
- Provide an environment that supports teamwork and personal growth

- 1.3. Language-** All official communication and documentation will be in English. Parallel native translation is allowed in documentation, for the purpose of communication.

2. REFERENCES

2.1. Automotive and International Standards, all standards are to be specifically referenced in the latest Authorized Version. It is Supplier responsibility to maintain to current revision.

IATF 16949	Quality Management System Requirements for Automotive
ISO 9000	QMS, Fundamentals and Vocabulary
ISO 9001	Quality Management System
ISO 14001	Environmental management system
ISO 17025	General requirements for the competence of testing and calibration laboratories

2.2. AIAG Quality Manuals

Automotive Industry Action Group site where suppliers can find published to the latest revision, information on APQP, PPAP, FMEA, MSA, and other Special Processes,

APQP	Advanced Product Quality Planning-Includes Control plan
FMEA	Failure Mode Effect Analysis
MSA	Measurement System Analysis
SPC	Statistical Process Control
PPAP	Production Part Approval

M7-4	Global MMOG, Materials Management Operational Guidelines
CQI-8	Layered Process Audit
CQI-9	Heat Treating Processes.
CQI-11	Plating Processes published by AIAG latest rev.
CQI-12	Coating Processes published by AIAG latest rev
CQI-14	Automotive Warranty Management
CQI-15	Welding Processes published by AIAG latest rev.
CQI-16	ISO/TS 16949 Guidance Manual
CQI-17	Soldering Processes published by AIAG latest rev.
CQI-19	Sub-tier Supplier Management Process guide published by AIAG latest rev.
CQI-20/21	Effective Problem Solving and Leader Guide
CQI-22	Cost of Poor Quality
CQI-23	Molding Processes published by AIAG latest rev.
CQI-27	Casting system Assessment

2.3. Automotive IATF Customer Requirements

2.3.1.	Ford
2.3.2.	FCA
2.3.3.	GM
2.3.4.	Other Requirements (BMW, Scania, etc.)

2.4. Trico Policies and Procedures are available in TSN, (Trico Supplier Network)

IEN-CI-P104S	Packaging Specification, <u>Supplier Label Compliance Requirements</u> referenced in TSN
SQE-C-P012	Supplier Monitoring and Development
SQE-C-P013	Supplier Production Part Approval
SQE-C-P014	Corrective Action Requirements
PUR-C-P012	Supplier Approval and Disapproval
PUR-C-P044	Identification of Pre-PPAP Approval Parts
F5SQ001	Trico PPAP Checklist

2.5. Definitions: Refer to AIAG, IATF 16949 including Annex A& B and ISO 9000 for sanctioned definitions

3. Trico Expectations

3.1. General Business Expectations, Customer satisfaction and customer requirement fulfillment is Trico's priority. We are striving for zero defects in purchased goods and services. We expect Zero PPM, 100% on time delivery of product, and 100% correct submission of samples FTT and on time.

The following are Trico's Expectations, reflected in TSN and SQE-C-P012

- Shared Goals
- Products/ Materials meeting specifications, 0 PPM
- On-time delivery 100%
- Competitive Cost
- Adequate Inventory
- High Quality Service
- On-time Corrective actions when required
- Flawless PPAP
- Continuous Improvement

3.1.1. Terms and Conditions- Supplier must abide by Trico's terms and conditions- see TSN for latest version

3.1.2. Statutory and Regulatory- Suppliers are responsible for all applicable statutory, regulatory requirement and quality of the products or services as provided to TRICO. This includes conformance of raw materials, products and services to specifications, special process and process characteristics as well as meeting specifications for dimensions, function, cleanliness, and packaging with the obligation to set a zero-defect goal and to continuously improve performance, See Trico expectations 3.1.

4. Suppliers Business System Requirements

4.1. The Suppliers for (I) Material & (II) Components should be registered to the latest revision(s) of IATF 16949 by an accredited 3rd party IATF certification body as per matrix in 4.1. Those suppliers not meeting this requirement must be at (minimum) ISO 9001 registered.

Trico will follow the sequence as specified in IATF 16949 to achieve IATF16949. The supplier must have a plan and timeline with Objective to meet IATF 16949. Trico must review and approve. This will require 2nd party audits, performed by Trico as spelled out in section above.

