

Supplier Requirements Manual

NISCO

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NISHIKAWA COOPER LLC

Joint Venture between Nishikawa Rubber and Cooper Standard



Updated: September 12, 2022

Introduction

As part of the automotive industry, Nisco is positioning itself to proactively become the lowest cost producer of automotive sealing systems. As a result, Nisco has defined its supplier expectations and requirements. Quality system development, OEM customer cost reductions, and market globalization is putting tremendous pressure on our business to identify new ways to continuously improve our high-quality products and production systems.

Nisco's philosophy, as it pertains to suppliers, is outlined in this manual and is intended to embrace the spirit of continuous improvement. Our goal is to create an environment where mutual understanding, co-operation and trust will result in prosperity for our supplier, Nisco and our customers.

This manual defines the basic supplier and sub-suppliers' requirements. Supplemental requirements may be provided based on customer specific circumstances. This manual compliments and supports but is not intended to replace any existing quality system requirements. Please read the contents of the document carefully and contact Corporate Purchasing Buyer if you have any questions or if you note any discrepancies.

As the requirements are updated, we urge you to destroy any old copies or files at all of your company locations. The destroying and replacing of the old documents with new documents will be imperative as updates occur. We will be compiling business changes for the manual as they occur and will update the manual annually. Any forms referenced within the manual are subject to change at any time and are meant as examples only. (Contact your Corporate Purchasing Buyer for the latest form.)

Nisco suppliers play a critical role in assisting us to respond to industry changes and ensure the viability of Nisco and our suppliers. Clear concise expectations should make our relationship more productive. Acceptance of our purchase order constitutes acceptance of the requirements in this manual. Any deviations from these requirements require written approval by Nisco Purchasing.

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DEFINITIONS:

Direct raw material Vendor: A supplier that provides direct raw material or Components to Nishikawa Cooper, LLC (Components, raw material, etc)

Distribution Vendor: A supplier that does not manufacture, but distributes (ships) raw material or component parts to Nishikawa Cooper, LLC or its customers (Distribution of Chemicals, Components, Raw Material)

OUTSOURCE VENDOR: A supplier that completes an outsourced process to complete the manufacturing or shipment for Nishikawa Cooper, LLC (Recycle/Regrind, Manufacturing process/Assembly, Transportation)

SERVICE VENDOR: A supplier that provides an automotive related service to Nishikawa Cooper, LLC that impacts the design or manufacturing of a Nishikawa Cooper, LLC Product (Equipment/Tooling maintenance or maker and gage maintenance/Calibration or makers)

General Information

Mission

Our mission is to constantly strive to develop and produce products yielding the highest value for our Customers. Innovation, creativity, and teamwork are the hallmarks for the growth of our company. Delivering the best service for our customers, our associates, and our stockholders is a way of life at Nishikawa Cooper LLC.

Confidentiality

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

We expect our relationship to be based on mutual trust, with reciprocal respect for any confidential material exchanged between us. A signed copy of our confidentiality agreement must be on file with the Nisco Corporate Purchasing Department.

Corporate Social Responsibility

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Our approach to conducting business seeks to uphold the following principles and responsibilities of good corporate citizenship:

- **Respect for the individual**
We value and respect the unique contributions of each associate and business partner.
- **Human Rights**
We will conduct business in an ethical manner and will not engage in activities that compromise fundamental human rights.
- **Working conditions**
We are committed to ensure that all individuals providing us services will have a responsible working environment.
- **Business Ethics and Compliance**
We are responsible to conduct business in an open, honest, and ethical manner, and to follow our code of conduct.
- **Environmental Stewardship**
We are responsible to contribute to the preservation of the global environment in all phases of our business.
- **Diversity and Inclusion**
We embrace diversity across all levels of our business, and among associates, suppliers, and communities where we do business.
- **Community Involvement**
We seek to create value for society and bring joy to people's lives.
- **Commitment to Principles**
We wish to communicate our commitment to these principles, and we expect our business partners to embrace and uphold these principles to the best of their ability.

Code of Ethics and Business Conduct

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Nisco values our business relationships and wants to maintain the highest business standards. Gifts are not expected or necessary to maintain a long-term relationship.

Nisco employees and family members may accept gifts that follow these guidelines:

- Gifts are of nominal value from any organization, individual, supplier, or potential supplier.
- Attendance at business-connected social functions by Nisco employees and family members is sometimes considered acceptable, if acceptable business principles are not compromised.
- Nisco Compliance team should be consulted to ensure the gift or social function is acceptable.

Our position on gifts and gratuities is meant to promote strong teamwork between Nisco and our suppliers. We ask your cooperation in communicating this information to the proper team members within your organization.

Purchasing Directed Social Initiatives

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

• Conflict-Free Mineral Sourcing

Conflict minerals are tin, tungsten, tantalum, and gold (3TG) mined in the DRC and surrounding countries where the proceeds are used to finance armed militias committing atrocities in these countries.

Nisco commits to conducting a "reasonable country of origin inquiry" with all our suppliers of 3TG containing raw materials. Nisco will not source 3TG containing raw materials from any supplier that is not able to provide us satisfactory confirmation that they themselves have conducted a "reasonable country of origin inquiry" to determine that their 3TG metals are not originally sourced from the Democratic Republic of Congo or adjoining countries.

Nisco is not subject to the SEC conflict mineral reporting rule but will annually submit a conflict mineral report to its customers and request the same report from our suppliers.

• Environmental Preferable Purchasing

Nisco recognizes the positive environmental impact it can make through its purchasing decisions. Nisco intends to integrate environmental considerations into every aspect of acquisition. Although the environment may not be the core of our professional mission, this integration will result in economic, health, and environmental gains that will further our goals.

Nisco is committed to the following:

- Acquisition of environmentally preferable products and services.
- Identifying and implementing the best ways to acquire environmentally preferable products.
- Requiring full disclosure to EH&S before products are approved.
- **Minority-Owned Business**

We continue to afford qualified and certified minority business enterprises the opportunity to compete and participate in the procurement process. We invite suppliers to participate in promoting this commitment. We believe the spirit of teamwork shared among our diverse cultures contributes greatly to our success.

Criteria – A business enterprise that is at least 51% owned, controlled and operated on a day-to-day basis by

one or more minority individuals who are U.S. Citizen(s)
the term “minority” includes:

- **African Americans**
- **Asian / Pacific Americans**
- **Hispanic Americans**
- **Native American Indians**

Proof of a firm’s minority owned status is required.
Suppliers obtain certification through the National or
Regional Minority Supplier Development Council.

Risk Based Thinking

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

Suppliers are expected to use Risk Based Thinking during the planning of all phases of manufacturing or outsourced process development and analysis to improve customer satisfaction. Risks and Opportunities need to be evaluated

Lean Manufacturing

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

Suppliers are encouraged to develop lean manufacturing systems to reduce waste and support the cost initiatives of the automotive industry.

We expect our suppliers to continuously review their products and processes in an effort to reduce their cost to meet annual cost down targets. We in turn will seek to establish a long-term relationship with you in a joint effort to remain competitive in the global economy.

Property Belonging to Customer or External Provider

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

Property belonging to Nisco or External Providers will be labeled, will exercise care and notify the source if damage or loss occurs. (A customer's or external provider's property can include materials, containers, components, tools and equipment, premises, intellectual property and personal data.)

Quality Assurance

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

We expect our suppliers to promote a philosophy of continuous improvement and to develop, monitor and assess, on an on-going basis, the following:

- Quality assurance systems capable of ensuring 100% conformance to Nisco's quality standards.
- Participation in simultaneous engineering programs.
- Use of analytical techniques such as design of experiments, and failure mode and effect analysis or other techniques as required.

Nisco will remain loyal to suppliers who are committed to working with us to find solutions to our customers’ needs and who will meet our quality, cost and total service objectives.

Competency

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

Nisco expects that all Supplier personnel are trained effectively and competent (able to demonstrate required knowledge). Suppliers will have a competent IMDS coordinator for supplied material and component parts.

Contingency

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

The supplier will define risk/impact to customers by preparing Contingency plans for continuing supply in the event of:

- Key Equipment Failures
- External provided products/processes/service interruption
- Recurring natural disasters
- Fire and Infrastructure disruptions
- Utility Interruptions
- Labor Shortages
- Cyberattacks

Supplier Communication

(Direct raw material, Distribution, OUTSOURCE,
SERVICE Vendors)

We ask for key company information during the approval process of potential suppliers. This information is a vital part of the decision-making process to approve a supplier. It is the Supplier's responsibility to keep Nisco apprised of any changes to that initial information.

Annually, we will send a reminder to all suppliers to update their Key Contact Information and submit a copy of any third-party quality system certification (if status has changed).

Corporate Purchasing needs to be included in communications with other Nisco departments. Purchasing is responsible for assisting all Nisco facilities as well as the Supplier in compliance with our Corporate Standards.

We prefer to work with written communications whenever possible to avoid miscommunication. Letters, faxes, or emails are acceptable forms of written communication.

Corporate and Plant Listings

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Manufacturing

501 High Road
Bremen Indiana, 46506 United States
Phone: (260) 593-2156
Fax: (574) 546-2878

2785 Persistence Drive
Fort Wayne Indiana, 46808 United States
Phone: (260) 593-2156
Fax: (260) 483-0582

5120 Investment Drive
Fort Wayne Indiana, 46808 United States
Phone: (260) 593-2156

Corporate and Manufacturing

324 Morrow Street
Topeka, Indiana 46571 United States
Phone: (260) 593-2156
Fax: (260) 593-2397

Sales and Design

17197 N Laurel Pk Dr
Suite 380
Livonia, MI 48152 United States
Phone: (734) 333-9940

Continuous Improvement Cost Monitoring

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Suppliers are expected to cooperate with Nisco in an effort to reduce costs and selling price both prior to and during mass production. The supplier must be willing to share suggestions and cost reduction benefits with Nisco to lower overall system costs.

VA/VE: Value Analysis/Value Engineering

(Direct raw material Vendors)

VA/VE is a systematic problem-solving process that involves identifying the functions of a product, determining the cost of those functions, and providing those functions reliably at the lowest overall cost.

VA examines current products in an effort to detect and correct value problems and reduce costs.

VE focuses on new products in an effort to identify and prevent value problems before production. This ensures that cost avoidance is designed into the product.

