



SUPPLIER QUALITY AND BUSINESS REQUIREMENTS MANUAL

Commercial Vehicle Group, Inc.

7800 Walton Parkway
New Albany, Ohio 43054
Phone: 614-289-5360

CVG Supplier Quality and Development Requirements Manual

Table of Contents

<u>Subject</u>	<u>Page Number</u>
TABLE OF CONTENTS	2
GENERAL INFORMATION	4
Definitions	
Supplier Requirements	
Supplier Development	
Purchase Order Terms & Conditions	
CORPORATE AND PLANT LISTINGS	5
PART PRODUCT APPROVAL PROCESS (PPAP)	6
Supplier Sample Submission Procedure	
Deviations	
Chemical Suppliers	
Laboratory and Test Analysis	
Legislated Requirements	
Initial Approval	
Annual Re-certification	
Material Certification/Warrant Requirements	
RoHS – Restriction of Hazardous Substances Directive	
IMDS – International Material Data System	
REACH – Registration, Evaluation, Authorization and Restriction of Chemicals	
REGULATORY	7
RoHS, IMDS, and REACH Requirements	
Conflicts Minerals	
CONTINUOUS IMPROVEMENTS	8
Cost Monitoring	
VA/VE: Value Analysis/Value Engineering	
DOCUMENT AND DATA CONTROL	9
Engineering Drawing and Specification Control	
DOCUMENT / DATA APPROVAL AND ISSUE	9
Engineering Change	
Engineering Change Notification	
PURCHASING	9
Evaluation of Suppliers and Subcontractors (Sub-suppliers)	
Run-at-Rates	
Potential Suppliers	
Current Suppliers	
Systems Improvement	
Supplier Performance Indicators	
Quarterly Performance Report	
Verification of Purchased Product	

IDENTIFICATION AND TRACEABILITY	10
Lot Control / Traceability	
PROCESS CONTROL	11
Maintaining Process Control - Capability Studies	
PROCESS CHANGE	11
VERIFICATION OF JOB SET UPS	11
First/Last Piece Inspection	
CERTIFICATES OF ANALYSIS (COMPLIANCE)	12
NONCONFORMING PRODUCT	12
REVIEW and DISPOSITION OF NONCONFORMING PRODUCT	13
Reject Parts Per Million (PPM)	
Product Disposition	
Containment Plan	
Containment Level	
Removal from Containment	
CORRECTIVE ACTION	15
Problem Solving Report (PSR) Response	
Unresolved Quality Concerns – Phase Meetings	
DELIVERY	15
In-Bound Freight	
Out-Bound Freight	
Physical Condition	
Premium Freight	
Logistical Concerns	
Customer and Production Schedules	
Non-Delivery, Delayed Deliveries or Short Shipments	
Interruption/Shutdown	
CONTROL OF QUALITY RECORDS	16
Chemical Suppliers - Record Retention	
CONTROL CHARACTERISTICS	16
Unidentified Key Product/Control Characteristics (KPC/KCC's)	
Key Product/Control Characteristics (KPC/KCC's)	
Component Supplier Statistical Data Submission	
Cp and Cpk Indices	
Chemical Supplier Statistical Data Submission	
ENVIRONMENTAL GUIDELINES	17
CORPORATE SOCIAL RESPONSIBILITY REQUIREMENTS FOR SUPPLIERS	18
WARRANTY GUIDELINES	18

APPENDICES

Appendix A: Engineering Change Request Form	19
Appendix B: Certificate of Analysis (Compliance)	20
Appendix C: Corrective Action Response Form	21
Appendix D: Purchase Order Terms & Conditions	22

GENERAL INFORMATION

All requirements and standards stated in this Supplement pertain to the specific requirements of Commercial Vehicle Group, Inc. ("CVG"). All references to Commercial Vehicle Group, Inc. or CVG apply to all CVG facilities (CAB Systems, Seating, Electrical, and Specialty Products). All suppliers of direct materials and products, must have in place an appropriately certified Quality Management System as defined in section 'B' below.

Other reference books of technical specifications to which suppliers must comply are available through AIAG and include: Advanced Product Quality Planning, Failure Mode and Effect Analysis (FMEA), and Control Plan (APQP/CP), Measurement System Analysis (MSA), Fundamental Statistical Process Control (SPC), and Production Part Approval Process (PPAP).

A. Definitions

All statements contained within this document referring to "**supplier**" refer to your company regardless of sourcing arrangements. All statements referring to **subcontractor (or sub-supplier)** refer to providers of materials, parts, or services to the supplier. All statements, which refer to "CORPORATE QUALITY", shall henceforth refer to CVG - Corporate Supplier Quality Assurance and Development Department.

B. Supplier Quality Management System Requirements

Suppliers to CVG are required to be third party registered, at a minimum, to the latest version of the ISO 9001 quality standard, and ultimately (if eligible), compliant and certified to the latest version of the ISO IATF 16949 quality standard. This requirement applies to every physical manufacturing location of each supplier providing goods and/or services which are present in the final CVG product sold to CVG's customers.

ISO / IATF standards are available through the AIAG (Automotive Industry Action Group) in Southfield, MI (www.aiag.org),

In the case of multiple manufacturing sites, the supplier shall maintain all relevant documentation of certification and provide evidence of such to CVG as requested. All materials must be processed, controlled, inspected, and/or tested in accordance with requirements as presented in the latest version of the ISO 9001 or IATF 16949 standards, this addendum, supply agreements, purchase orders, and any other requirements stated on CVG documents.

This manual is a supplement to the latest version of the ISO IATF 16949 quality standard which states the guidelines for meeting CVG specific requirements for its supply base.

C. Supplier Development

In the event that third party registration is an extreme burden to the supplier, a supplier development program may be an alternative under certain conditions. A supplier may apply to the CVG Corporate Quality Group for consideration of the circumstances and the need for the product(s) produced by the supplier.

If it is determined that circumstances warrant a supplier development program, arrangements will be made for a second party evaluation of the ability of the supplier to become compliant to the requirements of ISO 9001. Recommendations will then be made for any corrective actions needed and after they are implemented, a second party compliance certification of the supplier will be required.

D. Purchase Order Terms & Conditions

All CVG orders to the supplier are subject to the latest version of CVG's Purchase Order Terms & Conditions (Appendix D). The most current revision can be found at www.cvgrp.com.

E. Corporate and Plant Listings

Commercial Vehicle Group Corporate Headquarters

7800 Walton Parkway
New Albany, OH 43054
Phone (614) 289-5360
Fax (614) 289- 5361

Piedmont, AL – Aftermarket Distribution 50 Nances Creek Boulevard Piedmont, AL 36272 Phone: (256) 447-9051 Fax: (256) 447-2038	Douglas, AZ - Warehouse 402 1st Street Douglas, AZ 85607 Phone: (520) 805-2924 Fax: (520) 805-2925
Dalton, GA – Trim & Warehouse 1030 Vista Drive Dalton, GA 30721 Phone: (706) 277-2049	Monona, IA – Wire Harness 301 W Spruce Street Monona, IA 52159 Phone: (563) 539-2011 Fax: (569) 593-4594
Michigan City, IN – Wiper, Switches 527 West Highway 20 Michigan City, IN 46360 Phone: (219) 861-2500 Fax: (219) 879-4578	Kings Mountain, NC – Cab & Sleeper Box 629 S Battleground Avenue Kings Mountain, NC 28086 Phone: (704) 676-6542 Fax: (704) 397-4443
Concord, NC – Injection Molding 2845 Armentrout Drive Concord, NC 28025 Phone: (704) 784-2100 Fax: (704) 784-1605	Chillicothe, OH – Interior Trim & Mirrors 75 Chambers Drive Chillicothe, OH 45601 Phone: (614) 772-5998 Fax: (614) 775-1400
Vonore, TN – Seats & Warehouse 20 National Drive Vonore, TN 37885 Phone: (423) 884-6651 Fax: (423) 884-6126	Dublin, VA – Interior Trim & Warehouse 320 Newbern Road Dublin, VA 24084 Phone: (540) 674-6229 Fax: (540) 674-6427
Agua Prieta, MX – Wire Harness 4721 N. Eugene Ave Douglas, AZ 85607 Office: 011 52 633 338 9370	Saltillo, MX – Interior Trim & Seats Blvd. Cesar H. Cantu Benavides Sur #370 Parque Industrial Alianza Derramadero Saltillo, Coah 25300 Phone: 52 844 986 1300
Northampton, UK - Seats Stone Circle Road, Round Spinney Northampton, England NN3 8RS Phone: 00 44 1604 790500	Brisbane, AUS - Seats Unit 2/29-41 Lysaght Street Acacia Ridge, QLD 4110 Phone: 61 7 3344 0500 Fax: 61 7 3344 0521
Sydney, AUS – Seats 360 Victoria Street, Wetherill Park Sydney, NSW Australia 2164 Phone: 61 2 9604 8555 Fax: 61 2 9725 2261	China – Seats & Wire Harness No. 599 Huibao Road, Waigang Jiading District, Shanghai 201806 Phone: 86-21-5958 Fax: 86-21-5958-5802
Czech Republic - Seats Dělnická 53 561 12 Brandýs nad Orlicí, Česká republika Phone: 420 465 519 311 Fax: 420 465 544 491	Liberec – Wire Harness Ind. Park Liberec N, Svarovska 698 463 03 Straz nad Nisou, Česká republika Phone: 011420 485 248 204 Fax: 011420 485 248 285
India - Seats Baska India Maharashtra India Karnataka India	Ukraine – Wire Harness Vul. Zelena 301 L'viv, Ukraine 79066