The supplier must have the ultimate goal of becoming certified to the IATF QMS standard. (refer to audit section for clarification on audit requirements)

See next section for clarification of Supplier QMS

Supplier Quality Management Systems Requirements matrix

Supplier Type	IATF 16949	ISO 9001	ISO 14001	ISO 17025	Risk Analysis	Self- Assessment
I. Material	Yes 1	minimum	Yes 2	No 3	Yes	Yes
II. Product (Components)	Yes 1	minimum	Yes 2	No 3	Yes	Yes
Special Services, (Calibration, Testing)	No	minimum	No	Yes 4 see 5	Yes 5	No 5
MRO	No	minimum	No	No	Yes	No
Transportation	1	minimum	No	No	Yes	Yes

1. Non-Automotive Suppliers- are exempt from IATF16949, see ISO 9001 note- min.
2. Preferred, must be able to show conformance if not certified
3. Must demonstrate Conformance to ISO 17025 thru QMS, can be met by IATF 16949 requirements
4. ISO 17025 or national standard
5. Customer plant directed source for sorting (CSI &II etc.) are exempt from Risk and self-assessment analysis

4.1.1. Approved Supplier List- In order to do business with Trico, Suppliers must meet the Supplier Manual as indicated and must be on the Trico Approved Supplier List per PUR-C-P012.

4.1.2. Outcomes to Supplier Approved List are: Approved, Conditionally Approved, On business Hold or De-source

4.1.2.1. Approved - Fully meets all requirements

4.1.2.2. Conditionally approved - meets requirements with action plan

4.1.2.3. On Business Hold - Has failed to meet requirements consistently and or violated trust

4.1.3. De-source- Removed from Supplier approved list

4.2. Sub-supplier's Quality Management System

The SUPPLIER shall pass down Trico requirements and agrees to require their sub-suppliers to maintain a quality management system based on the International Standards ISO 9001 with the obligation for sub-suppliers to also set a zero-defect goal and to continuously improve their performance. (reference CQI-19).

TRICO may request documented evidence from the SUPPLIER showing the effectiveness of the quality management system utilized by their sub-suppliers.

4.3. Audit -Trico reserves the right to visit and audit Suppliers and sub-suppliers. Suppliers will be audited for the following reasons.

4.3.1. Supplier Quality Management System Development, as stated on 4.0, Supplier that are not 3rd party registered to IATF will require to be audited by Trico as 2nd party.

- 4.3.2.** These audits will require a cost to the supplier.
- 4.3.2.1. The level of audit will be dependent on the status of the supplier to meet ISO 9001 and IATF 16949
 - 4.3.2.2. ISO 9001:2015: Minimum
 - 4.3.2.3. ISO 9001:2015 w/MAQMSR 2nd party (Trico)
 - 4.3.2.4. IATF 16949 compliant thru 2nd party (Trico)
 - 4.3.2.5. Corrective Actions plans from the 2nd party audits will be required to be closed within 90 days.
- 4.3.3.** In the event performance issues, should arise, the SUPPLIER shall enable TRICO to conduct an audit at their facility or sub-suppliers.
- 4.3.3.1. Performance issues affecting TSN
 - 4.3.3.2. 2nd party Findings
 - 4.3.3.3. 3rd party audit status, (including IATF with poor external audits)
 - 4.3.3.4. Other risk analysis factors through Supplier monitoring

The SUPPLIER shall authorize TRICO to determine through audits whether their business management system meet the requirements of TRICO. Self-Audits will be required from Suppliers when they fail to meet or maintain minimum rating consistently.

After advance notification, an audit can be conducted as a system, process or product audit. The SUPPLIER shall support all 2nd party audits, including short-term audit date requests.

The SUPPLIER shall grant TRICO and its customers, to the extent necessary – access to all plant areas, test departments, warehouses and adjoining areas, as well as access to quality-relevant documents. Reasonable restrictions imposed by the SUPPLIER to safeguard business confidentiality/secrets will be accepted.

TRICO shall communicate the result of this audit to the SUPPLIER. If TRICO considers corrective actions to be needed, then the SUPPLIER agrees to immediately prepare a corrective action plan and implement it on schedule. The SUPPLIER shall notify TRICO of all progress made.

4.4. Quality and Delivery Targets

The SUPPLIER is committed in the same way as TRICO towards its customers to the zero-defect and 100% OTD goal in business with TRICO. If the goal is not attainable in the short term, TRICO, together with the SUPPLIER, shall set temporary upper limits for defect rates as an interim goal. The SUPPLIER shall propose and agree with TRICO on improvement actions. If the defect rate is below the upper limit, this does not release the SUPPLIER from his responsibility to process all complaints and to proceed with continuous improvement activities. The SUPPLIER's liability for defects or compensation claims due to defective deliveries is not affected by any temporary agreements that are put in place.