Nisco expects its suppliers to participate pro-actively in the VA/VE program when called upon.

Submitting Value Analysis (VA) Proposal

(Direct raw material Vendors)

Suppliers can submit their proposals via email to Corporate Purchasing. A proposal should not relate to previously negotiated price reductions. An improvement of some sort must have occurred to be considered a Value Analysis proposal.

A value analysis proposal should include an explanation of the cost reduction, quality improvement or waste element to be eliminated, and supporting data. Sample parts should be submitted as necessary for PPAP and fit for use review.

Corporate Purchasing will forward the proposals to the appropriate personnel for review and to determine feasibility. The Corporate Buyer will send the supplier result of the evaluation.

Suppliers are encouraged to have a preliminary discussion with Purchasing, Design Engineering or Quality to help assist in the evaluation of a proposal.

Document and Data Control

Engineering Drawing and Specification Control

(Direct raw material, Distribution, OUTSOURCE Vendors)

Assistance in obtaining part drawings and specifications, clarification of specifications, and information on components can be acquired through the Corporate Purchasing Department. Information, as it applies to tooling suppliers, can be obtained through Nisco's Product Engineering Department. Special Characteristics and specific customer requirements will be communicated through Nisco Corporate Purchasing. Suppliers are responsible to cascade this information through the supply chain.

Purchasing

Current Suppliers

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Nisco recommends that the supplier be prepared to demonstrate documented evidence of procedures, statistical data, current/historical records, and continuous improvement during an on-site evaluation. The evaluation results and current performance indicators are used to determine the Supplier's approval status

Potential Suppliers

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Prior to the placement of business, potential suppliers will be required to submit the information requested on our New Supplier Checklist, have an on-site visit, and complete a self-assessment as required to be reviewed during the on-site visit.

Supplier Agreements

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

We work closely with suppliers having the same integrity and business ethics that we try to demonstrate. We understand to clarify specific business needs it may be necessary to use a supplier agreement. Nisco Purchasing requires our manufacturing department to co-sign the agreements since ultimately, they have fiscal responsibility. When the agreements expire, they are processed through our obsolescence claim procedure for payment.

Stocking Agreement - A stocking agreement documents the need for a supplier to hold raw material or finished goods beyond our normal usage quantity or to ensure scheduled delivery. This document is useful when the stocking requirement is in place longer than the individuals that signed it.

Trial Agreement - A trial agreement documents the need for some investment by the supplier beyond their normal goodwill requiring a commitment from Nisco to either use or pay for the material.

Supplier Performance

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Measurement

Nisco provides regular feedback on supplier quality, delivery, and cost reduction initiatives. Supplier performance is measured in PPM and incidents. Our desire is to build long-term relationships and work together not only to solve problems as they come up, but also to prevent problems before they occur. The Nisco Supplier Performance Rating is based on objective data from each manufacturing facility and the corporate office. Acceptable Supplier Performance is required to remain an Approved Supplier.

Purchasing communicates Supplier performance in several ways:

- **VRMA – Vendor Return Material Authorization** - This report provides specific details involving non-conforming materials at the time of an incident. This report is also used for delivery issues. These reports require an investigation and corrective action report unless issued For Information Only (FYI) and are coordinated through the NISCO Plant Quality Manager or designee and Buyer.
- **Customer Service Requests** – Timely responses to requests for information such as corrective action reports, production support, or general supplier information.
- **Quarterly Supplier Rating Reports** - A quarterly report issued by the 15th of the month following the quarter end that summarizes the VRMA activity of the previous quarter and year to date.

Subsequent Actions

Nisco uses Risk Assessment, Supplier Self-Assessment, 2nd party Audit results, Quality Certification Status and the supplier performance rating information to

make decisions to initiate supplier improvement actions. Decisions to initiate actions are based on available information and management judgment.

Self-assessments are to be updated upon request for all suppliers. Suppliers whose performance is below the required ranking will be required to undergo an on-site review to confirm compliance to required standards.

Supplier Recognition

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Supplier Recognition is an integral part of our supplier relationships. Nisco supplier awards provide objective recognition of a supplier's overall effort to continuously improve and strengthen their position in our supply chain. We want to thank suppliers for helping improve Nisco. Appendix B indicates the award criteria.

Charges for Non-Conforming Material

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Nisco will use all good faith efforts to discover and isolate non-conforming material at the earliest stage of the production process possible and to minimize the total cost of resolution. Suppliers will be liable for the value of non-conforming material and negotiate in good faith for payment of its proportionate share of additional costs incurred by NISCO.

- **Non-Conforming Material Found at Receiving Inspection** - When material is discovered to be non-conforming during receiving inspection, a VRMA may be issued to the supplier, and the supplier will be requested to give Nisco a return material authorization number. The material will be shipped back to the supplier at the supplier's cost.
- **Non-Conforming Material Found in the Manufacturing Process** – A VRMA will be issued for the material and negotiated costs associated with the non-conformance incurred in our process.
 - When material can be sorted, a return material authorization number will be requested from the supplier to return the material for sorting. In some cases, material must be sorted at Nisco. In such cases, the supplier will either be requested to send someone to our facility to sort the material or Nisco will sort the material.
- **Accumulated Non-Conforming Material** - Our process occasionally does not lend itself to total material rejections, so it becomes necessary to accumulate the defects to maintain our manufacturing requirements. The non-conforming material will be segregated into our hold area and kept until the end of the manufacturing run. At this time, the supplier will be issued a VRMA, requested to give Nisco a return material authorization number, and be responsible for the negotiated costs associated with the accumulated material.
- **Discrepant Material Found at Customer Location** - Discrepant material found at our customer's location will be rejected and a VRMA will be issued to the supplier. All material charges associated with the

discrepant material at Nisco and at the customer will be the responsibility of the Supplier. Any associated costs will also be the responsibility of the Supplier unless negotiated as shared responsibility. A credit will be requested by Nisco for these charges.

• Resolution Timing

Once non-conforming material is verified, the responsible supplier shall provide a return authorization number for the return of the material or cost associated with the non-conforming material.

Nisco works to agree upon appropriate compensation within 30 days of the recorded incident. We encourage our Suppliers to honor our timing.

Obsolescence Claims

(Direct raw material, Distribution Vendors)

Nisco accepts responsibility for material that has become obsolete due to certain engineering change or model build-outs through the material authorization release only. Any material that has been fabricated beyond the authorized quantity will not be credited to the supplier unless otherwise approved by Purchasing.

Suppliers are notified prior to a part or material change. If a Supplier submits a compensation request it will be compared to the part change notification and published requirements to ensure validity.

The Compensation Request Form shall only be used in situations outlined below.

- **Design Change** - Nisco initiated design change.
Note: Parts undergoing a design change with an "exhaust" disposition will not be accepted for compensation. The Supplier is expected to plan the change with no obsolescence unless otherwise agreed upon with Nisco Purchasing in advance.
- **Cancellation** - Order terminated for the convenience of Nisco.
- **Part Termination** - Nisco initiated part termination as specified in the part termination notice. The associated costs include:
 - Parts that were scheduled to ship (862) but did not ship according to the final requirement release (Fab authorization). These parts are paid at the purchase order price.
 - Work-in-process and related materials according to the raw authorization are paid at actual cost.
 - Modifications to previously completed or in process parts are paid at actual cost.
 - Tooling - Costs resulting from the modification of tooling. (Per the Tooling Agreement).

The compensation form and related documents as directed by Nisco shall be sent to the attention of your Nisco Buyer in Purchasing.

Submit requests for:	Based on this event	Within: 30* Calendar days of application
Design Change	Initial Application of Design Change Part	
Cancellation	Notification	
Build Out	As instructed in Part Termination Notice.	

In the event, the Supplier does not submit a properly completed request within the time period set forth above, Nisco may not consider the request.

Nisco will issue disposal instructions after the final disposition of the compensation request.

Fabrication and Raw Material Policy

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Fab and Raw authorization will be calculated as follows:

- Fab authorization will be the RAN quantity of the identified final release up to four (4) weeks or eight (8) weeks for long lead-time such as imported material.
- Raw authorization is the supplier's total lead-time weeks minus the Fab authorization.
- The total normal Fab and Raw lead-time commitment cannot exceed sixty (60) calendar days and ninety (90) days for long lead-time items. This includes steel, rubber, precious metals, etc., unless an exception is granted, which must be negotiated with the appropriate Nisco Buyer prior to acceptance.

All claims must be submitted within 30 calendar days of the part termination date.

Identification and Traceability

(Direct raw material, Distribution, OUTSOURCE Vendors)

Lot identification shall appear on all labels and where applicable, on each item shipped per engineering drawing specifications. Records of lot shipment destination(s) shall be maintained for the life of the program or a minimum of 7 years.

All suppliers shall maintain lot control and traceability identification system to track all main components, materials, and chemicals to their origin. This system shall also be in effect for any product that has been reworked or repaired. Chemical suppliers shall also maintain proper identification of all pipelines, tankers, control valves, etc.

Verification of Job Set ups

First/Last Piece Inspection

(Direct raw material, Distribution, OUTSOURCE Vendors)

When component first piece inspection is used to certify a new set-up, the first piece should be retained throughout the production run and located at the operation whenever possible. It is also required that the last piece inspection, once compared to the first piece inspection and accepted, be kept until the next run of that product. Tooling suppliers shall perform 'all piece' inspection, and chemical suppliers shall inspect product(s) during appropriate process intervals.

Suppliers are required to have a process that ensures material, products or services conform to requirements after a planned or unplanned shutdown.

Receiving Inspection and Testing

(Direct raw material, Distribution, OUTSOURCE Vendors)

Nisco prefers to keep receiving inspection to a visual inspection in the receiving department. Visual inspection includes comparing received material to the part identification and quantity on the packing slip, and a review

for any signs of damage or tampering. Therefore, production usage of components and raw materials may determine final acceptance. Entire lots of material may be quarantined at the first sign of a discrepancy in quality conformance.

Data requirements will be established by the SQE and will follow the guidelines under the Material Certification section of this document. However, this does not exempt the supplier from applying statistical methods as appropriate and maintaining quality control records for Nisco review.

Quality Management System

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

When planning for the quality management system, the supplier shall consider Internal & External issues and Interested Parties. In addition, determine risks and opportunities that need to be addressed to promote continual improvement and prevent nonconformities.