PART PRODUCT APPROVAL PROCESS (PPAP)

A. Supplier Sample Submission Procedure

All suppliers shall follow the instructions provided in the latest revision of the Production Part Approval Process (PPAP) manual or as directed by CVG Supplier Quality or the approving CVG location, and use the appropriate AIAG forms when applicable. PPAPs are to be submitted following “**Level 3**” requirements unless otherwise directed.

B. Deviations

Deviation requests must be submitted and incorporated on the part drawing prior to sample submission for production approval by the CVG customer and the Corporate Purchasing Department. PPAP's submitted under deviation can only be given an interim approval pending resubmission to corrected drawings, tooling, etc..

C. Chemical Suppliers

If applicable, chemical suppliers must submit samples and technical information to CVG Product Engineering Department or as specified on purchase order or other document.

D. Laboratory and Test Analysis

A current laboratory accreditation certificate (per end-customer accreditation policy) must accompany all laboratory analysis reports. The test results must reflect a period not greater than 12 months and indicate laboratory name, address, date, specification number, specification limits, lot number, test results, and a signature of a responsible individual. Lab scope of facility shall be documented. Outside laboratories must be registered to the ISO/IEC 17025:2005 standard.

E. Legislated Requirements

All products supplied to CVG, which are to be installed into a vehicle interior, are subject to FMVSS 302 or other OEM or government/safety regulated requirements. Documentation assuring requirement compliance must be submitted at time of PPAP and at least annual to the Quality departments of the receiving CVG locations. Suppliers are to maintain evidence of meeting these requirements for every lot of material shipped to CVG and be able to provide such evidence within 24hrs of CVG's request.

F. Initial Approval (Assembly or Raw Material)

Once the CVG PPAP Specialist has evaluated the submission, CVG will notify the supplier of the submission status through the warrant. Production shipments are to be initiated only after the receipt of sample approval, receipt of releases, and receipt of instructions from the Purchasing Department.

G. Initial Approval (Tooling)

All tooling suppliers shall complete and submit a Tool Certification at the time of delivery for each tool cavity. Approval will be given after product is PPAP approved by the user plant/OEM.

H. Annual Re-certification

Test data and certificates of analysis cannot be more than one year old. Annual material testing must be performed to validate ongoing conformance to requirements. Material test results are to be kept on file at the supplier location and be readily available to CVG within 24hrs of request. All records are subject to periodic audit review by CVG personnel. The lack of proper data management and availability from the supplier would result in a noncompliance and possible CVG rejection requiring the supplier to submit an 8D corrective action plan.

NOTE: A complete dimensional/material analysis shall be made available upon request.

I. Material Certification/Warrant Requirements

When required, a certification/warrant document shall contain:

- ❖ Supplier name, address, phone number, date
- ❖ Customer location address
- ❖ Purchase order number
- ❖ Quantity shipped
- ❖ Shipper number
- ❖ Date shipped
- ❖ Lot/batch number for traceability
- ❖ Product name/number
- ❖ Listing of Specification compliant to
- ❖ Authorization signature or authorization name if supplied electronically.
- ❖ Characteristics controlled (specification values with tolerance & units of measure)
- ❖ Actual test methods and results for a particular lot/batch
- ❖ Certificates of Analysis (Compliance) – Analysis reports must show the requirement, tolerance range, and the test results.

STATUTORY AND REGULATORY

A. RoHS, IMDS, and REACH Requirements

Many of CVG's customers and OEM's require compliance with various world-wide directives involving restricted and hazardous materials. Because of this, CVG must also require the same of its supply base. All suppliers should develop procedures, as appropriate and as determined by their position in the supply chain, to move towards RoHS, IMDS, or REACH compliance, or any combination thereof. These requirements are CVG specific for PPAP submissions and must be provided upon request. Please contact your CVG buyer or quality department if you have questions regarding these requirements.

B. Conflict Minerals

In August 2012, the United States Securities and Exchange Commission (the "SEC") published regulations implementing Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Act"). Under Section 1502 of the Act, publicly-held companies like CVG, must report annually to the SEC whether they use certain "Conflict Minerals" originating from the Democratic Republic of Congo (DRC) or an adjoining country that are "necessary to the functionality or production" to their products. The "Conflict Minerals" include columbite-tantalite (tantalum), cassiterite (tin), wolframite (tungsten) and gold. This reporting is also a requirement of CVG's customers and is requested throughout the year.

CVG had developed a process that requires all suppliers who provide components and/or materials to any CVG location to provide an updated conflict minerals report for the prior 6 month period. The reporting periods run January through June and July through December. CVG will notify suppliers and request a current version of the Conflict Minerals Reporting Template (CMRT) using the iPCMP tool (iPoint) or by using CVG's dedicated email box at conflictminerals@cvgrp.com.

All suppliers, regardless of location are required to provide a completed CMRT even if the products or materials provided do not contain any of the conflict minerals. Letters, statements, policies, or other written correspondence will **not** be accepted as a response in lieu of the CMRT.

If you are not the manufacturer of the products or materials purchased by CVG or if you are a distributor, you should obtain the information from your supply chain. For components or materials that do contain one or all of the conflict minerals you are required to provide smelter information. This smelter information should be verified as needed and all duplicate information removed.

The CMRT request must be completed by the due date provided. Failure to provide the requested information may impact your ability to obtain future business with CVG.

Additional information and the latest CMRT can be found on the CFSI website at www.conflictreesourcing.org/conflict-minerals-reporting-template/

[Questions on CVG Conflict Mineral reporting can be sent to conflictminerals@cvgrp.com](mailto:conflictminerals@cvgrp.com)

CVG expects that it will eventually be audited regarding its due diligence efforts to collect this information from its supply chain. The framework for this audit can be found in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. The OECD framework, can be found at: www.oecd.org/investment/guidelinesformultinationalenterprises/46740847.pdf

The CVG Conflict Minerals Policy Statement can be found on the company website at <http://ir.cvgrp.com/phoenix.zhtml?c=180209&p=irol-govhighlights>

C. Anti-Slavery and Human Trafficking

CVG will not accept modern slavery or human trafficking in any form or at any place within its business. CVG expects its global partners to adopt the same position and to take affirmative steps to ensure their business operations abide by all ethical sourcing obligations. CVG's suppliers must adhere to all the requirements detailed in the federal acquisition regulations (FAR) and the Transparency in Supply Chains Act for their activities in the United States, and the Modern Slavery Act for their activities in the United Kingdom, and any other law, rule, regulation, order, standard, or other requirement applicable to the individual supplier.

CONTINUOUS IMPROVEMENT

A. Cost Monitoring

The supplier is expected to cooperate with CVG 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 CVG.

B. VAVE: Value Analysis/Value Engineering

VAVE 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. CVG expects its suppliers to participate pro-actively in the VAVE program when called upon.

DOCUMENT AND DATA CONTROL

Engineering Drawing and Specification Control

Assistance in obtaining part drawings and specifications, clarification of specifications, and information on components can be acquired through the Purchasing Department. Information, as it applies to tooling suppliers, can be obtained through the CVG Product Engineering Department.

DOCUMENT / DATA APPROVAL AND ISSUE

A. Engineering Change

The supplier shall have written authorization from the Purchasing Department prior to making any production/engineering changes. Any product shipped containing deviations without having prior change authorization from the CVG User Plant(s) will be subject to **rejection** and/or **returned** at the suppliers' expense.