4.5. Notification, Information and Documentation

- 4.5.1.** If it becomes evident that agreements reached such as quality characteristics, schedules or delivered quantities cannot be met, the SUPPLIER shall notify TRICO immediately. The SUPPLIER shall also notify TRICO immediately of any deviations detected after delivery. To support a rapid solution, the SUPPLIER shall disclose all necessary data and facts.

4.5.2. The SUPPLIER agrees to seek approval (Reference SREA in TSN and section 6.2) from TRICO **prior to**;

- 4.5.2.1. changing the production methods, sequence and materials (also at sub-suppliers)
- 4.5.2.2. changing of sub-suppliers
- 4.5.2.3. changing test methods/equipment
- 4.5.2.4. relocating production sites
- 4.5.2.5. relocating production equipment at the same site and any other change as listed on AIAG Manual or specified in Customer requirements.
- 4.5.2.6. All changes made to the product and in the process chain shall be documented by the SUPPLIER in a product history file and shall be available to TRICO upon request to TSN.

4.5.3. The SUPPLIER agrees to furnish the quality documentation agreed upon.

4.5.4. The Supplier shall request approval through TSN Trico Supplier Network (SREA)

4.5.5. The first three deliveries to each TRICO site after SOP and after changes listed above must be identified in the delivery papers/package slips. Reference packaging specification detail (IEN-CI-P104) and supplier labeling compliance located in TSN site.

4.5.6. The SUPPLIER must have procedures for control of documents and data, and shall implement them effectively. This includes documents of external origin, such as standards and customer drawings, to the extent needed.

4.5.7. Documents must be retained for at least 7 years. Documents with special archiving must be retained for at least 15 years.

4.5.8. Records of incoming inspection (concerning purchased parts and other raw materials from sub suppliers), reliability and endurance testing, end of line testing and defect analysis, if applicable, must be retained by the SUPPLIER at least 24 months. The SUPPLIER shall grant TRICO the right to inspect records upon request. In individual cases, TRICO may require a longer retention period.

5. Management

5.1. Commitment- The Supplier Management shall ensure that Trico's' requirements are reviewed and complied with the aim of enhancing customer satisfaction. Supplier process shall include the monitoring of trends within the processes, product and quality system to assure their effectiveness and efficiency in their management review.

5.2. Management Approval - Supplier management commitment shall include the following:

- 5.2.1.** Review, understand and ensure compliance to this manual as a part of doing business with Trico.
- 5.2.2.** Adhere to all requirements including all Purchase Order and Terms and Conditions.
- 5.2.3.** Confirm agreement to conduct business ethically as outlined in Trico's Supplier Code of Conduct. See appendix
- 5.2.4.** Ensure that all these requirements (Trico Supplier manual) are adequately communicated to the Sub-Tier suppliers

Planning

5.2.5. Risk Analysis- The supplier shall have documented process to address risks that impact the supplier and in planning for the Business management system and shall consider those risk to assure it meets Customer expectations.

5.2.6. Preventive actions- The supplier shall have a documented process to implement actions that can potentially impact from meeting customer expectations

5.2.7. Contingency Plans- Suppliers shall create functional Contingency Plans to address the following types of issues and risks: A risk analysis will be documented. These plans should be verified,

Types of contingency plans shall include the following;

5.2.7.1. Fire and or other emergencies, including utilities

5.2.7.2. Labor shortages and other human resource

5.2.7.3. Terrorist actions

5.2.7.4. Key process and equipment resources

5.2.7.5. Sub-supplier financial or other disruptions

5.2.8. Disaster Recovery Plans should include the following

5.2.8.1. IT disaster recovery

5.2.8.2. Natural Disaster

Note: Trico Suppliers are expected to develop, test and maintain contingency and recovery plans that contain Team roles and responsibilities, communication and steps to take to restart production in as short amount of time as possible.

5.3. APQP Development, Planning and Release

If the order placed with the SUPPLIER includes development tasks, the requirements shall be set forth in writing by the signing parties to the Agreement, e.g. in the form of specifications. The SUPPLIER agrees to conduct project management starting with the planning phase of products, processes and other cross functional tasks in the form of quality management plans, and to grant TRICO the right of inspection upon request.