Nisco is certified to the standards of ISO 9001: 2015/ IATF 16949:2016. We are committed to working with our suppliers to ensure Nisco's customer satisfaction beginning with the development of our supply chain to the ISO 9001: 2015 standard, and progressing to certification of IATF 16949:2016. It is also our goal that all suppliers are compliant to the AIAG reference manuals: PPAP, APQP, FMEA, and SPC. Nisco keeps records of the status of all suppliers and their efforts towards of ISO 9001: 2015/ IATF 16949:2016 compliance.

Quality System Certifications

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

A current copy of a Supplier's quality system certification will be requested and retained by the Purchasing Department.

Supplier Quality Management System Development

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

An approved supplier is required to develop and maintain their quality management system. Purchasing will monitor supplier status and keep suppliers apprised of their compliance to current OEM customer certification requirements which may vary between OEM customers.

Suppliers must assure that the products supplied will meet specifications established at production approval. Important elements of an adequate quality system to consider:

- Organizational Feasibility and Planning
- Resource Planning and availability
- Supplier Selection, Approval, Monitoring and Development
- Statutory and Regulatory Requirements
- Drawing and Change Control
- Control of Incoming Material/Component Parts

- Inspection & Test Equipment and Tooling Maintenance
- Operational Planning and Control
- Non-Conforming Material Control
- Manufacturing Audits (i.e. layered process audits)
- Quality System Record Keeping

Your Status Is:	Recommended Activity
IATF 16949 Certified	Self -monitoring program to maintain certification
IATF 16949 Compliant	Supplier should prepare a plan to obtain ISO 9001: 2015/ IATF 16949:2016. certification
TS 16949 Certified or Compliant	Supplier should develop a plan to obtain ISO 9001: 2015/ IATF 16949:2016.
ISO 9001: 2015 Certified	Supplier should develop an action plan to obtain IATF 16949 certified
ISO 9001: 2015 Compliant	Supplier should develop an action plan to obtain ISO 9001: 2015 certification
None or ISO 9000 Certified or Compliant	Purchasing will conduct a 2 nd party survey with customer approval. Supplier should develop an action plan to obtain ISO 9001:2015 Certification.

Supplier performance is reviewed annually for quality system effectiveness and poor performance will require an improvement plan.

Record Retention

(Direct raw material, Distribution, OUTSOURCE Vendors)

PPAP submission documentation, tooling records, purchase orders, and Nisco owned tooling records must be retained at minimum for the length of time that the part is active in mass production and past model service plus 1 calendar year. Quality performance records must be retained at a minimum for 15 calendar years after they were created.

Production Part Approval

(Direct raw material, Distribution, OUTSOURCE Vendors)

Component Suppliers

The AIAG Production Part Approval Process (PPAP) is used to determine that all component part suppliers properly understand part design and specifications and their process has the capability to produce component parts meeting these requirements during an actual production run at the quoted production rate.

When Part or Bulk Material Approval Submission Is Required

For Bulk material suppliers such as EPDM compound, coatings, and chemicals the approval process will be agreed upon prior to submission and will at a minimum include a level 1 PPAP approval and may include a bulk material checklist.

A part or bulk material submission is required prior to the first production shipment of production parts or materials and is also required according to any change point described in Appendix G.

Part and Material Approval Process

Purchasing will send the supplier a part or raw material specification, drawing data, or print when a part or material is required.

New part supplier submissions will be completed using the AIAG Production Part Approval Process for a Level 3 submission. Any exceptions to the AIAG PPAP process will be provided by NISCO Quality or Purchasing.

Bulk material suppliers will be advised as to their requirements and should submit a bulk checklist to review maintained data.

All approval submissions will include regulatory information:

- Certificate or Affidavit of Origin or NAFTA Certificate (if applicable)
- SOC Declaration
- IMDS Approval

The Approval Process should be completed by the date specified and include all required information for the applicable submission level. If there are any questions or concerns about the information requested, the supplier should notify the specific Nisco Plant Quality Manager / or Designee.

Once the submission (including product) is obtained by the NISCO Quality Engineer, the documentation will be verified, product will be inspected, and performance tested

Outsourced Process Approval Process

Purchasing will send the supplier requirements for purchased automotive related processes and services. New process or service PPAP submissions will be completed using the AIAG Production Part Approval Process as applicable, at the level chosen by the Nisco Quality Engineer.

PPAP Submissions are required for Change Points and will be completed using the AIAG Production Part Approval Process at the level chosen by the Nisco Quality Engineer. Any exceptions to the AIAG PPAP process will be provided by Nisco Quality or Purchasing.

Once the submission is obtained by the NISCO Quality Engineer, the documentation will be verified.

PPAP Approval- The NISCO Plant Quality Engineer will then notify the supplier of the status of the submission. All approved submissions will receive a signed PSW authorizing production releases.

One of the following statuses will be assigned to the submission:

- **Approved:** The part or outsourced process is approved for production. All dimensional, material, and performance specifications inspected have been found to conform to the print. Outsourced processes meet NISCO acceptance criteria. No further action is required on the part

- **Interim Approval:** The part is approved for production but approved for a defined quantity or timeframe. Authorized may be limited until a fully approved status has been gained. If the Interim Approval expires, the product or process requires a new authorization to ship product/provide service. New documentation and product samples where applicable, must be resubmitted for any nonconformance noted.
- **Rejected:** The part or outsourced process is not acceptable for Nisco production. New samples and documentation must be resubmitted for any nonconformance noted in order to ship product or provide outsourced services to Nisco. If the submission is rejected, the NISCO Plant Quality Manager or Buyer will re-issue the approval requirements. Any sample parts submitted with the submission will be returned to the supplier at their request or scrapped by Nisco.

Change Point Control

(Direct raw material, Distribution, OUTSOURCE Vendors)

Over the life of a part or product, changes in design, specification or process can occur. When implemented correctly, Nisco and the suppliers have documented approval and accurate records of any change that occurs to parts or products. This establishes a way to identify, approve and control change points and ensure product quality.

Supplier Change Requests

Suppliers shall not make changes to their processes, location, facilities, equipment, material, product design, (or any change which may affect product design or function) without written approval from Nisco Quality Appendix G shows change point examples.

Responsibility

The supplier is responsible for controlling changes and notifying their Nisco Buyer of all changes to the approved part design, materials, manufacturing process, or site, and ensuring the change has no negative effect on the overall product quality, with a Part Change Notice Form (Appendix G- PUR 40)

If a part is sent to more than one Nisco plant, each plant must provide change approval. The supplier must contact each Nisco plant quality representative to determine the approval requirement for their plant.

Corporate Purchasing utilizes Nisco's Change Management Process to obtain approval.

Change Approval Levels

There are three levels of control. If you have a question, contact the Nisco Quality Rep at each facility.

Approval Level	Procedure	Control Method
A	<ul style="list-style-type: none"> The supplier must obtain prior approval to make the change. An IPP tag must accompany the initial shipment 	<ul style="list-style-type: none"> Delivery of IPP parts is done using FIFO The supplier must keep: <ul style="list-style-type: none"> Initial Production Date Initial Delivery Date Nisco PPAP Approval
B - IPP Tag	<ul style="list-style-type: none"> IPP tag must be attached to first IPP parts shipped <p>Note - IPP tags must apply to the first shipment that goes directly to Nisco production.</p>	<ul style="list-style-type: none"> Same as Level A
C - Supplier	<ul style="list-style-type: none"> Internal at the Supplier 	<ul style="list-style-type: none"> The supplier tracks changes. Information is made available to Nisco upon request.

Request for Temporary Deviation

On an interim basis, suppliers may apply for a deviation for the material that is not listed in the PPAP with a Supplier Deviation Form (Appendix G-PUR62). Deviated material must not be shipped without receiving written Nisco Quality permission in advance. Deviation requests made by phone for expediting reasons must be followed up in writing within 24 hours on the Nisco Deviation Request Form PUR62 to Corporate Purchasing.

Corporate Purchasing utilizes Nisco's Change Management Process to obtain approval.

Deviation Request Disposition

Acceptance of a Request - If Nisco Quality approves a change it is followed up with the information requested according to the change approval level. A copy of the approved request must be attached to the initial shipment.

Product or Outsourced Services that fall under a deviation must be labeled on each container to identify them upon receipt.

Denial of a Supplier Request - When a request is denied by Nisco Quality, the deviated material or outsourced process cannot be shipped to Nisco or used to produce Nisco products.

Material Certifications

(Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Suppliers are fully responsible for the quality of their products, and for assuring their products and/or materials function properly as part of a system or assembly. Suppliers must have a process to assure that governmental and safety requirements for restricted, toxic, and hazardous substances are completed properly.

Production Material Categories

(Direct raw material, Distribution, OUTSOURCE Vendors)

- Raw Material:** A raw material is a bulk material that will physically change form during Nisco's manufacturing process to meet the end product specifications. This category can include mixing chemicals, polymer, carbon black, minerals, coatings, core metal; wire carrier, TPE compound, and EPDM rubber. Raw material specifications are to be approved by the Nisco Material Development Department under Corporate Engineering. The certifications must represent the lot of material that is shipped to Nisco. Blanket conformance statements are unacceptable unless approved in advance by Purchasing and the SQE.
- Component Parts:** A component part is a production item that will not physically change form or composition during Nisco's manufacturing process to meet the end product specification. This category can include extrusion, sealing tape, clips, insert panels, and pads. Prints, designs, and performance specifications of component parts are to be approved by the Nisco Design Department when not issued by Nisco. The supplier is responsible for the performance requirements of the product supplied and the fitness for use in Nisco's production process even if the SQE does not require material certification.

Submitting Material Certification

(Direct raw material, Distribution, OUTSOURCE Vendors)

Raw material shipments require a minimum of a variable certificate of compliance (C of C) to accompany the shipment or faxed to arrive with the shipment.

Component shipments do not require a C of C unless directed by Purchasing based on our Supplier Risk Assessment.

Nisco prefers suppliers to email certifications in advance of the shipment to materialcerts@niscoseals.com. They may be included with the packing slip and placed inside a box unless otherwise instructed by Purchasing. If suppliers are not sending the material certifications with the shipment, please indicate this on the packing slip.