B. Engineering Change Notification

In order to prevent any manufacturing problems when engineering changes are communicated directly to the supplier at the request of the OEM/end-customer, component suppliers shall immediately contact CVG Supplier Quality and/or the CVG Plant's Quality department prior to the first revised production shipment. Prior notice shall include change number, lot number, and date of first shipment. The first approved shipment shall bear a brightly colored printed label with notification of changed material to inform that a change has occurred. Chemical suppliers shall place the brightly colored sticker on the bill of lading as notification of change.

PURCHASING

A. Evaluation of Suppliers and Sub-suppliers

CVG reserves the right to visit the supplier's and/or sub-supplier's manufacturing facility to verify the quality of purchased parts and to review quality systems at any time. Such assessment could be to update current supplier information, evaluate potential suppliers, or to review systems due to on-going quality related problems, etc. CVG will use the results of these assessments in business partner determination.

B. Run-at-Rates

CVG reserves the right to participate in, or initiate, run-at-rate assessments of the supplier's manufacturing capability to meet quoted capacities and quality requirements. These evaluation methods may be requested at the start-up of new programs, during pilot/launch phases, when the product is critical to CVG's production, etc.

C. Potential Suppliers

Prior to the placement of business, potential suppliers will be required to complete a Supplier Self-Assessment and/or Supplier Profile form for submission to CVG Purchasing

D. Current Suppliers

The CVG recommends that the supplier be prepared to demonstrate documented evidence of procedures, statistical data, current/historical records, and continuous improvement during on-site evaluation, as well as make available all relevant personnel. The assessment results, as well as other performance indicators, determine the supplier rating and if unacceptable, may affect future business in that they may cause the initiation of "Quotation Probation" and/or the resourcing of business.

E. Systems Improvement

If inadequate systems are evident, the supplier will be required to submit a corrective action plan illustrating targeted activities, timing expectations, and responsible persons. This may, if determined adequate, result in an improvement to the supplier's rating. If requested corrective action is not submitted, the supplier's rating may be decreased. The supplier may be asked to meet with the Supplier Development and/or Purchasing Departments at an appropriate location to resolve performance and/or systems concerns. Also, the supplier may submit, at any time without CVG request, documentation substantiating system improvements that, upon approval, may increase ratings.

F. Supplier Performance Indicators

All suppliers are monitored as appropriate for:

- Reject Parts Per Million (PPM)
 - CVG requirements of "QUALITY" parts per million is "50 PPM"
- Delivery disruption
 - CVG requirements of "DELIVERY" parts per million is "0 PPM"
- Corrective Action Response
- End-customer assembly plant shutdowns
- Corrective action plans
- Logistical discrepancies (on time delivery)
- Statistical data submissions
- Certification data
- Sample submissions (PPAP)
- Self-assessments
- Repetitive problems
- Warranty Returns
- Pricing / Net Terms

G. Verification of Purchased Product

CVG contractually reserves the right to visit the supplier manufacturing site to verify quality of purchased products prior to shipment.

IDENTIFICATION AND TRACEABILITY

Lot Control/Traceability

A lot/batch number 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 a lot or batch 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.

PROCESS CONTROL

Maintaining Process Control - Capability Studies

Where applicable Preliminary process potential study data shall be gathered in rational subgroups and used to develop preliminary control limits, which demonstrate the stability of the process.

Critical characteristics shall be monitored by acceptable techniques of process control monitoring. When out-of-control conditions are observed, component suppliers shall 100% sort or determine capability to the last point in control. Once correction is implemented, samples shall be taken, and results recorded and plotted on the charts. Chemical suppliers shall concentrate on specification requirements with subsequent attention to Cpk calculations. Chemical suppliers shall conduct statistical studies to evaluate the results of receiving inspection, in-process testing, formula changes, etc. These studies shall be performed on an on-going basis during development and shall include the development of process controls, test methods, and both product and process specifications.

PROCESS CHANGE

The supplier shall notify CVG Supplier Quality, Purchasing, Materials and Engineering departments of any design, process (including process location), material, or sub-supplier sourcing changes. The supplier shall make notification in writing via email and preferably by utilizing the included Engineering Change Request Form (Appendix A). A full PPAP Level 3 (or negotiated PPAP level commensurate with the specific change) will be required unless PPAP is waived in writing by either CVG Supplier Quality or the receiving plant's QA dept.

A. CVG Notification

The supplier shall notify CVG Supplier Quality, Purchasing, Materials and Engineering departments of any design and process changes as indicated below.

B. Process Change Notification Requirements:

- A new or changed product or tooling (specific part, material, color, plating, etc)
- Correction for any previously submitted part
- Engineering changes to parts or material
- Change in process or process locations even if just relocating within the same building.
- Change in supplier or supplier location (including sub-suppliers)
- Products produced after tooling or supplier location has been inactive for twelve months or more.
- Any change that could affect Safety of product, Fit, Form, Function, Performance, and/or Durability

VERIFICATION OF JOB SET-UPS

A. First/Last Piece Inspection

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 recommended that the last piece, once compared to the first piece 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.

B. Receiving Inspection and Testing

CVG prefers to keep receiving inspection to a minimum. Therefore, on-line usage of components and chemicals may determine acceptance. With the exception of tooling, all shipments received by CVG shall have been inspected and tested to ensure compliance to specifications and shall include the material certification/warrant documentation. Entire lots of material may be rejected at the first sign of a discrepancy in quality conformance. Chemical suppliers of temperature sensitive products are reminded to provide temperature monitoring devices on each shipment as required.

Third party certification to ISO 9001:2015 may be used in lieu of submitting statistical data and material certifications/warrants for component suppliers. However, this does not exempt the supplier from using statistical methods such as a C = 0 sampling plan and maintaining records for review by CVG.

C. Supplier Laboratory Requirements

The supplier shall use a schedule or tracking procedure for tests being performed both internally and externally. When test performance requirements cannot be completed during the shift from which the product was taken, that product shall be held pending successful test completion. When regulatory control is required by specification, records shall be maintained for review to illustrate compliance. Suppliers using outside laboratories must use laboratories that are accredited laboratories that meet the end-customer requirements. Registration to the ISO/IEC 17025:2005 standard is a requirement.

CERTIFICATES OF ANALYSIS (COMPLIANCE)

The supplier shall provide a Certification of Analysis (Compliance) for all product identified by the CVG using plant. Suppliers shall utilize the CVG QF-167 form (See Appendix B) or other means as specified by the approving CVG plant.

NON-CONFORMING PRODUCT

CVG Utilizes PLEX Online as its online Corrective Action System. www.plexonline.com

- All suppliers will receive a credential set (User ID and Passcode) for an online portal to the PLEX system.
 - All suppliers shall utilize the PLEX online system to view and respond to corrective actions.
 - All suppliers shall maintain an active portal and load all information needed (contacts, certifications).
- CVG will enter all corrective actions via 8D or Cost Recovery form within PLEX.
 - Forms are stored within the system, viewable to both CVG and supplier (via portal).

A. Supplier Tests

Product performance test failure shall be cause for the supplier to quarantine production shipments immediately pending analysis of the process and corrective action. The supplier shall immediately notify each CVG location of the failure, shipment suspension, and suspect lot identification. After the root cause of the failure is determined, corrected, and verified and approval by CVG in writing, the supplier may resume shipments.

B. Non-conforming Product Detection and Reporting – Failure Costs

The supplier shall be debited for any/all product failure costs determined to be the responsibility of the supplier, regardless if said failure occurred prior to or after shipment to the end-customer. Product nonconformance will be reported through the use of an 8D within PLEX. This form will also be used to inform the supplier of the request to complete a corrective action form for problem resolution outlining containment action and a plan for long term improvement.

C. Non-conforming Product Detection – Notification by Supplier

If shipment of non-conforming or suspected non-conforming product has been detected by the supplier and is in transit or has been delivered to CVG, the supplier shall immediately notify, by phone, the quality department at each CVG receiving location. Corrective action documentation shall be submitted to CVG.