Suppliers are required to generate an Advanced Product Quality Plan in accordance with the AIAG APQP reference manual for review by the relevant CM/PA. The timeline must meet PPAP timing requirements.

This plan shall include, but is not limited to:

- a) Notification of risks that affect product integrity or the project plan.
- b) Implementation of error-proofing (poke-yoke) to achieve Zero Defects to Trico.
- c) Identification of changes needed to product or process specifications.

During contract review, the SUPPLIER shall examine all technical documentation, such as specifications, drawings, parts lists, CAD data, for feasibility upon receipt; the SUPPLIER shall notify TRICO promptly of any defects and risks as well as improvement possibilities identified.

During the development phase the SUPPLIER shall apply suitable preventive methods of quality planning, such as a manufacturing feasibility analysis, reliability studies, FMEA, etc. The SUPPLIER shall take into account experience (process flows, process data, capability studies, etc.) from similar projects.

5.4. PPAP- Prior to starting mass production, the SUPPLIER shall submit initial samples of the product built under mass production conditions in agreed quantities and on schedule. Mass production may not be started until it is released by TRICO.

5.4.1. All production part/material sample submissions shall be in accordance with the AIAG PPAP manual requirements as stipulated by the Trico Supplier Quality Engineer in TSN and PPAP checklist, supplied electronically through TSN, Level 3 is the default submission level unless otherwise agreed upon with the relevant receiving site Supplier Quality department.

5.4.1.1. Supplier PPAP packages, in addition, shall include all (internal and sub-supplier) PSWs at a minimum and may require additional PPAP documentation as per the receiving site Supplier Quality department.

5.4.1.2. PPAPs shall be submitted to Trico Supplier Quality department through TSN and any associated PPAP sample parts shall be clearly labeled as such. Reference identification of pre-PPAP parts in procedure PUR-C-P044.

5.4.1.3. Full approved PPAP is required prior to shipping parts/material to Trico Products for production. Any production shipments received by Trico prior to obtaining PPAP approval will be rejected and require certification. Any exceptions must be documented and approved on a Trico SREA.

5.4.2. Special Characteristics

5.4.2.1. Characteristics with special archiving requirements shall be determined by TRICO and communicated with Supplier, refer to PPAP checklist.

5.4.2.2. Special Characteristics are any product or process characteristics that affect safety or compliance with regulations, fit, function, performance or subsequent processing of product.

5.4.2.3. Special Characteristics shall be identified and specifically addressed in the DFMEA, PFMEA, Control Plans, Process Flows, Work Instructions and other associated documents. Trico designated Special Characteristics are identified on drawings/specifications or in a separate document (through TSN) that cross-references these characteristics to the drawings/specifications.

5.4.2.4. Suppliers are responsible to fully understand the usage of their product and also identify Special Characteristics, as appropriate. This includes "black box" suppliers. Suppliers are also responsible for ensuring that relevant Special Characteristics are explained, understood and controlled by their sub-suppliers.

5.4.2.5. For all characteristics, the SUPPLIER shall perform process planning (work plans, test plans, operating supplies, tooling, machinery, etc.). For function and process critical characteristics the SUPPLIER shall review the suitability of the manufacturing facilities according to statistical criteria and shall document the results. Product quality is monitored with periodic audits. Customer specific requirements determined by Trico shall be identified on the control plan.

5.4.2.6. These may include but not limited to, annual layouts, pass thru characteristics, CQI Special process audits as applicable, for example, (CQI9 heat treat requirements, CQI-11 Plating, etc.), IMDS and REACH compliance

requirements and all other statutory and regulatory requirements. IMDS and REACH compliance shall also be documented on PPAP warrant as specified.

5.5. Prototypes and Preproduction parts

The SUPPLIER shall coordinate and document the manufacturing and test conditions with TRICO for prototypes and pre-production parts. The goal is to build prototypes and pre-production parts under conditions similar to mass production.

5.5.1. All deliveries of prototype and or first off tool components, the supplier must provide an inspection report detailing: – Five parts per batch: full 100% control on all characteristics (must be separately identified). – The remaining parts: inspection of all key characteristics defined on the drawing, specification or as detailed

6. Mass Production

6.1. Mass Production must be representative of the PPAP process including all equipment dies and process and flow

6.1.1. Disruptions, In the case of process disruptions and quality deviations, the SUPPLIER shall notify Trico and analyze the causes, shall initiate improvement measures and review their effectiveness. (note: see 7.1) If, in exceptional cases, the SUPPLIER is unable to supply products conforming to the specification, he must obtain a concession from TRICO prior to delivery through an SREA thru TSN.