Purchased Component Revalidation

(Direct raw material, Distribution, OUTSOURCE Vendors)

Current production components may be revalidated annually. The NISCO Plant Quality Engineer will contact the Supplier with a PPAP requirement prior to revalidation. The revalidation will consist of a material, dimensional, and performance verification.

Process Control

(Direct raw material, Distribution, OUTSOURCE

Vendors)

Process Control, Traceability, and Inspection Results

Nisco urges suppliers to implement the use of control plans for process control. Suppliers must assure traceability of all parts or material shipped to Nisco. Material certifications must include the supplier's lot number or manufacturing date. All boxes must indicate the supplier's lot number or manufacturing date.

Nisco expects all suppliers to keep evidence of all inspection results at our disposal. The use of statistical process control (SPC) is preferred on characteristics mutually agreed upon by the supplier and Nisco. They may be required with each shipment if specified by the Quality Engineer.

SPC and Performance Data

If performance data or SPC is an agreed upon requirement, it is sent with every shipment unless other arrangements have been made with Purchasing. The submittal of performance data or SPC to Nisco can be treated like a material certification. They can be shipped with the shipment, mailed, faxed, or e-mailed to Nisco. However; they must reach Nisco before the shipment.

Nonconforming Product

All products found out of material or print specification, received into Nisco without proper documentation, or not matching the purchase order requirements, is considered non-conforming and results in a Vendor Return Material Authorization (VRMA). When Supplier delivery or quality problems, including OEM rejects or returns, occur Nisco expects the Supplier to lead containment and problem-solving activities. All returned parts, due to complaint, reject or warranty are required to be analyzed for root cause, and corrective actions.

Plant Quality Managers or designates will be the primary contact during this process. Purchasing will monitor Supplier Performance and report it quarterly on the Supplier Performance Report.

Re-use, Rework or Repaired Product- Material or product Re-used, Reworked (fixed in line) or Repaired (fixed off line) shall have a risk assessment (i.e. PFMEA) review prior to completing the Re-use, Rework or Repair process.

The supplier shall submit the method and control of the Re-use, Repair or Rework prior to completing the operation. Work Instructions will be available to the associates completing the Re-use, Rework or Repair process.

Suspect, Obsolete or Non-conforming Material

at the Supplier's Location - The Supplier shall establish and maintain documented procedures to ensure Suspect, Obsolete or non-conforming product is not shipped to Nisco. These controls shall provide instructions to segregate, identify, evaluate, and disposition non-conforming materials.

If the Supplier suspects that Suspect, Obsolete or Non-conforming material or parts have been shipped to Nisco or finds Suspect, Obsolete or non-conforming product within their finished good inventory, the supplier will immediately notify the appropriate Nisco facility.

Nisco will confirm to the Supplier if Suspect, Obsolete or non-conforming parts exist on their production line, in work-in-process or finished goods storage.

Suspect, Obsolete or Non-conforming Material found at Nisco

- If Suspect, Obsolete or non-conforming material is found during receiving inspection or on the production floor, the NISCO Plant Quality Manager or designee will contact the supplier concerning the material and immediately provide information and samples to aid in their containment and root cause investigation.

Quality will contact the individual the Supplier has noted on their Key Supplier Information Sheet. It is the Supplier's responsibility to make sure the quality contact information used by Nisco is correct.

Containment

Containment activities shall be designed to prevent additional non-conforming parts from being manufactured or shipped to Nisco. The containment activities shall begin immediately upon notification and be concluded within 48 hours of problem notification (unless otherwise specified).

Containment activities include suspect part quarantine at Nisco, certified replacement parts to keep production from shutting down, and supplier certification of in-transit inventory. Certification shall continue until Nisco and the Supplier agree the problem is solved. When a process or supplier's containment system requires a secondary inspection an appropriate controlled containment process must be performed prior to product shipment.

- The criteria for implementing controlled containment may include, but are not limited to:
 - Repeat occurrences
 - Units needing repair (on-line or off-line repairs)
 - Downtime
 - Duration of the problem
 - Number of rejections
 - Warranty
 - Inadequate containment or countermeasures of non-conformances
- **Level I Containment I** - allows supplier management to implement hard countermeasures at the process to eliminate defects from occurring or implement systemic improvements to prevent non-conforming parts from being shipped.

The supplier is required to:

 - Direct root cause analysis using the 5P/8D format.
 - Implement all countermeasures as determined by root cause analysis. This includes process or fixture modifications, quality documentation updates and training of all required associates.
 - Develop any master or limit samples approved by Nisco, as required.

- Implement an “ok to ship” procedure that assures parts are produced after hard countermeasures were implemented at the process to help to determine effectiveness.

Nisco is required to:

- Notify the supplier that a part or supplier containment system is being considered for the controlled containment process.
- Nisco may perform a Level I containment audit to review 5P and countermeasure activity taken by the supplier.
- If defective parts escape the supplier, Nisco may request Level II containment.
- **Level II Containment** - is a secondary inspection process implemented by the supplier but isolated from the normal process flow.

The supplier is required to:

- Develop an in-house containment area isolated from the current production flow. The containment area should be distinct to the plant with proper equipment and lighting.
- The supplier must provide evidence of associate training for inspection activity and understanding of operating standards.
- Quality standards, limit samples and any other pertinent information must be available to the containment associate(s).
- Rejection data from the sort activity is required and posted in the area and reviewed by management daily.
- Countermeasure activity taken based on the inspection findings must be clearly documented.
- Supplier must send data to Nisco as requested in order to review the effectiveness of the countermeasures at the process.

Nisco's requirements are the same as Level I except Nisco may audit containment procedures to improve containment effectiveness and help drive countermeasures back to the process.

- **Level III Containment**- is the same as Level II but performed by an impartial 3rd party inspection company and paid for by the supplier. The supplier's requirements are the same as Level II containment except the supplier will hire an impartial 3rd party inspection company to inspect at the supplier's facility. The supplier will be responsible for managing and paying this company.

Nisco's requirements are the same as Level II.

Corrective and Preventative Actions

(Direct raw material, Distribution, OUTSOURCE Vendors)

When a non-conforming material report is issued, the supplier is expected to respond with a correction report (5P or 8D), unless waived by the appropriate Quality Engineer. Supplier corrective actions are not limited to sorting and rework of a given lot of material, but should include the following actions:

- Institute short-term containment measures and 100% inspection of product at Nisco and the supplier location as indicated by the PQE. No further defects must be

shipped, and the supplier must mark the certified parts as indicated by the PQE

- Determine the root cause(s) of the problem.
- Determining if similar nonconformities exist or could potentially occur
- Investigate error proofing and implement permanent corrective action.
- Audit to assure the effectiveness of the permanent corrective action and potential for recurrence of the problem.
- Review and update appropriate documented information (i.e. DFMEA, PFMEA, Control Plan, Procedures)
- Update Risks and Opportunities determined During the planning process
- Document the actions taken, or scheduled, and the results implemented on a 5P/8D report. If countermeasures require time to be implemented, a containment plan must be included.

The supplier must notify the NISCO Plant Quality Manager or designee within 24 hours to verify containment measures.

The supplier must send the 5P/8D report including supporting documentation to the PQM within five (5) working days with the short-term actions, and within 21 days, a completed 5P/8D report must be submitted with permanent actions implemented unless otherwise approved by PQM. The non-conformance will be considered resolved after Nisco has confirmed the root cause was detected and a permanent corrective action is in place

Delivery Requirements

(Direct raw material, Distribution, OUTSOURCE Vendors)

Nisco requires 100% on-time delivery from all suppliers according to the material release. If 100% on-time delivery is not met, the Purchasing Department will notify the supplier by a Vendor Return Material Authorization (VRMA). Suppliers maybe required to supply corrective action for a VRMA received. If a supplier predicts a problem in meeting a shipment deadline, it is the responsibility of the supplier to notify the affected Nisco facility of the situation. Suppliers are required to supply quantities according to the material release. Over/Under-shipments are not acceptable. In the case of an over/under shipment Purchasing will notify the supplier by a VRMA, and suppliers will be required to supply corrective action for the shipment reported.

Regular Freight

All in-bound material shipments must use the routing instructions provided by Cooper Standard Logistics or Nisco Purchasing.

Premium Freight

All freight must be shipped in accordance with the Purchase Order. The supplier must notify Nisco and explain in writing whenever they experience a premium freight cost. Any and all premium freight costs incurred by the supplier

because of less than 100% on-time delivery shall be the responsibility of the Supplier.

Packing Slips

All suppliers are required to submit with each shipment a packing slip with the purchase order number, the Nisco part number, and the quantity in our purchase order unit of measure.

Invoices must be sent that reflect the Nisco purchase order number and reference the packing slip number.

Invoices can be mailed to

accountspayable@niscoseals.com.

Packaging

All material shipped to Nisco must be adequately contained in a manner that will prohibit the material from being damaged during shipment, and use Nisco approved packaging unless a deviation has been approved in advance. All packaging must assure prevention of product deterioration throughout transportation and storage until the product is removed.

Material Labeling Requirements

All old labels must be removed from the container and only the current shipping label is applied

Required Label information:

- Nisco Part Number
- Customer Part Number
- Part Description
- Manufacturing Date
- Shelf life Date (if applicable)
- Batch or Lot Number
- Container quantity or weight (metric units preferred)

Optional Label information:

- Nisco P.O. Number
- Supplier Label Serial Number

Content Reporting

Nisco is faced with a number of regulatory requirements that require gathering and reporting content information. This information is used by our customers to qualify for duty and tariff reductions under free trade agreements. The typical agreements include:

NAFTA – North American Free Trade Agreement

AAALA – American Automobile Labeling Act

CAFÉ – Corporate Average Fuel Economy

Establish Material or Goods Origin

Goods must originate according to a treaty's Rules of Origin to qualify for preferential treatment. Nisco and our customers need a Certificate of Origin from all Tier suppliers to claim the preferential treatment. Issuing a Certificate of Origin carries legal consequences and must be done with care.

Nisco will request information in two forms

- Certificates of Origin
- Trace Value Information

Nisco will work with suppliers unfamiliar with reporting this information to maintain accuracy. Suppliers are asked to cooperate to ensure accuracy.

Material Purchasing Order Requirements

(Direct raw material, Distribution, OUTSOURCE Vendors)

Nisco Production Control will transmit requirements to a supplier via email or EDI. These releases are against a blanket purchase order. Purchasing Buyer will provide the purchase order number upon request.