- For all tooling issues, suppliers shall contact the Supplier Quality and Purchasing Department. CVG receiving locations may require tooling suppliers to submit an 8D for problem resolution, with corrective action to be submitted to the Purchasing department.
- For chemical issues, suppliers shall contact CVG location(s)

D. Non-conforming Product Detection – Notification by CVG

If non-conforming product has been detected by CVG, the supplier will be notified via automated email from PLEX Online. The supplier shall, within 24 hours, review the concern and provide authorization for disposition. Disposition timing may be decreased if specified by CVG due to the individual manufacturing schedule requirements. Disposition possibilities include:

- Supplier personnel sort at CVG location
- CVG personnel sort at CVG location
- Destroy and dispose of at CVG location
- Return product to supplier “freight collect” for credit with replacement product due
- Third party sorting if deemed necessary by CVG due to quality concerns

Costs associated with nonconforming product that causes a line interruption or shutdown at CVG or the end-customer will be the responsibility of the supplier.

REVIEW AND DISPOSITION OF NON-CONFORMING PRODUCT

A. Reject Parts Per Million (PPM)

Dividing the number of parts rejected by the number of parts received and multiplying the result by 1,000,000 results in PPM; for example, $5 \div 2,500 \times 1,000,000 = 2,000$ PPM.

Any product which is not within specification (except that product which was received via an approved deviation) will be defined as **REJECTED** and will be assessed as such against the supplier in PPM reporting. Rejected prototype and experimental product (non-production) shall not be assessed as PPM at any time. When CVG location has insufficient space to take delivery of all product(s) shipped (providing that the quantity shipped equals the quantity ordered), excess product shall not be assessed as rejected.

B. Product Disposition

It is to the supplier's advantage to visit CVG location for product disposition. This provides the opportunity to view component usage, and allows products to remain in the facility for sorting, reworking, or repairing. Upon sorting, product which is found to be within specification and can be used as is will not be assessed against the supplier PPM. If materials are returned, they will be considered non-conforming (rejected). All non-conforming products impact the supplier PPM.

When the quantity in question is extremely large, the supplier and plant quality personnel may negotiate the best method to dispose of the material. In some cases, the quantities are so high that sorting within the CVG facility would not be feasible and all products should be returned to a supplier controlled location for sorting. It is up to the supplier and plant quality personnel to negotiate the PPM value to be counted against the supplier. This is at the discretion of the plant quality personnel.

To avoid imminent production shutdown, CVG may perform, at the supplier's expense the necessary sorting inspection, and repairing/reworking operations to maintain production.

C. Containment Plan

CVG personnel may place the supplier into containment if they experience repetitive concerns with a supplier, during the first ten percent (10%) of annualized volume produced for a new program, or during pilot/launch phases. Containment will be required when consensus within CVG management determines that current supplier controls are not sufficient to insulate CVG from the receipt of nonconforming parts/material. If this occurs, the supplier will then be notified verbally, followed by an 8D or other written documentation.

CVG personnel at the location experiencing the part/material non-conformance make the determination whether the supplier can effectively correct the situation through the 8D process and/or isolate CVG from the problem. It is CVG's discretion to determine which and how many characteristics to be inspected until confidence has been restored. Standard guidelines for implementation of containment may consider the following:

- Repeated defects
- Duration and severity of the problem
- Incapable processes
- Quality problem at CVG facility, end-customer, or in the field
- Inadequate containment and/or resolution of non-conformances via the PSR process

With the exception of tooling suppliers, suppliers shall employ the "green dot" or other containment plan, which is temporary in nature, until process capabilities and process controls have proven effective. Suppliers shall also initiate an internal containment plan in situations which could affect production, e.g., manpower, materials, products, tools, processes, engineering change, etc. The plan shall provide a method to ensure that all defective and suspect defective products do not reach CVG.

ALL costs associated with the supplier being placed on containment, regardless of reason or sourcing arrangement will be at the expense of the supplier.

D. Containment Level

- Level I containment is defined as a redundant inspection process enacted by the supplier's employees at the supplier's location in order to isolate CVG from receipt of nonconforming parts/material. This containment effort is to be conducted in a separate area from production with qualified personnel.
- Level II containment is the same activity but "person(s) performing the sort" is an impartial third party selected by CVG and paid for by the supplier.
- Level III containment is activity required to be performed outside the supplier's facilities at the third party's location or at a facility deemed appropriate by CVG.

E. Removal from Containment

In order to be removed from containment, the supplier must provide the CVG location with a minimum of three (3) defect-free shipments, both at the supplier and at the CVG location, documented proof of a Cpk index higher than 1.33 for related or requested Key Control Item as determined by CVG, an updated control plan addressing the problem, and a completed and approved 8D-response with effective permanent corrective action.

It is the discretion of CVG whether to place a supplier in containment and to determine what should be in containment, and the length of the containment.

Containment is generally for thirty (30) days or three (3) shipments, but may be reduced or lengthened for an undetermined period of time, depending on performance, confidence level, and meeting the criteria for removal which includes the approval by CVG for:

- Sufficient quantities (determined by the receiving CVG location) shipped with zero defects
- An updated control plan to address the problem
- Statistical data and/or Cpk and Cp data of 1.33 or > for related or requested characteristics
- Approved 8D response to ensure permanent corrective action with no recurrence

The objectives for using a containment plan are to demonstrate a management commitment to proactive containment of all detectable defects, to ensure all processes are capable, and to implement process control. Termination of containment occurs only when CVG notifies the supplier of termination after there is no recurrence of the problem and that the documentation submitted has been accepted.

CORRECTIVE ACTION

A. Problem Solving 8D

The 8D reporting format (see Appendix C) 8D FORM is designed to be a useful tool in identifying and eliminating concerns. Only one defect is to be included on an 8D form. The supplier must include the 8D number on the 8D report. The completed 8D is to be submitted to the appropriate CVG Quality in the PLEX System. If an 8D is closed verbally through the requesting plant or meetings, the supplier is to then contact Supplier Quality Assurance.

If an 8D response is required of the supplier by CVG, notification will be provided through use of the 8D or other documented request. In an effort to improve communication and facilitate the 8D review process, simple illustrations depicting the problem product, system or process should be included whenever possible. If the root cause cannot be determined within 5 business days, an updated 8D response report must be submitted to the CVG Plex Supplier Problem System and every month thereafter until the issue is closed. CVG may request an initial 8D response sooner to ensure quality product is being delivered.

B. Unresolved Quality Concerns – Business Review Meetings

If a supplier has a large quantity of rejections within any given month, as indicated in the Monthly PPM Report, or if a supplier's performance is declining and/or resolution to quality issues is not permanently corrected, the Supplier Development and/or Purchasing department may conduct Business Review Meetings for resolution and address required containment level. The BR Meetings are conducted in three steps in which each step addresses a corrective action plan. If corrective action fails, and performance remains unacceptable, the next step is conducted with an increased level of management. The third phase which will require Level III Containment is the final phase in which the supplier's business with CVG can be terminated at CVG's sole discretion (regardless of status of contract), and the business resourced to another supplier(s).

DELIVERY

A. In-Bound Freight

The supplier shall have a program in effect with their suppliers, which allows at any time, for carrier assignment and tracking of in-bound products. The supplier material control activity shall assure raw material and component availability through documented communication between production, manufacturing, and purchasing activities.

B. Out-Bound Freight

Unless otherwise specified, CVG shall be responsible to coordinate freight carrier and schedule. The supplier is required to use CVG-designated carriers; however, suggestions for improvement may be forwarded to the Materials Department.

C. Physical Condition

All trailers are expected to be clean and in good useable condition. Any trailer damage shall be reported to the carrier prior to loading of product. Upon receipt of load, CVG shall examine trailer and load, and shall report any package or trailer damage to both the carrier and the supplier. Prior to unloading of the material any damage will be recorded and acknowledged by the vehicle driver.

D. Premium Freight

The supplier shall have a system to monitor all premium freight that shall include documentation describing the necessity and authorization for premium freight. The program shall also include a documented program for reduction/elimination of premium freight that includes corrective action and monthly reporting to CVG on the cause of the premium freight and corrective action taken. The supplier is responsible for all premium freight charges and subsequent charges associated with product that is delayed, due to supplier logistical, quality or scheduling problems.

E. Logistical Concerns

Logistic concerns will be reported on the 8D or other appropriate forms and will be assessed against the supplier. Logistical concerns will be assessed against the supplier on the Monthly PPM report

In concurrence with the above report, suppliers may receive a report detailing a past due condition. Receipt of this report shall initiate immediate reconciliation of shipment discrepancies through contact with the Materials Manager of the issuing plant.