6.1.2. The SUPPLIER agrees to implement comments and ideas from TRICO to improve product quality by modifying production and quality assurance activities, to the extent possible.

6.2. Unauthorized changes to Approved Product and Processes

6.2.1.1. Suppliers and sub-suppliers are not to make any unauthorized changes to a product (e.g., material, component, subassembly, etc.) or the process used to produce a product that has been previously PPAP and approved by Trico.

6.2.1.2. Trico notification and submission requirements are clearly outlined in Section I.3 of the AIAG PPAP manual. Trico Quality representative shall be notified of intentions to change a product or process prior to making any changes. The supplier must submit a Supplier Request for Engineering Approval for all product or process change. Supplier must have received written authorization to proceed with the change from Trico's Quality department prior to change implementation.

6.2.1.3. Any such change made without prior written approval by Trico would not only constitute a breach of our purchase order terms and conditions, but would also be a serious breach of standard automotive practice. Suppliers who do not adhere to this requirement will be held responsible for all damages, losses and liabilities attributable to any unapproved change made by you or one of your suppliers (e.g., customer rejections, customer line stoppage penalty fees, field failures costs, warranty expense). In addition, the supplier may be placed on New Business Hold until the systemic issue is addressed.

6.2.2. Annual Re-qualification

Unless waived in writing by Trico, the supplier shall inspect and test annually a sample of each active product supplied to assure conformance to all Trico's specified requirements (e.g. dimensional, material and performance). These inspection requirements shall be included in the supplier's production control plan. Material testing shall be carried out by a qualified laboratory. Annual validation documentation shall be on file at the supplier and available to Trico upon request. If a nonconformance is found during the annual validation, the supplier

must notify the Trico using plant quality department immediately so that appropriate action can be determined and implemented.

- 6.2.2.1. Whenever Trico is required to submit PPAP to their customer, suppliers with PPAP documentation over one year old may be required to re-PPAP as directed by the Trico Supplier Quality department.

6.3. Mass Production, Product Identification, Traceability and Tooling/Gauging

6.3.1. Product ID, The SUPPLIER agrees to identify the products, parts and the packaging in accordance with agreements reached with TRICO. He must ensure that identification of the packaged products will also remain legible during shipping and storage. Reference supplier labeling compliance and packaging requirements, (IEN-CI-P104) in reference section- TSN

6.3.2. Traceability, the SUPPLIER agrees to ensure the traceability of the products supplied by them. Measures must be instituted to ensure that if a defect is detected, the defective parts/products/batches, etc., are traceable and contained.

6.3.3. Customer Tooling/equipment

If TRICO makes production and test equipment available to the SUPPLIER, especially equipment and fixtures related to deliveries then they must be labeled as TRICO property. The SUPPLIER is responsible for protecting this property from damage and ensuring proper function, maintenance and repair. Tooling (dies, patterns, molds, special tooling) and gauging shall be permanently marked with a unique serial number and company name so that the ownership of each item can be easily identified. Returnable containers shall be permanently marked with the company name of ownership. Marking must meet customer requirements unless waived in writing by TRICO. Customer tooling requirements are found in TSN.

The supplier shall establish preventive/predictive maintenance procedures on all tooling. Evidence of procedure execution shall be made available upon request. Preventive/predictive maintenance schedules and tool history records shall be documented and available for review.

Information imparted to the supplier, including but not limited to descriptions, drawings and technical documents in all forms of media, and any intellectual property rights therein, handed over to the supplier by Trico are and shall remain the property of Trico. The information must not be used, copied or reproduced by the supplier for any purpose outside of the tool order. The tool order does not create any right or license either expressed or implied for the Supplier to use the information for any purpose outside of the tool order. The information must not be handed over to or brought to the attention of any third party unless Trico has given its prior written approval.

No tooling shall be sold or consigned to another entity without proper notification and written consent from Trico. In such cases, or in case of tooling relocation to an alternate location or facility, it is the supplier's responsibility to contact Trico regarding potential re-PPAP requirements prior to moving the tool.

In the case of loss or damage of Customer owned property, Trico shall be notified immediately of such damage., (Immediately 1 business day)

7. Delivery, Incoming Inspection

7.1. Delivery

Routing instructions will be provided by TRICO for all suppliers who ship under TRICO paid freight terms. All shipments shall be made by normal mode at the prescribed ship window time unless otherwise specified by TRICO.