The Nisco **Weekly Forecast (830)** transaction is a forecast that provides information by part number up to 9 weeks. Forecast information and quantities are subject to change or cancellation by Nisco. The information and quantities represent a plan to purchase the quantities identified after the firm period. Firm mass production requirement shipments are authorized only by the Ship Schedule (862).

Note: There is no identifying number that ties a specific 830 to a specific 862.

Frequency: Weekly/ or as applicable

Transmitted from: Nisco

Transmitted to: Suppliers

The Nisco **Ship Schedule (862)** is used to authorize shipment of specific parts and quantities to specific destinations on a specific a date. It is loosely linked by part number and quantity to a previously transmitted Weekly Forecast (830).

The **RAN number** is a combination of Nisco's purchase order number and specific line number on that purchase order. The RAN number is very important since it is used in Nisco's receiving function, and to define the **RAN period** for that release.

- Frequency: Weekly / or as applicable
- Transmitted from: Nisco
- Transmitted to: Domestic Suppliers

These transactions are typically transmitted weekly by Friday by 2:00 PM Eastern Time. The supplier should notify the buyer no later than 12:00 noon Eastern Time on Monday if the supplier has not received the Ship Schedule. Extra transmissions can also be added if necessary between regular transmissions.

Environmental Guidelines

Promote Environmental Protection by Suppliers (Direct raw material, Distribution, OUTSOURCE, SERVICE Vendors)

Suppliers should vigorously engage in environmental protection activities such as:

- Establishing an environmental policy, putting systems in place, provision of training and education.
- Supply products, parts, components, materials, and services with minimal environmental impact.
- Procure parts, components and materials with minimal environmental impact including reduction in use of hazardous chemical substances.
- Establish a management system for chemical substances in products and comply with Nisco reporting requirements.

Safety Data Sheet (SDS) Certifications

(Direct raw material, Distribution, OUTSOURCE Vendors)

All suppliers are required to ensure Nisco has a current Safety Data Sheet (SDS) for every product shipped to NISCO. If there are any changes or modifications to any product an updated SDS sheet must be sent and approved by Corporate EH&S prior to the next shipment.

Corporate EHS must approve all materials including samples for trials or research and development of the material. Any sample sent without approval will be refused and returned to the supplier.

Toxic Substance Control Act (TSCA)

(Direct raw material, Distribution, OUTSOURCE,

SERVICE Vendors)

All products supplied to NISCO must comply with the Toxic Substance Control Act (TSCA) regulations regarding notification, customs, and shipping requirements. All SDS sheets must have a TSCA statement stating that all materials within the product being supplied to NISCO are in compliance with TSCA regulations and are listed on the TSCA inventory.

All imported shipments of chemicals, mixtures, or articles shipped to NISCO must first be approved by the Corporate EHS group and Purchasing. This includes any shipment of samples for trials and/or research and development. The SDS sheets must contain a TSCA statement and include all CAS numbers for verification that

all constituents within the product are in compliance with the TSCA inventory. If there are any confidential constituents listed on the SDS sheet, the supplier will need to provide the CAS numbers prior to the shipment of materials. Suppliers may request the execution of a confidentiality agreement with NISCO before providing the constituents and CAS numbers—unverified materials will be rejected by NISCO.

Handling of Substances of Concern (SOCs)

(Direct raw material, Distribution, OUTSOURCE,

SERVICE Vendors)

NISCO has implemented several different environmental measures to help minimize any impact that our manufacturing facilities have on the environment. NISCO is moving proactively to implement environmentally responsible purchasing of all parts and materials. NISCO is transitioning in the handling of Substances of Concern (SOCs) by eliminating the four metals (lead, mercury, cadmium, hexavalent chrome) considered to have a particular impact on our environment. NISCO will also be reducing and eliminating all SOC's in the near future. NISCO also expects our suppliers to follow suit in the efforts to eliminate SOC's in the parts and materials supplier to NISCO. It is very important for us to help improve and maintain the environment where we work and live.

Appendix A – Nishikawa Cooper, LLC General Terms & Conditions

1. **ACCEPTANCE.** Seller's written acknowledgment of this Purchase Order, commencement of work on the goods or services specified herein, or shipment of such goods, whichever first occurs, shall constitute of this Purchase Order. **ACCEPTANCE OF THIS PURCHASE ORDER IS EXPRESSLY LIMITED TO THE TERMS CONTAINED ON BOTH SIDES HEROF.** Any proposal by Seller for additional or different terms, or any attempt by Seller to vary in any degree any of the terms of this Purchase Order in Seller's acceptance, is hereby objected to and rejected, but such proposals shall not operate as a rejection by Seller of the offer made in this Purchase Order unless such variances are in the Specifications, quantity, price or delivery schedule for the goods or services, but shall be deemed a material alteration thereof, and this Purchase Order shall be deemed accepted by Seller without said additional or different terms. If this Purchase Order shall be deemed an acceptance by Nishikawa Cooper LLC (hereinafter "Buyer") of a prior offer by Seller, such acceptance is expressly limited to the terms contained on both sides hereof. Additional or different terms in Seller's prior offer or any attempt by Seller to vary in any degree any of the terms of this Purchase Order shall be deemed material and are objected, but this Purchase Order shall not operate as a rejection of the Seller's prior offer unless such offer contains variances in the Specifications, quantity, price or delivery schedule for the goods or services.
2. **SAMPLES.** Seller at its expense shall fabricate samples from production tooling and processes and furnish to Buyer. Samples must be inspected and certified by Seller and approved by Buyer before production run is commenced. Even if samples are approved by Buyer, Seller will still be held responsible if the goods are not exactly to blueprints and Specifications. Defective goods or goods not in accordance with blueprints or Specifications may be returned at Seller's expense, including inbound transportation charges if bought f.o.b. shipping point.
3. **SPECIFICATIONS / CHANGES.** The term "Specifications" as used herein shall mean any drawing, part number or other description of the goods or services to be provided hereunder appearing or referred to on the attached and shall become part of the terms hereof. Buyer may at any time make changes in the Specifications, time or place of delivery or performance, or method of transportation. Seller shall not make any change in design, processing, packing, shipping or place of delivery without Buyer's written approval. Any difference in price or time for performance, resulting from such changes shall be equitably adjusted by agreement of the parties and this Purchase Order shall be modified in writing accordingly. Such claim by Seller for adjustment under this paragraph must be asserted within 30 days from the date of receipt by Seller or the notification of change. Buyer will have the right to check all claims hereunder at any reasonable time or times by inspecting and auditing the records, facilities, work or materials of Seller relating to this order.
4. **BUYER'S COMMITMENT.** Buyer is not committed to purchase any goods or services except in such quantity and at such price as may be set forth in this Purchase Order or on a separate release issued hereunder. Such releases shall reference this Purchase Order by number and, when issued, such releases, including all conditions on both sides thereof, shall become part of hereof.
5. **PRICE.** The prices specified in this Purchase Order are complete, and no additional charges of any type shall be added without Buyer's prior written consent. Any decline in prices for such materials, goods and services during the Life of this order shall insure to benefit of Buyer.
6. **DELIVERY.** SELLER AGREES THAT TIME IS OF THE ESSENCE IN THIS PURCHASE ORDER and it is Seller's responsibility to cause timely shipment of the proper quantity of goods and timely providing of services as specified herein. Seller shall not make material or labor commitments or production arrangements in excess of the amount or in advance of the time necessary to comply with this Purchase Order. Goods shipped to Buyer in advance of the schedule or exceeding or otherwise varying from the quantities specified in this Purchase Order may, at Buyer's election, be returned to Seller at Seller's expense.
7. **PACKAGING.** Seller shall, for the price stated in this order (1) pack and mark the goods to be shipped in a manner satisfactory to Buyer and so as to secure the lowest transportation rates, meet carrier requirements and assure arrival at "ship to" point free of damage and deterioration, and (2) be responsible for the goods until delivered at the designated (f.o.b.) delivery point, regardless of point of inspection. Notwithstanding any other conditions relating to damages stated herein, Seller shall be liable for damages to goods described herein caused by improper boxing, crating or packing.
8. **TRANSPORTATION CHARGES.** Seller agrees to assume all charges for transportation, packing, crating, droppage, storage and cartage. All transportation charges must be prepaid if sold f.o.b. destination, prepaid. If sold FOB destination, freight collect, Buyer assume the transportation charges and has the right to specify the carrier. The title remains with Seller until goods are delivered. FOB terms and responsibilities must be agreed upon between Buyer and Seller before the authorization of the purchase. Buyer has the right to insist upon premium cost shipments, at Seller's expense, in the event that Seller's delivery is behind schedule.