F. Customer and Production Schedules

The supplier must generate a production schedule that ensures all CVG requirements are met. The supplier shall maintain documentation that shows the correlation between weekly CVG requirements and the production schedule, or as specified by the Just-In-Time (J.I.T.) or Kan-Ban schedule. Suppliers may receive a report detailing a product past due condition, receipt of which shall initiate immediate reconciliation through contact with the Materials Manager of the issuing CVG facility.

G. Non-Delivery, Delayed Deliveries or Short Shipments

If non-delivery, delayed deliveries or short shipments are anticipated, **ALL** suppliers shall immediately notify CVG Materials Department of the receiving location. Tooling suppliers shall also contact the CVG Program Manager or Applications Engineer.

Delays, short shipments, or quality rejections may cause line or operation interruption at CVG, and in severe cases, may result in OEM assembly plant shutdown. In the event of concerns that interrupt production, the following shall occur:

- CVG shall immediately notify the Material Manager of the supplier.
- An 8D will be submitted by CVG to the supplier.
- An 8D response report may be requested.
- The supplier must complete the 8D response with permanent corrective action and send the original to CVG.

H. Interruption/Shutdown

If a CVG location experiences an interruption/shutdown caused by the supplier due to a quality issue, lack of raw materials, etc., CVG will contact the supplier verbally. An 8D or other written document will be issued following the contact. An interruption is defined as individual tools/molds/jobs that had to be turned off or skipped. A shutdown is when the entire line is shutdown. This could occur at either or both CVG or the end-customer. Upon verbal notification of the interruption/shutdown, the supplier shall determine appropriate action and advise the CVG location of future actions. The supplier also assumes all subsequent premium freight charges incurred by CVG or end-customer due to the interruption/shutdown.

The supplier is required to respond to the 8D report in PLEX. All interruption/shutdown information is maintained and each incidence is assessed against the supplier in the Monthly PPM report. This report determines supplier quoting status for new CVG business.

CONTROL OF QUALITY RECORDS

A. Chemical Suppliers - Record Retention

All chemical suppliers shall retain samples of both incoming raw materials as well as finished product for a minimum time equal to the shelf life of the lot, or six months after the production of the lot. Where actual samples are not possible, e.g., unstable or volatile chemicals, the supplier must maintain records of analysis.

B. Control Characteristics

Characteristics should be mutually agreed upon by CVG and supplier and chosen on the basis of product function, design intent, fit, manufacturing process or other factors that may contribute to an out-of-control condition. CVG Divisions supports the use/benefits of statistical techniques (SPC/SQC).

C. Unidentified Key Product/Control Characteristics (KPC/KCCs)

If CVG has not identified key product/control characteristics, the supplier shall choose process and/or product control characteristics that pertain to product manufacturing. It is recommended that product application be discussed with the receiving CVG location(s) Quality Department representative and/or Technology Group for determination of key product/control characteristics affecting manufacturing processes.

CONTROL CHARACTERISTICS

A. Key Product/Control Characteristics (KPC/KCCs)

When key product/control characteristic designation is identified on drawings, specifications, supply agreements, or purchase orders provided by CVG, the supplier is required to submit statistical data on that characteristic to the attention of the Quality Manager / SQA Engineer at the receiving CVG location.

B. Component Supplier Statistical Data Submission

Component suppliers shall submit summaries of average Cp and Cpk indices for the combined calendar quarter to each CVG location quarterly (to arrive by the 15th of the following month), or on a schedule mutually agreed upon by the Quality Manager / SQA Engineer of each CVG location and the supplier. Additional or more frequent, statistical information may be requested for assistance during problem solving.

The supplier must employ a continuous improvement program aimed at maintaining a minimum Cpk of 1.33 with expectations to exceed this minimum and realize a Cpk of 1.67. Out-of-Control conditions and processes with less than 1.33 capability must include corrective action (8D format may be used). If corrective action is not included, compliance will be assessed.

It is advised that suppliers submit the data via email and verify receipt of statistical data to prevent adverse effects on the QPR. It is the supplier's responsibility to ensure that the data reached the appropriate personnel to prevent non-compliance.

C. Cp and Cpk Indices

The Cp index indicates whether the process variation is acceptable, that is, if the process were centered correctly, could it produce all products within specification. It does not measure whether or not the process is centered properly. The Cp index is obtained by comparing the size of the specification width (upper specification limit minus lower specification limit) with the size of the total process spread (6σ).

The Cpk index measures the effect of both the “centered-ness” and variation at the same time. If the process distribution is well within specification on the worst-case side, it is sure to be acceptable.

Process capability is valid only if the process is in a state of statistical control. If the process is not in control, it is unpredictable and it is not possible to reliably estimate future performance.

D. Chemical Supplier Statistical Data Submission

Suppliers providing Resin and Catalyst must monitor control characteristics as listed below through SPC/SQC methods. All other chemical suppliers must submit SPC/SQA data on existing COA data. This data shall be submitted for the combined calendar quarter to each CVG location quarterly (to arrive prior to the 7th of the following month), or on a schedule mutually agreed upon by the Quality Manager / SQA Engineer of each CVG location and the supplier. Additional or more frequent, statistical information may be requested for assistance during problem solving.

The supplier must employ a continuous improvement program aimed at achieving a minimum Cpk of 1.67. Out-of-Control conditions and processes with less than 1.67 capability must include corrective action (the 8D format may be used). If corrective action is not included, it could adversely affect the assessment. It is advised, that suppliers submit the data via email and verify receipt of statistical data. It is the supplier's responsibility to ensure that the data reaches the appropriate CVG personnel.

ENVIRONMENTAL GUIDELINES

CVG strives to conduct all of its operations in an environmentally sound manner whereby regulatory requirements of global regions, country, states and provinces, and local requirements become the minimum standards of the business. Suppliers to CVG of production materials, equipment, services, and consumable goods are expected to follow these same guidelines as their business practices. It is desirable for all suppliers to have an effective management system for environmental improvements.

Areas of environmental concerns for the performance of suppliers' products and services are:

- Evidence that suppliers comply with regulatory requirements of global regions, country, states, provinces, and markets are met (RoHS, IMDS, and/or REACH).
- Non Use of chemicals or material ingredients in Volvo's black or grey list.

CORPORATE SOCIAL RESPONSIBILITY REQUIREMENTS FOR SUPPLIERS


CVG is committed to ensuring the highest standards of social responsibility throughout its supply chain. The companies we do business with shall provide safe working conditions, treat employees with dignity and respect, and use environmentally responsible manufacturing processes wherever CVG products are made.

WARRANTY GUIDELINES

Supplier warrants that all articles, materials, and work supplied conform to the requirements, specifications, drawings, samples or other descriptions furnished or adopted by CVG that they are free from all defects in manufacture or design and are of merchantable quality and fit the intended purpose. This warranty coincides with basic and component warranty with OEM and fleet customers as well as extended warranty and will begin with the date that the vehicle is placed into service (“Delivered to the User” date).

Appendix A

Engineering Change Request (Process Change Request) form

ECR					
					
ENGINEERING CHANGE REQUEST					
ECR Project #		PRIORITY:		CUSTOMER REF#	
ORIGINATOR/REQUESTOR		DATE:			
PART NAME:		DWG/PART #:			
CUSTOMER:		APPROVAL REQUIRED:			
CUSTOMER NOTIFICATION REQ'D		DFMEA AFFECTED	No		
		PFMEA AFFECTED	No		
		WORK INSTRUCTIONS	No		
		INSPECTION INSTRUCTIONS	No		
		ROUTER AFFECTED	No		
		CONTROL PLAN	No		
CHANGE REQUESTED OR PROJECT DESCRIPTION:					
MARKED PRINTS & ALL OTHER SUPPORTING DOCUMENTS MUST BE ATTACHED					
Engineering Change Request - Reason for Change					
ESTIMATED ANNUAL USE/AGI _____					
Engineering Change Request - Cost Impact					
COST OF CHANGE: Per					
ALL DRAWINGS AFFECTED BY CHANGE - LIST UPPER OR LOWER LEVELS (ATTACH EXTRA SHEET IF REQ'D) :					
CURRENT PART NUMBER	REV LEVEL	CURRENT PRICE	NEW PART NUMBER	REV LEVEL	NEW PRICE
Effect to Manufacturing					
ALL DRAWINGS AFFECTED BY CHANGE - LIST UPPER OR LOWER LEVELS (ATTACH EXTRA SHEET IF REQ'D) :					
Engineering Change Request - Disposition					
Engineering Change Request - Team Member			APPROVAL		
Plant Engineer					Date
Project Leader			Plant Manager (Required)		
Commodity Manager					
Finance/Cost Engineer					Date
Program Manager			Engineering Leader or Sales Director (Required)		
Plant Quality					
Sales Director					Date
Other			Quality Manager (optional)		
Customer Approval Status					
Customer Due Date: _____ Product Family: _____ Customer Type: _____ Project Location: _____					