The SUPPLIER will pay supplier caused premium transportation. Suppliers will use authorized carriers for all modes of transportation. Excess transportation costs incurred, as a result of using incorrect carriers, will be debited from the supplier's account.

Premium freight to be paid by TRICO shall have an assigned Authorization for Excess Transportation Cost (AETC) issued by the receiving location and appearing on the bill of lading.

The SUPPLIER shall deliver products in suitable shipping containers – approved by TRICO if this was agreed – in order to prevent damage and quality impairments, e.g. contamination, corrosion, chemical reactions.

7.2. Incoming Inspection

TRICO shall exercise its right to incoming inspection which may include and not limited to externally apparent shipping damage and confirmation of the quantity and part number of the ordered products, at least according to the shipping paperwork. Discrepancies are reported without delay. Incoming inspection may also include characteristics found in the specification.

The SUPPLIER must adapt his Business management system and his quality assurance activities to this incoming inspection.

The SUPPLIER must certify all shipments of product meet specifications to customer print specifications. All Special characteristics must be monitored thru SPC and data provided to Trico to assure it meets capability.

Non-certified product sent to Trico will require certification by approved sort vendor. All sort activity will require a minimum charge of QCR and sorting per hour, (see 8.1.2). Rejects will impact PPM metric. In the event that supplier finds non-conforming product has left their facility Trico should be alerted. Proactive sorts will not impact PPM however all costs must be incurred by supplier.

In the event an alert is raised at IQC due to a customer complaint, QCR etc. Product not certified for this specific alert will also be forwarded to Approved sort vendor for certification. Refer to section 5.4 Note: All QCR, PPAP & PTR parts must include the inspection reports with shipments attention IQC.

7.2.1. Complaints, Corrective Actions

The delivered products are inspected by TRICO in the normal course of business, and the SUPPLIER shall be notified promptly via a Quality Communication Report (QCR) of any defects detected in the process. Each QCR will automatically incur a debit cost of \$75.00 dollars. This debit charge can only be waived by SQE.

The SUPPLIER then analyzes the defects without delay, with support from TRICO to the extent necessary and possible.

Agreed quantities of the defective parts/material shall be returned to the SUPPLIER. Supplier agrees to analyze each defect and to notify TRICO promptly of the cause of the deviation, initiated

corrective and preventive measures, as well as their effectiveness.

An automatic processing of a debit to the SUPPLIER account will be issued for QCR's with a total value of less than \$75.

If the supply of components/materials not conforming to specifications should threaten to cause a production interruption at TRICO or its customers, the SUPPLIER, in consultation with TRICO, must seek a remedy through suitable immediate actions for which the SUPPLIER is responsible (substitute deliveries, sorting, rework, special shifts, rush shipment, etc.).

If appropriate, TRICO may formally place a SUPPLIER on Controlled Shipping. The intent of the Controlled Shipping is to implement a rigorous process that protects TRICO from the receipt of non-conforming parts and/or material. Controlled Shipping is a formal demand by TRICO for a SUPPLIER to put in place an additional inspection process to sort for nonconforming material while implementing root cause analysis and corrective actions. The Controlled Shipping process is in addition to normal controls. The data obtained from the Controlled Shipping inspection process is critical as both a measure of the effectiveness of the containment process and the corrective actions taken to eliminate the initial nonconformance.

8. Escalation Process

An escalation process will be used in the event that Trico communications (QCRs) are not responded to by Supplier. This 3-Step escalation process starts with Step 1 and escalates to Step 3. It is in the interest of all parties to come to agreement prior to escalation process.

The 3-Step escalation process will start if Normal 8D process in TSN is not met by Supplier.

Normal 8D Process. The supplier is required to submit a formal 8D through TSN when the 8D is requested. At a minimum, this corrective action shall identify the problem, the immediate containment that have been implemented to assure nonconforming product is not shipped to Trico, and the potential root cause(s) of the problem.

For non-conformances related to Customer Concerns or which cause a major disruption (e.g., stop shipment, line shutdown, yard holds), an action plan is required immediately after notification. In no instance, should the action plan be delayed more than 24 hours.

A completed (8D) shall be submitted no later than fifteen (15) calendar days after receipt of the nonconformance report, unless otherwise specified by Trico.