- 9. TERMINATION AT OPTION OF BUYER.** BUYER MAY TERMINATE THIS PURCHASE ORDER OR ANY PART HEREOF, FOR ITS SOLE CONVENIENCE BY GIVING WRITTEN NOTICE OF TERMINATION TO SELLER. Upon Seller's receipt of such notice, Seller shall, unless otherwise specified in such notice, immediately stop all work hereunder and give immediate (within twenty-four hours) written notice to and cause all of its suppliers or subcontractors to cease all related work. Seller shall be paid the price specified herein for goods completed, shipped and acceptable to Buyer, or for services provided and acceptable to Buyer, prior to Seller's receipt of such notice, plus reasonable direct costs actually resulting from such termination. Seller shall not be paid for any work done after receipt of such notice or for any costs incurred by Seller's suppliers or subcontractors after their receipt of Seller's termination notice or for work which seller could reasonably have avoided. Within the time limit established by Buyer at the time of such notification, Seller will submit all its claims resulting from such termination. Buyer will have the right to check such claims at any reasonable time or times by inspecting and auditing the records, facilities, work or materials of Seller relating to this order.
- 10. TERMINATION FOR CAUSE.** By written notice to Seller, Buyer may terminate this Purchase Order, or any part hereof, for cause, including Seller's failure to comply with any term of this Purchase Order, or (1) if it should be alleged that goods or services to be provided hereunder infringe any patent, trademark, or copyright, or (2) if Seller fails, upon request, to provide Seller with reasonable assurances of future performance. If this Purchase Order is terminated under this paragraph, Buyer shall not be liable to seller for any amount, and Seller shall be liable to Buyer for any and all damages sustained by reason of such termination. If after notice or default under this paragraph, it is determined that Seller was not in default, work affected by the cancellation shall be deemed terminated pursuant to paragraph 9 above and the rights and obligations of the parties shall be governed by such paragraph.
- 11. FORCE MAJEURE.** Buyer or Seller may delay the shipment of goods or providing of services hereunder occasioned by causes beyond its reasonable control. Seller shall hold such goods or delay the providing of such services at the direction Buyer and shall ship or provide them when the cause affecting the delay has been removed. Buyer shall be responsible only for Seller's reasonable direct additional costs in holding the goods, delaying the providing of the services or otherwise delaying performance hereunder at Buyer's request. Seller shall notify Buyer of such events as soon as they occur, and give Buyer its best estimate of revised delivery dates. However, notwithstanding any other provisions of this paragraph, Buyer reserves the right to reject Seller's revised delivery dates and to cancel this Order without any liability. If Seller's production is only partially restricted or delayed, Seller shall use its best efforts to accommodate the requirements of Buyer, including giving this Order preference and priority over those of other customers which were placed after this Order. Causes beyond each party's reasonable control include, but are not limited to, government action or failure of the government to act where such action is required, strike, lock-out or other labor trouble, fire, or unusually severe weather.
- 12. INSPECTION / TESTING.** Payment for goods or services provided hereunder or inspection or testing thereof by Buyer shall not constitute acceptance thereof or relieve seller of its obligations hereunder. Buyer may hold, inspect, test and reject goods or services provided hereunder which are, in Buyer's judgment, defective or otherwise do not conform with the Specifications or other requirements of this Purchase Order and reserves the right to hold, inspect, test and reject such goods or services within a commercially reasonable time, as determined by Buyer's own inventory, manufacturing and / or sales requirements. Goods rejected may be returned to Seller at Seller's expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses relating to such inspection and return including but not limited to all costs and expenses incurred for storage, handling, unpacking, examination, repacking and shipping. If Buyer receives goods with a defect or nonconformity not reasonably apparent on inspection, Buyer reserves the right to require replacement thereof by Seller, as well as payment of damages. Buyer may require Seller to provide, or cause to be provided, to Buyer's satisfaction any services previously rendered in a negligent, defective or unworkmanlike manner or which are not in compliance with the Specifications or other requirements of this Purchase Order and to pay to Buyer any Damages arising therefrom. Nothing contained in the Specifications or this Purchase Order shall relieve Seller from its obligation of testing, inspection and quality control.
- 13. GOODS AND SERVICES WARRANTY.** Seller expressly warrants that all goods and services provided hereunder shall: (a) conform to the Specifications and all applicable samples, models, drawings, and standards, (b) be new, merchantable, safe, and free from defect in design, material and workmanship, (c) be designed, manufactured, labeled, tested, inspected, packaged, shipped and / or provided in compliance with Buyer's requirements and all applicable laws and regulations, and (d) not infringe upon any patent, trademark or copyright or constitute unfair competition. If Seller knows or has reason to know of the particular purpose for which Buyer intends to use such goods or services, Seller warrants that such goods or the providing of such services shall be fit and sufficient for such particular purpose. Buyer's inspection, test, acceptance or use of the goods or services provided hereunder shall not affect Seller's obligation under the aforesaid warranties, and such warranties shall survive such inspection, test acceptance and use. All of Seller's warranties hereunder shall run to Buyer, Buyer's successors, assigns, and customers, users and bystanders of products sold by Buyer incorporating such goods or services.

- 14. INDEMNIFICATION.** Seller shall protect, defend, and hold harmless and indemnify Buyer and Buyer's successors, assigns, agents and customers from and against any and all claims, actions, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees) arising out of any (1) actual or alleged infringement of any patent, trademark or copyright by reason of the manufacture, use or sale of any goods or the providing of any services hereunder, or any unfair competition involving such goods or services; (2) actual or alleged death of or injury to any person, damage to property, or any other damage or loss including but not limited to economic loss, by whomsoever suffered, including Buyer or Buyer's employees, resulting or claimed to result in whole or in part from any actual or alleged (a) defect in such goods or the failure of such goods to comply with the Specifications or with any express or implied warranties of Seller or (b) negligence or defective workmanship in the providing of such services or the failure of such services to comply with the Specifications or with any express or implied warranties of Seller; and (3) actual or alleged violation by such goods or services, or their manufacture, possession, providing, use, or sale, of any law, statute or ordinance or any governmental administrative order, rule or regulation. Seller's obligation hereunder shall not be affected or limited in any way by Buyer's extension of express or implied warranties to its customers except to the extent that any such warranties of Buyer expressly extend beyond the scope of Seller's warranties, express or implied, to Buyer.
- 15. TOOLING.** If Seller's obligation hereunder is, in whole or in part, to design, manufacture, install and / or make ready for use tools, dies, jigs, patterns, fixtures, molds, special taps, special gauges, special test equipment and / or other like equipment ("Tooling"), Seller shall, upon request and completion of the design, supply construction drawings and Specifications thereof for Buyer's prior review and comment and Seller shall not commence manufacture of such Tooling until Buyer authorizes same based on such review. Payment for such Tooling will not be made by Buyer until Seller has installed, tested and demonstrated to Buyer's satisfaction that the Tooling (1) complies fully with all applicable Specifications and (2) produces goods acceptable to Buyer in compliance with the Specifications for such goods. Seller shall furnish upon request reproducible copies of "as built" drawings and Specifications and such manuals, instructions and the like as shall be required by Buyer, including without limitation those required to install, operate, maintain and repair the Tooling. Review of any such drawings, Specifications, equipment, parts or samples by Buyer shall not release Seller of any of its obligations under paragraphs 12, 13, 14, 16 or any other paragraphs of these Terms and Conditions. The price specified for Tooling herein is complete and includes all consideration to be paid Seller to design, manufacture, install and make the Tooling ready for production use and supply such written materials and instructions. All Tooling, all replacements thereof, and all unique equipment or material fixed or attached thereto or used for or in connection therewith ("Tooling, Replacement & Accessories") supplied or paid for by Buyer hereunder shall remain Buyer's property, and Seller shall promptly comply with all reasonable use, storage, disposal and shipping instructions furnished by Buyer in respect thereof. All Tooling, Replacements & Accessories and, whenever applicable, each individual item thereof, shall be plainly and permanently identified in a manner reasonably acceptable to Buyer as "Property of Nishikawa Cooper LLC." Seller shall maintain and upon request furnish to Buyer a current written inventory identifying each item of Tooling, Replacements & Accessories in Seller's possession. Tooling, Replacements & Accessories shall not be used to produce goods for third persons without Buyer's prior written consent.
- 16. INSURANCE.** Seller agrees to obtain and maintain, at its expense, Casualty Loss Insurance covering all Tooling, Replacements & Accessories as defined in paragraph 15, and Product Liability Insurance, with Seller's or vendor's Endorsement naming Buyer, covering goods sold to Buyer hereunder. If Seller's obligations hereunder require or contemplate the providing of services by Seller's employees, or persons under contract to or under the control of Seller, on Buyer's property, or on property of Buyer's customers, Seller shall provide such services only as an independent contractor, and the persons providing such services shall not be considered Buyer's employees or agents. Seller shall maintain original "Certificate of Insurance" evidencing insurance coverage and policy must name Cooper Tire & Rubber Company as an additional insured and containing the following language: *"Contractual liability insurance is included for both written and oral contracts. Additional insured is provided in favor of certificate holder on all policies as required by the Contract, but limited to the operations of the named insured."* policies of Comprehensive General Liability Insurance, Auto Liability Insurance, Worker's Compensation Insurance, Employer's Liability Insurance, a signed original "Regulations Governing Outside Contractors" form and Seller shall defend, indemnify and hold harmless Buyer from all claims and liabilities arising out of the services provided hereunder. All such insurance shall be in such amounts and with such companies and containing such other provisions as shall be satisfactory to Buyer. Seller shall provide upon request with certificates of insurance and copies of such insurance.
- 17. CONFIDENTIALITY.** Seller shall consider the specifications and all other information provided by buyer hereunder to be confidential and the property of Buyer, and shall hold and use same for the sole benefit of Buyer. Seller shall not disclose the Specifications or such other information to, nor use or reproduce it for, any third party, or perform any act adverse to the interests of Buyer with respect to the Specifications or such other information without the prior written consent of Buyer. Such other information includes but is not limited to, samples, models, drawings, and data in machine readable form, descriptions of goods or services, prices and other documents prepared by Seller or Buyer for or in connection with this Purchase Order. Seller shall not advertise or publish the fact that Buyer has contracted to purchase goods or services from Seller, nor shall the Specifications, any release or any other information relating to the Purchase Order be disclosed without Buyer's prior written approval. Unless otherwise agreed to in writing, Buyer shall have no

obligation to treat as proprietary or confidential or as having been received under any confidential or fiduciary relationship, or to retain in confidence, any commercial, financial or technical information disclosed in any manner or at any time by Seller to Buyer, and Seller shall have no rights against Buyer with respect thereto except such rights as may exist under patent, trademark or copyright laws.