Appendix B




Certificate of Analysis

[illegible]

Appendix C

CVG Practical Problem Solving Report

 <div style="display: inline-block; vertical-align: middle; margin-left: 20px;"> Commercial Vehicle Group 7800 Walton Pkwy New Albany, OH 43054 Tel 614.289.5360 </div> <div style="float: right; text-align: right;"> <h3>Problem Report 8D</h3> </div>																													
CUSTOMER INFORMATION	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Customer:</td> <td style="width: 30%;"></td> <td style="width: 20%;">Customer Location:</td> <td style="width: 20%;"></td> </tr> <tr> <td>Customer Part No:</td> <td></td> <td>Cust. Problem No:</td> <td></td> </tr> <tr> <td>Customer Contact:</td> <td></td> <td>Fax:</td> <td></td> </tr> <tr> <td>Phone:</td> <td></td> <td>Email:</td> <td></td> </tr> </table>	Customer:		Customer Location:		Customer Part No:		Cust. Problem No:		Customer Contact:		Fax:		Phone:		Email:													
Customer:		Customer Location:																											
Customer Part No:		Cust. Problem No:																											
Customer Contact:		Fax:																											
Phone:		Email:																											
SUPPLIER INFORMATION	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Supplier:</td> <td style="width: 30%;"></td> <td style="width: 20%;">Supplier User:</td> <td style="width: 20%;"></td> </tr> <tr> <td>Email:</td> <td></td> <td>Supplier Phone:</td> <td></td> </tr> </table>	Supplier:		Supplier User:		Email:		Supplier Phone:																					
Supplier:		Supplier User:																											
Email:		Supplier Phone:																											
Step 1 - DEFINE PROBLEM	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Brief Description:</td> <td colspan="3"></td> </tr> <tr> <td>Full Description (Required):</td> <td colspan="3"></td> </tr> <tr> <td>Category:</td> <td style="width: 20%;"></td> <td style="width: 20%;">Form Type:</td> <td></td> </tr> <tr> <td>Problem Type:</td> <td></td> <td>Severity:</td> <td></td> </tr> <tr> <td>Plant:</td> <td></td> <td colspan="2"></td> </tr> </table>	Brief Description:				Full Description (Required):				Category:		Form Type:		Problem Type:		Severity:		Plant:											
Brief Description:																													
Full Description (Required):																													
Category:		Form Type:																											
Problem Type:		Severity:																											
Plant:																													
PROBLEM IMAGES	<div style="border: 1px solid black; height: 40px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px;">Special Section Attachment Image Viewer Will Be Used</div> <p style="font-size: small; margin-top: 10px;">(Click the paperclip at top right corner of screen, click ADD to attach JPG photos)</p>																												
INTERNAL PART INFORMATION	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Part Number:</td> <td colspan="3"></td> </tr> <tr> <td>Part Description (max.200):</td> <td colspan="3"></td> </tr> <tr> <td>Defect Type:</td> <td style="width: 20%;"></td> <td style="width: 20%;">Quantity Placed on Hold:</td> <td></td> </tr> <tr> <td>Quantity Rejected:</td> <td></td> <td colspan="2"></td> </tr> </table>	Part Number:				Part Description (max.200):				Defect Type:		Quantity Placed on Hold:		Quantity Rejected:															
Part Number:																													
Part Description (max.200):																													
Defect Type:		Quantity Placed on Hold:																											
Quantity Rejected:																													
OWNERSHIP / STATUS	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Current Status:</td> <td style="width: 30%;"></td> <td style="width: 20%;">New Status:</td> <td style="width: 20%;"></td> </tr> <tr> <td>Champion:</td> <td></td> <td>Champion Phone:</td> <td></td> </tr> <tr> <td>Recorded By:</td> <td></td> <td>Recorded Date:</td> <td></td> </tr> <tr> <td>Customer Issue Date:</td> <td></td> <td>Date of Occurrence:</td> <td></td> </tr> <tr> <td>Overall Clean Point Date:</td> <td></td> <td>Target Close Date:</td> <td></td> </tr> <tr> <td>Updated By:</td> <td></td> <td>Updated Date:</td> <td></td> </tr> <tr> <td>Actual Close Date:</td> <td colspan="3"></td> </tr> </table>	Current Status:		New Status:		Champion:		Champion Phone:		Recorded By:		Recorded Date:		Customer Issue Date:		Date of Occurrence:		Overall Clean Point Date:		Target Close Date:		Updated By:		Updated Date:		Actual Close Date:			
Current Status:		New Status:																											
Champion:		Champion Phone:																											
Recorded By:		Recorded Date:																											
Customer Issue Date:		Date of Occurrence:																											
Overall Clean Point Date:		Target Close Date:																											
Updated By:		Updated Date:																											
Actual Close Date:																													
Cost Recovery	<div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px;">Special Section Cost Recovery Will Be Used</div>																												
Step 2 - DEFINE TEAM	<div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px;">Special Section Team Will Be Used</div>																												
	<div style="border: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; padding: 2px;">Team Note:</div>																												



Commercial Vehicle Group
7800 Walton Pkwy
New Albany, OH 43054
Tel 614.289.5360

Problem Report 8D

Step 3a - INITIAL RESPONSE

(Response due
within 24hrs)

Initial Response Due:			
Initial Response Date:			
Response:			
Build / Ship Date:		LOT NUMBER:	
RMA:			
Disposition Type:			

Step 3b - CONTAINMENT

(At Supplier, Parts in
Transit
and All CVG Plants)

	Special Section Containment Will Be Used
--	--

Communication

	Special Section Notes Will Be Used
--	------------------------------------

Step 4a - CAUSE ANALYSIS

(Identify the process
that caused the
failure)

Problem Control Root Cause	
	Special Section Five Why Will Be Used

Step 4b - ROOT CAUSE

	Special Section Root Cause Will Be Used
--	---

Step 5 - PERMANENT CORRECTIVE ACTION

(Must address each
root cause)

	Special Section Corrective Will Be Used
--	---

Step 6 - SUPPLIER VERIFICATION

	Special Section Verification Will Be Used
--	---

Step 7 - CONTROL / PREVENTION

	Special Section Preventative Will Be Used
--	---

Validation

	Special Section Approval Will Be Used
--	---------------------------------------

PROCESS FMEA REVISION

FMEA Completed:		FMEA Due:	
FMEA Re-Eval:		FMEA Update Req.:	No

Appendix D

CVG Purchase Order Terms & Conditions

Commercial Vehicle Group, Inc. PURCHASE ORDER TERMS & CONDITIONS

Unless this Purchase Order expressly provides otherwise, it is limited to the terms and conditions set forth herein. CVG hereby objects to any additional or different terms and conditions proposed by Supplier in any proposal, quotation, acknowledgment, or other document. Any such proposed terms and conditions shall be void and the terms and conditions herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. When used in this Purchase Order, the term "goods" or "services" or "work product" means the items, materials, equipment, software, tooling, parts, and/or work or services supplied pursuant to this Purchase Order.

1. **PURCHASE ORDER DEFINED:** The term "Purchase Order" as used in these terms and conditions means the document entitled "Purchase Order" that Commercial Vehicle Group, Inc. ("CVG") issues to Supplier. Where applicable, it also includes the following: Any written contract entered into between Supplier and CVG; The written quote, bid, CVG's Supplier Requirements Manual, or proposal submitted by Supplier in response to a solicitation; and any written or oral solicitations that CVG issued to Supplier to which Supplier provided a quote, bid, or proposal (including specifications), and amendments to any such document or solicitation.

If there are any inconsistencies among the documents listed above, the inconsistencies will be resolved in the descending order of importance listed above, with any long-term agreement or similar contract executed by Supplier and CVG being first in order of importance, and then followed with the document entitled "Purchase Order" being next in order of importance. The terms and conditions set forth in this Purchase Order take precedence over any conflicting terms and conditions in documents that Supplier provides. Furthermore, any terms proposed by Supplier that add to, vary from, or conflict with the terms herein are hereby rejected.