Costs and charges incurred by Trico associated with shipping, handling, processing, reworking, inspecting, engineering verification and replacing supplier responsible defective material including the costs of value-added operations prior to its discovery are the responsibility of the supplier.

Escalation Step-1 - Working Meeting In the event the Supplier does not address the Supplier Issue as outlined in normal process, a working meeting will be mandatory. A working meeting is a Trico plant led activity to address specific supplier performance issues not resolved in a timely fashion at Step 1. Working meetings focus on the development of an action plan to prevent or eliminate the root cause of the issue. The supplier is expected to submit periodic updates until the issue is resolved.

Supplier Quality Performance Meeting

An IQ meeting is a Trico plant led activity to address supplier performance issues not resolved in a timely fashion at Step 2. The purpose of the IQ Meeting is to identify, and mutually agree to, all actions required for the permanent resolution of the systemic and particular issues that led to the Supplier's unsatisfactory performance. The supplier shall come prepared to address the following:

- Summary of QCR events relating to the Supplier's performance concerns.
- Completed Problem Solving Report (8D) including containment actions, root cause analysis, corrective action and verification data and status.
- Preventive action plans and status to address systemic root cause(s)
- Strategic improvement plans

At the SQP meeting, Trico and the Supplier must agree on the Exit Criteria. In addition, action plans that exceed 90 days duration may require supplier justification and may warrant interim IQ meeting reviews. The supplier is expected to submit periodic updates until the issue is resolved.

Escalation Step 3 – New Business Hold

Suppliers who do not show improvement within 3 months of Supplier Quality meeting, Step 2 are automatically placed on New Business Hold. Suppliers in New Business hold will require an Action plan to be eliminated from this status. In addition, Suppliers who are placed on New Business Hold must remain in tolerance for six consecutive months (From date of action plan received) in order to be removed from New Business Hold.

Trico will perform audits to verify corrective actions at its discretion. Trico may request an extra audit from the supplier's registrar in cases of on-going performance issues. The cost of the audit will be the responsibility of the supplier.

9. Supplier Monitoring

TRICO will track supplier quality and delivery performance with the goal of achieving zero defects and 100% on time delivery. The Supplier Cost Improvement Proposal (SCIP) module consists of plus10 points in the overall rating and is designed to incentivize suppliers to reach the preferred (green) level.

The data is calculated into an overall score for the supplier, for which 100 is a perfect score.

90-100 points = Green Supplier = Preferred

70-89 points = Yellow Supplier = Acceptable

Less than 69 points = Red Supplier = Developmental

Note: In the event that supplier rates red consecutively, Escalation step 3 process may be required.

TRICO expects all suppliers to achieve and maintain a yellow rating status on their scorecards at minimum. In the event the scorecard is yellow consistently, the SUPPLIER is required to establish aggressive plans to drive improvement.

10. Health and Safety

10.1. Ethical Standards

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.

10.2. Environmental Protection and Work Conditions

10.2.1. Environmental Management -The SUPPLIER commits himself to comply with all legal regulations regarding the environment, health and occupational safety, and to strive to avoid all negative effects on humans and environment by an adequate organization and realization of environmental protection in the company. For this, the implementation and further development of an Environmental Management System (EMS) according to ISO 14001 is preferred.

TRICO reserves the right to assess the level of implementation in the course of audits.

Trico is committed to ensuring that the people making our products and components or providing us with services are treated with dignity and respect. We believe that workers are more likely to be effective and productive when they are afforded decent working conditions. As such, Trico expects raw material suppliers to perform a verifiable site-level environmental and social sustainability assessment, subject to corrective action and make the results of such assessment available for review by Trico's Customer or Trico. Our alignment with suppliers on these principles is essential.

Trico views compliance with local laws as an unquestionable element of corporate responsibility and expects that suppliers be in compliance with ethics laws and regulations. In addition, we require suppliers to comply with certain minimum protections for all employees that may, in some instances, exceed standards set by local law. These protections are as follows:

- **Child Labor:** The supplier will not employ any person below the age of 15, unless this is part of a government-authorized job training or apprenticeship program that would be clearly beneficial to the persons participating.
- **Forced Labor:** The supplier will not use forced labor, regardless of its form.
- **Physically Abusive Disciplinary Practices:** The supplier will not tolerate physically abusive disciplinary practices.