- 18. BUYER'S IDENTIFICATION.** Seller shall comply with Buyer's direction to label goods or services provided hereunder with a part number or other code or a tradename or trademark of, or other reference to, Buyer ("Buyer's Identification"). Buyer's direction to so mark or otherwise label such goods or services is expressly limited to goods or services provided hereunder, and Seller agrees not to sell or otherwise dispose of any such goods or services bearing Buyer's Identification to any other person or to use Buyer's Identification in Seller's advertising or to otherwise promote seller's sales without first removing Buyer's Identification or obtaining Buyer's express written consent.
- 19. ENTIRE AGREEMENT / SEVERABILITY.** The terms on both sides hereof and any releases, Specifications, and other documents incorporated into such terms by Buyer's reference shall constitute the terms of the Purchase Order and the entire agreement between Buyer and Seller. Whenever possible, all terms and conditions of this Purchase Order shall be interpreted so as to be valid under applicable law. If any provision hereof is determined invalid under applicable law, such invalidity shall be limited to such provision without invalidating the remainder of this Purchase Order or other terms or conditions thereof.
- 20. CHOICE OF LAW.** The entire agreement between the parties shall be deemed to be made entered into pursuant to, and in the event of any dispute hereunder-such entire agreement shall be governed by and construed in accordance with, the laws of the State of Indiana.
- 21. ASSIGNABILITY.** No part of this Purchase Order may be assigned or subcontracted without the prior written approval of Buyer.
- 22. SETOFF.** All claims by Seller for money due or to become due from Buyer shall be subject to deduction or set off by Buyer by reason of any counterclaim arising out of this or any other transaction between Buyer and Seller.
- 23. RIGHTS AND REMEDIES.** The rights and remedies herein reserved to Buyer shall be cumulative and additional to any other or further rights and remedies available at law or in equity.
- 24. WAIVER.** No waiver of a breach of any provision of this order shall constitute a waiver of any other breach or waiver of such provision. Neither Buyer's delay in exercising or Buyer's failure to exercise any of its rights hereunder, nor Buyer's acquiescence in or waiver of Seller's breach of any term, provision or condition of this Purchase Order, shall be deemed or construed to operate as Buyer's continuing waiver of any such rights or Buyer's continuing waiver of or acquiescence in such breaches.
- 25. LIMITATION ON BUYER'S LIABILITY.** Any legal action against Buyer based on Buyer's alleged breach of its obligations hereunder must be commenced within one year after the cause of action has accrued. In no event shall Buyer be liable for anticipated profits or for any special, incidental or consequential damages relating to such breach. Buyer's liability for any such breach shall in no case exceed the price allocable to the goods or services or unit thereof which gives rise to the claim. Buyer shall not be liable for penalties of any description.
- 26. COMPLIANCE WITH APPLICABLE LAWS.** Seller represents and warrants that the goods or services furnished hereunder were produced in compliance with all applicable requirements of Section 6, 7 and 12 of the Fair Labor Standard Act of 1938, as amended, and of regulations and orders of the Department of Labor issued under Section 14 thereof. The Equal Opportunity Clause of Section 14 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Executive Order 11246, the Affirmative Action Clause of Section 741.4 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Programs for Handicapped Persons, and the Affirmative Action Clause of Section 150.1 of the Rules and Regulations of the Office of Federal Contract Compliance Programs related to Affirmative Action Regulations for Veterans of the Vietnam Era are hereby incorporated by reference. Seller represents and warrants that the goods or services furnished hereunder (including all labels, packages and containers for said goods) comply with all applicable standards, rules and regulations in effect under the Williams-Steiger Occupational Safety and Health Act of 1970, US Department of Transportation (DOT 49 CFR) and Environmental Protection Agency (EPA 40 CFR) with respect to design, construction, manufacture or use for their intended purpose of said goods or services.

Appendix B - Supplier Rating System & Performance Award Criteria

Supplier Rating System

Stage	Description
1	PPM (Rating per million parts received) is calculated using the formula Parts received = Total of parts received at all Nisco locations $QPPM = \text{Total rejected} / \text{Total of parts received} * 1,000,000$ $DPPM = \text{Total mis-delivered} / \text{Total Received} * 1,000,000$ Incidents = Every <i>VRMA</i> report is considered an incident. Defective parts may not be assigned, but product flow was interrupted by the non-conformance.
2	Suppliers are compared with suppliers of like products and given their individual performance report each quarter.
3	Nisco management reviews the performance rating of each supplier quarterly, and determines whether a supplier is in good standing
4	Purchasing makes the final approval of the rating list and distributes to the supplier and quality departments throughout Nisco.

Supplier Award Criteria

Criteria	Achievement Level
Delivery PPM	0 for the year
Quality PPM Rating	0 for the year
Service	Answered all information requests

Special Recognition

Suppliers are nominated by Nisco Buyers based on feedback from company associates regarding special circumstances that warrant recognition for a job well done. These nominations are reviewed by senior management and presented based on their merit.

<p>Recognition of Achievement</p> <p>Recognition is given to suppliers who have made a significant contribution beyond normal business during the year.</p> <p>Process or Product Innovation</p> <p>A supplier brings a new product or process to Nisco that adds value to the final product, and successfully launches the new product or process.</p>

Appendix C - Packaging Guidelines

Packaging is a key element in the Nisco material system. Nisco Production Control will issue order quantities based on multiples of approved packaging and approximating daily production requirements. Our goal is to minimize in-plant inventory and improve the work cell 5S while using environmentally sound materials for packaging. Listed below are our guidelines for developing acceptable package types.

Returnable Packaging

- Collapsible or stackable returnable containers are preferred when practical.
- Interior dunnage required can be returnable or expendable.
- Observe the AIAG standard pallet size of (32"x30") or (45"x48") x 50" (maximum height)
- Handheld totes
- Maximum weight limit is 35 pounds.
- Parts restricted by size, weight, or unique requirements can be reviewed as exceptions.
- Palletize the containers to permit mechanical handling
- Backup expendable packaging must be identified in the event not enough returnable packaging is available.
- Required maintenance, repair, and cleaning of supplier owned packaging is the supplier's responsibility unless negotiated in advance with Nisco Purchasing.
- All returnable totes and pallets must carry the supplier's identification on at least two sides visible in the nested or collapsed position. Nisco is not responsible for lost containers not identified this way

General Packaging

- The Nisco "Packaging Sketch" form showing proposed packaging must be completed as part of the PPAP process.
- Nisco approval of a change in packaging style is required before making the change permanent.
- A packaging trial may be required for all new forms of packaging during the PPAP process.
- Nisco approval of submitted packaging does not relieve the supplier's responsibility as a shipper for meeting carrier regulations and providing adequate protection for the contents of the packaging.
- All mechanically handled loads must have four-way entry.
- Mixed pallets are acceptable as long as each container is properly identified.
- All hazardous materials shall be labeled and shipped according to the latest provisions of Title 49.
- Nisco suppliers typically use LTL (Less Than Truckload) shipments. These guidelines apply to them as well as full truckloads.
- Label according to the Nisco label standards.
- Further directions or exceptions to the above requirements can be discussed and approved by Nisco Purchasing.

Appendix D- Material Release Example

VENDOR RELEASE SYSTEM				Page	1
*** SUPERSEDES ALL PRIOR RELEASES ***					
SUPPLIER	SHIP TO 1	BILL TO			
	2 FT WAYNE 2785 Persistence Drive	61/ 079829335 NISHIKAWA COOPER LLC ACCTS PAYABLE FTW 324 MORROW STREET	RELEASE NO: 387160 RELEASE DATE 05/12/2021 CONTACT: PROD CNTRL		
PART:		VEND PART:			
UNIT OF MEASURE: EACH		FABRICATION CUM		135,000	
LAST RECEIPT QNT:		MATERIAL CUM:		135,000	
PO NO: 37-FW		HIGH FABRICATION:		135,000	
SHIP / DEL:		RECPT YR TO DATE:		HIGH MATERIAL: 135,000	
REQUIREMENTS					
DUE	NET	TYPE 4	FREQ	PO NUMBER	RAN NUMBER 5
Mon 05/17/2021 12:00 Mid	3,600	FIRM	DAILY	37-FW	37-FW25
Tue 06/01/2021 12:00 Mid	2,700	FIRM	DAILY	37-FW	37-FW26
Mon 06/07/2021 12:00 Mid	4,500	FIRM	DAILY	37-FW	37-FW27
Mon 06/14/2021 12:00 Mid	4,500	PLAN	WEEK	37-FW	37-FW28
Mon 06/28/2021 12:00 Mid	3,600	PLAN	WEEK	37-FW	37-FW29
Tue 07/06/2021 12:00 Mid	4,500	PLAN 6	WEEK	37-FW	37-FW30
Mon 07/12/2021 12:00 Mid	4,500	PLAN	WEEK	37-FW	37-FW31
Mon 07/19/2021 12:00 Mid	5,400	PLAN	WEEK	37-FW	37-FW32
Mon 07/26/2021 12:00 Mid	4,500	PLAN	WEEK	37-FW	37-FW33

1. The Nisco Ship To: location will indicate the Nisco plant that released the order. The Bill To: is the same no matter the ordering location.
2. The contact information for the planner responsible for the information on this release. The release number and date are also important in the event of an obsolescence inquiry.
3. Requirement date. This is the in-plant date for each release. Do not wait to ship until this date.
4. Type: Firm orders are shipment releases, Plan is a forecast. PO Number is the Corporate PO number assigned for the MRP contract. The PO number will change by location even for the same part number.
5. Ran Number: is the purchase order and line number concatenated. If release information changes from one week to the next check the RAN number to ensure you don't make an extra shipment
6. Plan data is forecast data used to help the Supplier plan their material purchases.

Appendix E- International Material Data System (IMDS)

The IMDS is a database accessed via the Internet and created by the automobile industry to collect and report part structure and material composition data for vehicle components. IMDS enables Vehicle Manufacturers (VMs) to meet national and international standards, laws, and regulations concerning materials and recycling.

In general, the IMDS submission is required for:

- All parts incorporated into a vehicle "as sold" and all service (aftermarket) parts (including sprays, inks or labels applied directly to the product.)
- All prototype parts
- The End of Life Vehicle (ELV) directive covers a range of requirements but in particular:
- Vehicle Manufacturers are to limit the use of hazardous substances.
- The design and production of new vehicles should take into account and facilitate the dismantling, reuse, and recovery of ELVs, their components, and materials.
- An increasing quantity of recycled materials should be integrated into vehicles
- The use of cadmium, lead, mercury, and Hexavalent chromium in new vehicles is to be eliminated.

Supplier Reporting

- Direct Input into the IMDS (International Material Data System). The IMDS can be accessed via the Internet at: <http://www.mdssystem.com> and is free of charge to users. The web site provides suppliers information about training and general system information, including registration to obtain User Names and Passwords. Here you will also find details of the Service Centers (Help Desks) that have been established to answer your questions about IMDS.
- The NISCO Part Number is to be listed in the "Part/Item No." field.
- The full 10% per material allowed for Confidential Substances is to be used following Recommendation 001.

IMDS Responsibilities

- Suppliers have the responsibility to submit IMDS information to Nisco by following the IMDS User Manual, Recommendations 001 (Annex 1), as defined and established by the IMDS Steering Committee. The supplier is also responsible to annually review the IMDS User Manual and follow all Recommendations.
- Nisco is responsible to ensure compliance and accuracy of our part submissions.