2. **SUPPLIER DEFINED:** The term "Supplier" as used in these terms and conditions means any party that enters into any Purchase Order with CVG or, where applicable, any party that enters into any written contract with CVG, or submits a written quote, bid, or proposal in response to a solicitation, or provides a quote, bid, or proposal (including specifications) and amendments to any written or oral solicitation issued by CVG.

3. **ACCEPTANCE AND REJECTION:** If prior to final acceptance, any goods, services, or work product are found to be defective, deficient, or not as specified, or if CVG is entitled to revoke acceptance of them, CVG may reject or revoke acceptance, or require delivery at an equitable reduction in price, at CVG's option. Supplier must reimburse CVG for all incidental and consequential costs related to unaccepted goods or services. Notwithstanding final acceptance and payment, Supplier will be liable for latent defects, deficiencies, fraud, or such gross mistakes as amount to fraud. Acceptance of performance does not waive the right to claim damages for breach. CVG is not obligated to notify Supplier of, or to pay Supplier for, goods shipped or services provided in excess of those stated in the Purchase Order. CVG may, in its discretion, reject over-shipments or additional services or work product not specified in the Purchase Order.

If for any reason Supplier fails to return to CVG the signed acknowledgment copy of any Purchase Order, any conduct by Supplier that recognizes the existence of a contract pertaining to the subject matter thereof will constitute unqualified acceptance by Supplier of the Purchase Order and all of its terms and conditions.

If any Purchase Order has been issued by CVG in response to Supplier's offer and if any of the terms herein are additional to or different from the terms of such offer, then the issuance of the Purchase Order by CVG will constitute an acceptance of such offer, subject to the express condition that the Purchase Order constitutes the entire agreement between CVG and Supplier with respect to the subject matter thereof and the subject matter of such offer. Further, Supplier is deemed to have so assented and acknowledged unless

Supplier notifies CVG to the contrary in writing within 7 calendar days of receipt of the Purchase Order. Any reference by CVG to Supplier's proposal is solely for the purpose of incorporating the description and specifications of the goods and services contained therein to the extent that such description and specifications do not conflict with the description and specifications on the face of the Purchase Order.

4. **PRICE:** The price for the goods or services is the price shown on the Purchase Order. Supplier warrants that the agreed price is not less favorable than that currently extended to any other buyer for the same or like goods or services in equal or lesser quantities. Unless CVG otherwise consents in writing, the price shown on the Purchase Order is the limit of the liability of CVG for the goods or services and all work thereon. Any requested change increase in the price must be submitted to CVG in writing and can become effective no sooner than 60 days after agreement with the appropriate agent if CVG.

Seller warrants its pricing, terms, delivery, service, and quality to be consistent and competitive with the market. If CVG reasonably determines that the Seller's performance is not competitive with the industry, CVG will give Seller an opportunity to correct the deficiencies within 30 days of CVG's notice. If seller fails to correct such deficiency within the applicable period, then CVG may terminate this agreement and/or undelivered quantities of components under outstanding purchase orders. In the event of such termination, CVG shall have no other liability other than payment of the agreed purchase price for components delivered prior to the termination date.

5. **TAXES:** Unless exempt therefrom, all taxes that Supplier is required by law to collect from CVG are included in the price stated herein. Upon request, Supplier will furnish promptly all documents required to Customs drawback purposes, properly completed in accordance with Governmental regulations applicable thereto. Unless otherwise stated herein, all Customs drawback will be credited to CVG. Any reduction in Supplier's cost resulting from a reduction in freight rates, custom duties, import taxes, excess taxes, and sales taxes in force on the date hereof is to be paid to CVG by Supplier in reduction of the price of the goods ordered or services provided.

6. **EXCUSABLE DELAY:** Supplier will not be deemed to be in default on account of delays in the delivery of goods or in the performance of services or any other act to be performed by Supplier under the Purchase Order due to any cause to the extent it is beyond Supplier's control and not occasioned by Supplier's fault or negligence, provided that promptly upon the occurrence of any event which may result in a delay in the delivery of goods or the performance of services, Supplier must give notice to CVG, which notice will identify such occurrence and specify the period of delay which may be reasonably expected.

During that period of such delay or failure to perform by Supplier, CVG, at its option, may purchase goods from other sources and reduce its schedule to Supplier by such quantities without liability to Supplier or have Supplier provide the goods by other sources and quantities requested by CVG at the price set forth in the Purchase Order. If requested by CVG, Supplier, within 10 days of such request, must provide adequate assurances that the delay will not exceed 30 days.

In the event delivery of the goods or performance of services will be delayed due to any cause beyond Supplier's control and not occasioned by Supplier's fault or negligence for a period of more than 30 days after the end of the calendar month in which delivery is otherwise required, CVG will have the option to terminate the Purchase Order upon written notice given to Supplier within 5 business days after the expiration of such 30 day period, and such termination will discharge all obligations and liabilities of the parties hereunder with respect to undelivered goods, services, data, or other items to be furnished hereunder.

7. **ASSIGNMENT AND DELEGATION:** Supplier shall not subcontract the performance of all or any part of any Purchase Order or assign all or any of its rights under a Purchase Order without the prior written approval of an authorized representative of CVG. CVG will not unreasonably withhold approval. Any obligation to pay an assignee is subject to offset for any claims CVG has against Supplier, whether or not arising under any particular Purchase Order.

8. **CHANGES:** At any time prior to the time title has passed to CVG with respect to goods or acceptance of services or work product, an authorized representative of CVG may make changes within the general scope of the Purchase Order, including changes in drawings, designs, specifications, packaging, time and place of delivery, nature and duration of services, and method of transportation, by giving notice to Supplier and subsequently confirming such changes in writing. If such changes affect the cost of, or the time required for performance of a Purchase Order, an appropriate equitable adjustment must be made to the Purchase Order. No change by Supplier will be recognized without written approval of an authorized representative of CVG. Any claim of Supplier for an adjustment under this paragraph will be deemed to have been waived unless made in writing within 10 days from the date of receipt by Supplier of notification of such change. Nothing in this paragraph will excuse Supplier from proceeding with performance of the Purchase Order as modified.

9. **COMPLIANCE WITH LAWS:** Supplier will comply with all applicable federal, state, and local laws, rules and regulations, orders, guidelines, standards, limitations, controls, prohibitions, or other requirements that are contained in, issued under, or otherwise adopted pursuant to such laws relating to the services, manufacture, production, labeling, sale and shipment of the goods, including the Americans with Disabilities Act and all applicable federal and state laws, rules, and regulations pertaining to fair employment practices or which prohibit discrimination because of age, color, sex, physical or mental handicap, race, nationality, religion or creed, sexual orientation, or other similar federal or state laws or regulations.

This provision specifically applies to all laws relating to ethical sourcing (anti-slavery/human trafficking laws), conflict mineral compliance (CMRT), hazardous material compliance (RoHS), and chemical compliance (IMDS, REACH). Further, Supplier will mark the country of origin for all goods supplied under the requirements of the Purchase Order. In addition, Supplier represents that it will at all times comply with all such applicable laws, rules, regulations, orders, guidelines, standards, limitations, controls, prohibitions, and other requirements and, further, will immediately furnish proof of such compliance when requested by CVG.

Commercial Vehicle Group, Inc. PURCHASE ORDER TERMS & CONDITIONS

Unless this Purchase Order expressly provides otherwise, it is limited to the terms and conditions set forth herein. CVG hereby objects to any additional or different terms and conditions proposed by Supplier in any proposal, quotation, acknowledgment, or other document. Any such proposed terms and conditions shall be void and the terms and conditions herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. When used in this Purchase Order, the term "goods" or "services" or "work product" means the items, materials, equipment, software, tooling, parts, and/or work or services supplied pursuant to this Purchase Order.

10. BANKRUPTCY: In the event of any proceedings, voluntary or involuntary, in bankruptcy or insolvency, by, or against Supplier, or for the appointment of a receiver or trustee or an assignee for the benefit of creditors, CVG will be entitled to cancel the Purchase Order without liability.

Any person or entity to which the Purchase Order is assigned pursuant to the provisions of Bankruptcy Code 11 U.S.C., Section 101, et seq., is deemed without further act or deed to have assumed all of the obligations arising under the Purchase Order on and after the date of such assignment. Any such assignee must upon demand execute and deliver to CVG an instrument confirming such assumption.