10.3. Conflict Minerals

It is Trico policy to make reasonable efforts: a) to know, and to require each Trico supplier to disclose to the Company, the sources of Conflict Minerals use in its products; and b) to eliminate procurement, as soon as commercially practicable, of products containing Conflict Minerals obtained from sources that fund or support inhumane treatment in the Covered Countries (Democratic Republic of Congo (DRC) or an adjoining country). The term "conflict minerals" is defined as columbite-tantalite (coltan), cassiterite, gold, wolframite, tantalum, tin, tungsten and any other mineral or its derivatives determined by U.S. Secretary of State to be financing conflict in the DRC or an adjoin country.

Trico Suppliers are required to assist the Company to comply with the disclosure requirements of Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, and the rules of the U.S. Securities and Exchange Commission promulgated pursuant to that law, as well as any related laws and rules. The rules require manufacturers who file certain reports with the U.S. Securities and Exchange Commission to disclose whether the products they manufacture or contract to manufacture contain "conflict minerals necessary to the functionality or production" of those products, that directly or indirectly finance or benefit armed groups in the DRC or an adjoin country.

10.3.1. Supplier Base:

Trico will expect and require all of raw material suppliers to perform a verifiable site-level environmental and social sustainability assessment, subject to corrective action, and make the results of such assessments available for your review and / or Trico's review.

*Note: An assessment should include an on-site audit of environmental or social sustainability performance by a second or third party, or a systematic risk assessment against a standard or set of principles to determine risk based on conditions, controls, or other mitigating factors. Examples of standard or set of principles include those developed by the international Council on Mining and Metals(ICMM) and the initiative for Responsible Mining Assurance(IRMA).

10.3.2 Raw Material Supplier Base:

Trico expects you disclose / provide a list of all priority chemicals* present in the ingredient and raw materials supplied to Trico at a level greater than 100 ppm, whether intentionally added or not.

Note: a priority chemical is one that meets the criteria for classification as a carcinogen, mutagen, reproductive toxicant, or is persistent, bioaccumulative, and toxic; or any chemical for which there is "Scientific evidence of probable serious effects to human health or the environment which give rise to an equivalent level of concern (Reach Title VII, Chapter 1, Article 57). Priority Chemical are identified on a case-by-case basis. Relevant criteria in the US EPA Safer Choice Program and Globally Harmonized System of Classification and Labeling of Chemicals may be used to identify scientific evidence of probable serious effects to human health and the environment from multiple agents or stressors.

11. Supplier Visits to Trico, Trico requests that suppliers direct all communications through our purchasing organization. An appointment can be made with your established purchasing contact. If the manufacturing operations will be visited, Plant management approval is required. Prospective suppliers are encouraged to provide literature and/or reports to introduce their company and products prior to the initial contact with purchasing. Visitors to Mexico must comply with Mexico Immigration, see below.

Note: Suppliers are not allowed to engage in any Labor activities without approval of Trico

11.1. 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 Components 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 FMN or FM3 permit may be denied entry into Mexico, or, if caught could be fined, jailed, and/or deported by Mexican authorities.

12. Final Terms

Modifications and additions to this Agreement must be made in writing and approved by Resource Team.

If terms of this Agreement should be entirely or partially invalid, then the applicability of the remaining terms is not affected; in this case, the partners will agree on applicable terms that as closely as possible fulfill the commercial intent of the invalid terms. This also applies accordingly to possible omissions.

Appendix

Terms and Conditions Reference TSN website for latest version

Definitions refer to ISO 9000 and applicable IATF and Customer manuals

REVISION HISTORY:

<u>REVISION</u>	<u>CHANGE DESCRIPTION</u>	<u>DATE</u>
A	Initial Release	October 9, 2009
B	Update certification number in Section 1. Add section 8, 9, 10	March 01, 2010
C	Wording added in section 5.2.3	November 16, 2010
D	Wording added in section 5.5	June 21, 2013
E	Wording added in Scope, and Reference and attachments, Section 8 added to procedure	January 07, 2014
F	Wording removed in section 1	February 12, 2014
G	Deletion of wording in section 5.4.1, Wording added to section 5.5.	February 09, 2016
H	Titles revised, Addition in References and Attachments, wording added in section 5.2.3, removal of wording in section 1 <i>Rewrite to Comply to IATF16949</i>	<i>August 17, 2017</i>

DISTRIBUTION:

Document Control, PQM

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APPROVERS:

Vice President Trico Global Operations
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Materials Manager
Managing Director LATAM
Director of Texas
Director of Quality