Nisco ELV / IMDS Reporting Contacts

IMDS Company ID	32379
Nisco Address	324 Morrow Street Topeka IN 46571, USA
IMDS Contact (Engineering)	Tiffany Elliott
Telephone Number	260-593- 4692
Fax Number:	260-593- 2397
Email:	Telli067@niscoseals.com

Recipient Facility Name	City
Topeka Indiana, USA	Topeka
Bremen Indiana , USA	Bremen
Fort Wayne Indiana, USA	Fort Wayne

Appendix F – Conflict Minerals Reporting

iPoint Company ID	4078
iPoint website	http://conflict-minerals.com/
Nisco Address	324 Morrow Street Topeka IN 46571, USA
Nisco Contact (Purchasing)	Amber Crossland
Telephone Number:	260-593-4614
Email:	arcrossland@niscoseals.com
Nisco Contact (EH&S)	Brad Keller
Telephone Number	260-593-4651
Email:	bjkeller@niscoseals.com

Appendix G – Change Point Examples

It's necessary to issue IPP tags for changes to parts or their processes. This table explains change types, lists examples (not limited to examples), and how to determine the level of control

No.	Type	Explanation / Examples	A	B	C
1	Design Change	The part drawing changes, altering the physical structure of the part. A design change is done when a new part drawing or a DCN is issued. <ul style="list-style-type: none"> • New part design • Design change that affects the part 	X		
		<ul style="list-style-type: none"> • Design change that does not affect the physical structure of the part, such as part name or part number 			X
2	New Supplier	A supplier or sub-supplier, who has never produced the part or component, begins manufacturing the part for Nisco. <ul style="list-style-type: none"> • Addition of a new supplier or sub-supplier • Changing the supplier or sub-supplier • Change from in-house production to outside supplier (or vice versa) • Change in factory location 	X		
3	Material Change	The material(s) used to manufacture the part is changed. <ul style="list-style-type: none"> • Change of material supplier • Material supplier changed from outside to self-supplied (or vice versa) • Change in material composition (including anti-rust oil or lubrication oil) 	X		
4	Manufacture Method Change	A process method, setup or condition used in manufacturing the part is changed or modified. This includes any change that effects the way the parts are produced as reflected in the PPAP. This does not apply for routine adjustments. <ul style="list-style-type: none"> • Compound mixing condition change • Heat treatment condition change • Rubber or plastic molding condition change • Coating condition change • Forming condition change • Process standards or setting method change 	Nisco will set level		
5	Process Order Change	The manufacturing process order is changed or deviates from the PPAP. <ul style="list-style-type: none"> • Change to the order of the process, or adding or deleting process steps • Change a temporary process to a permanent one (or vice versa) 	Nisco will set level		
6	Machine Change	When the machine initially used to produce the parts during the approval process has been changed or replaced by another machine. (Machine examples: stamping press, assembly line, injection molding, etc.) <ul style="list-style-type: none"> • Initial use of a new machine • Major modification or repair of a machine • Equipment relocation within the same plant, or outside the plant or building. • Changes to machine control logic (e.g. software upgrade or replacement that affects machine function) 	Nisco will set level		
7	Jig / Tool Change	The primary or secondary tooling or jigs are changed or maintained, potentially affecting the quality, function, appearance, or reliability of the part. <ul style="list-style-type: none"> • Changes or repairs to jigs or tools • Change in master part samples • New or modified tools or jigs 	Nisco will set level		
8	Die / Mold Change	A die or mold that is used in the manufacturing process is new or changed. <ul style="list-style-type: none"> • New or renewed die or mold • Revision or repair of the die or mold 	Nisco will set level		
9	Inspection Method Change	The inspection methods of the part are changed, potentially resulting in either an improvement or changes in the part's quality performance. This may require a revision to the PPAP. <ul style="list-style-type: none"> • New or modified inspection equipment • Measuring method change or measuring instrument type change 	Nisco will set level		
10	Logistic Change	The method of packaging of the part or the transportation type deviates from the initially approved method. The change could adversely affect the quality of the part. <ul style="list-style-type: none"> • Change in packaging materials or containers • Change to or from a refrigerated truck for compound delivery 		X	

Appendix H – Corrective Action Form



NISHIKAWA COOPER LLC - CORRECTIVE / PREVENTIVE ACTION REPORT

Vendor Name/Location:		NCMR #			
Nonconformity/Defect:		Rejected Quantity		Vendor RMA #	
Problem Severity level: (Select one)		Formal	Informal	RFI	
Customer Specific Verified: (List print requirement or specification)				Nishikawa Cooper, LLC Rep	
Evidence Attached:				CAR Due Date:	
** Note: All corrective action reports must be completed and returned with any applicable evidence to Nishikawa Cooper LLC, for verification within <u>30</u> days of closing meeting using corrective / preventive action report below <u>unless otherwise agreed.</u>					
1. Quality System Requirement. What does the Standard/Specification require?					
2. System Problem Statement. What, When, Where, and how Many?					
2c. Vendor Signature of Nonconformity Acknowledgement:					
3. Correction Immediate fix / containment					
ACTION ITEM			RESPONSIBLE	DUE DATE	STATUS
4. Root Cause Use <i>Brainstorming Tool</i> & a <i>5 why Method</i> to analyze entire system, not just incident. Why did system allow problem to occur?					
Problem Statement:					
Why 1:					
Why 2:					
Why 3:					
Why 4:					
Why 5:					
5. Corrective Action Must include correction(s) of systemic issue found in D4, include who is responsible and target completion date.					
ACTION ITEM			RESPONSIBLE	DUE DATE	STATUS
5a. Impact/Horizontal Deployment/Read Across					
ACTION ITEM			RESPONSIBLE	DUE DATE	STATUS
6. Preventive Action List systemic actions to prevent recurrence in all areas					
ACTION ITEM			RESPONSIBLE	DUE DATE	STATUS
IS TRAINING REQUIRED? (YES /NO)			IS TRAINING COMPLETE? (YES/NO)		
7. Evidence supplied for Actions taken. (i.e.: New/revised procedures, W.I., Training Records, Updated Control Plans, etc.)					
Closed By:		Closed Date:			
8. Plan for Verification. To ensure corrective actions are effective.					
Verified By:		Verification Date:			

1. List Requirements. Provide detail of why this was determined to be a Non-conformance (list print/specification requirements).
 2. List actual problem found & objective evidence found during the course of the audit. Attach evidence found.

Change Summary

Rev Level	Date Approved	Change Detail	Approver
001	01/01/2009	Initial Issue of completely revised Supplier Manual	W. Paolucci
002	05/01/2010	Updated Receiving Inspection and Testing pg. 9 Under material certifications added core metal, wire carrier, TPE compound, to raw material, and added SQE on pg. 11 Updated Submitting Material certifications pg. 11	W. Paolucci
003	5/01/2012	Updated Company name throughout the document Eliminated Rating matrix pg. 9 Added Certificate of Origin and SOC Declaration to Supplier PPAP requirements, pg. 10 Revised award criteria in Appendix A, pg. 17 Added SOC forms Appendix I Added Content Reporting pg. 14 Updated IMDS contact information Appendix H Containment Activity section modified, pg. 12 Changed order of Appendices	W. Paolucci
004	5/01/2013	Removed the Culture section and replaced it with Corporate Social Responsibility pg. 5 Modified Packing slips section to include purchase order unit of measure pg. 13 Combined Appendix D & E and eliminated E., updated contact information, Relabeled following Appendices pg. 18	W. Paolucci
005	5/01/2014	Revised initial parts labeling requirement in PPAP section pg. 11 Added accounts payable email address pg. 13 Added Purchasing Directed Social Initiatives pg. 5 Eliminate Appendices: Principles of Cost Reduction, Keys to Continuous Improvement, and Effective Problem-Solving Philosophy. Added Conflict Minerals Appendix	W. Paolucci
006	11/01/2014	Add Appendix F Change Point Control Examples and re-index the following Appendices. pg. 20 Remove change request section pg. 6 Shorten the PPAP section pg. 9 Add change point control system section pg. 10 Remove Appendix H, Acknowledgment, pg. 22	W. Paolucci
007	05/01/2015	Charges for Non-conforming Material modified to reflect negotiated costs pg. 7 Fabrication & Raw Material Policy modified to include long lead time products pg.8 Receiving Inspection & Timing changed statistical methods to as appropriate. pg.8 Quality System Certifications modified retention and expected to recommended activities pg.9 PPAP Process was modified to separate component and bulk material suppliers pg.9 Part and Material Approval Process was modified to separate component and bulk material suppliers pg.9 Corrective Actions was modified to 21 days to complete 5P/8D pg. 12	W. Paolucci
008	05/01/2017	Pg. 5 added Code of Ethics and Business Conduct and clarified Confidentiality, Pg. 6 Updated plant location information, Pg. 7 clarified Customer service requests and revised Discrepant material and resolution timing, Pg. 9 Updated quality certification to TS16949:2009, Pg. 10 Revised if submission is rejected, Pg. 11 Revised Component Parts approval, Pg. 12 Revised Nisco requirements under level II containment, Pg. 13 revised first paragraph under Material Purchase Order Requirements, Appendix D updated contact information, Appendix G Updated Procedure numbers	W. Paolucci
009	1/22/18	Updated Manual to ISO 9001: 2015 and IATF 16949: 2016 requirements.	A.Crossland
010	3/12/18	Added “Component, Material, Distribution, Outsource, Service Vendor” to all categories that apply to each. Added General Terms & Conditions (Appendix A) and Vendor Corrective Action Report (Appendix H), Removed supplier Disc (Appendix I)	A.Crossland
011	04/12/19	Added “and Sub-suppliers” to Introduction	A.Crossland
012	05/12/2021	Updated Livonia Address; Updated Release information; fixed formatting errors; and updated Ashley’s last name to Best.	A.Crossland
013	05/26/2022	Updated EH&S Contact from Mike Hough to Brad Keller. Changed IMDS contact to Tiffany Elliott from Ashley Best. Added Fort Wayne Plant 2 address to manufacturing sites. Updated NCDR & NCMR to VRMA.	A.Crossland

014	09/12/2022	Updated the Appendix references that were incorrect throughout the manual.	A.Crossland
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