11. INSPECTIONS: Supplier agrees to permit access to its facilities, subcontractor facilities, and Supplier processes for producing the goods or services, at reasonable times for inspection of the goods or services covered under the Purchase Order. CVG will also have the right to test at its own cost the goods supplied under the Purchase Order. Neither inspection at Supplier's facilities nor testing will constitute final acceptance of the goods or services, nor relieve Supplier of liability for any defects as a result from manufacture or delivery of such goods under a particular order. Inspection by CVG does not constitute a waiver of liability of Supplier nor will it constitute a waiver of rights by CVG. If CVG determines the goods are noncompliant or the services are deficient, Supplier will be responsible for the payment of all costs incurred by CVG for testing and inspection. Supplier must comply with all quality assurance procedures specified by CVG, including those set forth in any manual on Supplier quality standard procedures.

12. APPLICABLE LAWS: The laws of the State of Ohio apply to the performance and interpretation of the Purchase Order without reference to its choice of law rules. Any provision required to be included in a contract of a type similar to the Purchase Order by any applicable and valid executive order, federal, state, or local law, ordinance, rule, or regulation is deemed to be incorporated into the Purchase Order. Unless otherwise agreed to by Supplier and CVG in writing, there is excluded from all Purchase Orders (including any amendments or changes thereto) the application of the United Nations Convention on Contracts for the International Sales of Goods.

13. PATENT AND COPYRIGHT INDEMNITY: Supplier will indemnify CVG, its successors, and customers for, and holds CVG harmless from all losses, liabilities, lawsuits, claims, expenses (including attorney's fees), costs, and judgments resulting from or based upon claims that the goods or services are or were defective or deficient, of warnings or failures to warn, of mislabeling of the materials, of late delivery or non-delivery of materials, services, or work product or of any claims of infringement or inducement to infringe by a third party of any copyright, patent, trademark, trade name or other intellectual property rights, or of alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Supplier's actions. Further, Supplier agrees to waive any claim against CVG under the Uniform Commercial Code or otherwise including any hold harmless or similar claim in any way related to a claim asserted against Supplier or CVG for patent, trademark, copyright infringement or the likewise, including claims arising out of compliance with specifications furnished by CVG. Additionally, Supplier agrees to grant CVG a worldwide, nonexclusive, royalty-free license to repair and have repaired, to reconstruct and to have reconstructed the goods ordered under the Purchase Order.

Supplier assigns to CVG all right, title, and interest in and to all patents, trademarks, copyrights and mask work rights in any materials created for CVG under any Purchase Order. Supplier agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information which Supplier has disclosed or may hereinafter disclose to CVG in connection with the goods or services covered by the Purchase Order.

14. WORKS MADE FOR HIRE: In the event Supplier creates, drafts, or in any way produces any creative works, research data, reports, designs, recordings, writings, software code, graphical representations or other intellectual property ("Works") pursuant to the requirements of the Purchase Order, such Works will be treated as works for hire under the U.S. Copyright laws and will become the sole and exclusive property of CVG. CVG will at all times retain ownership in and the rights to any Works to be delivered under the Purchase Order and Supplier assigns all of Supplier's right, title, and interest in such Works to CVG.

15. FORCE MAJEURE: Except for payment of sums due, neither party will be liable to the other nor deemed in default under the Purchase Order if and to the extent that such party's performance of the Purchase Order is prevented by reason of Force Majeure. The term "Force Majeure" means an unforeseeable occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, Force Majeure includes acts of God; acts of the public enemy; war; riots; wildcat strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring Force Majeure which such party is unable to prevent by exercising reasonable diligence.

16. TITLE AND DELIVERY: Unless stated otherwise in the Purchase Order, all prices for goods will be F.O.B. point of destination and will include all delivery and unloading at the destination identified in the Purchase Order. Title and risk of loss with respect to the goods will remain with Supplier until CVG has accepted the goods at the F.O.B. point specified. The cost of all return shipments for goods will be borne by Supplier, with title and risk of loss passing at F.O.B. point specified, unless otherwise specified by CVG.

The services must be carried out and completed in accordance with the agreed timeframe set forth in the Purchase Order. Time is of the essence and any changes to the agreed timeframe must be authorized by CVG. If any services are delivered late according to the agreed timeframe, CVG will have the right to seek reimbursement for any added costs incurred to maintain production including but not limited to premium freight expenses, and excess charges paid to another supplier.

17. SHIPMENT OF GOODS: Supplier agrees to properly pack, mark, and ship goods in accordance with the requirements of CVG and applicable law including the North American Trade Agreement or related implementing regulations, including the requirement to have all goods marked with a country of origin designation when such goods are manufactured outside of the United States, and the requirements of any involved carrier in a manner to secure the lowest transportation and tariff costs. The marks on each package and identification of the goods in shipping, material, bills of lading, and other invoices must be sufficient to enable CVG to identify the goods purchased, which will

include but not be limited to CVG's part number and Purchase Order number on all packing slips and invoices. Supplier further agrees to supply CVG SPC data as requested, and upon request, bar coding documentation with each shipment.

18. WARRANTIES: Supplier warrants that the goods, services, or work product provided under the Purchase Order are conveyed with good title, free from any competing claims of ownership, security interests, and liens and free from any claims of copyright, trademark, or patent infringement.

Unless otherwise modified elsewhere in these terms and conditions, Supplier warrants that, for one year after acceptance by CVG, the goods, services, or work product will: strictly comply with all of CVG's specifications and instructions (including but not limited to those stated on the Purchase Order) and with any samples furnished by, or supplied to, CVG; be free from defects in workmanship and material; be fit for the intended purposes for which they are used by CVG; with the variations permitted by the Purchase Order, be of even kind, quantity, and quality within each unit and among all units; be adequately contained, packaged, and marked as the Purchase Order may require; and conform to the written or oral promises or affirmations of fact made by Supplier.

Inspection or testing of or payment for the goods, services, or work product does not affect the warranties set forth in the other paragraphs of this provision by CVG.

These warranties run to CVG, its successors, assigns, and customers, and the users of its products. Supplier agrees to replace or correct defects of any goods or services not conforming to the foregoing warranties promptly, without expense to CVG, when notified of such nonconformity by CVG. In the event of failure by Supplier to correct defects in or replace nonconforming goods or services promptly, CVG, after reasonable notice to Supplier, may make such correction or replace such goods and services and charge Supplier for the cost incurred by CVG.

19. DISCLOSURE AND SPECIAL WARNINGS: Supplier agrees to furnish to CVG, at Supplier's expense, material safety data sheets for all items, articles, or services covered by the Purchase Order. In addition, if requested by CVG, Supplier must promptly furnish to CVG, in such form and detail as CVG may direct, a list of all ingredients in the goods purchased under the Purchase Order, the amount of one or more of the ingredients, and information concerning any changes in or additions to such ingredients. Prior to and with the shipment of goods under the Purchase Order, Supplier agrees to furnish to CVG sufficient warning and notice in writing including appropriate labels (Physical, Health Hazard), on goods, containers, and packaging of any kind, a statement of hazardous material which is an ingredient or any part of the goods under the Purchase Order, together with such special handling instructions as may be necessary to advise carriers or employees of CVG how to exercise any measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use, or disposal of goods purchased under the Purchase Order and use of and later disposal of containers and packaging of goods shipped under the Purchase Order to CVG.

20. PAYMENT: To be paid, Supplier must submit an itemized invoice referencing a valid Purchase Order number together with proof of shipment, completion, and/or delivery. The

Commercial Vehicle Group, Inc. PURCHASE ORDER TERMS & CONDITIONS

Unless this Purchase Order expressly provides otherwise, it is limited to the terms and conditions set forth herein. CVG hereby objects to any additional or different terms and conditions proposed by Supplier in any proposal, quotation, acknowledgment, or other document. Any such proposed terms and conditions shall be void and the terms and conditions herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. When used in this Purchase Order, the term "goods" or "services" or "work product" means the items, materials, equipment, software, tooling, parts, and/or work or services supplied pursuant to this Purchase Order.

invoice must specify the goods, services, or work product provided, including item number, and a description of items, sizes, quantities, and unit prices, which must match the description in the Purchase Order, the date or dates of delivery, and the specific dollar amount owed. Supplier must be paid upon completion of the entire Contract unless a schedule of progress payments for work in progress is agreed in writing with CVG. Invoices for progress payments must specify the actual work performed. No charges will be accepted for boxing, crating, drayage, or storage unless specified in writing by CVG.

Unless otherwise agreed in writing, invoices are paid net 60 days from the date of receipt of the goods or completion of any required services, and not on the basis of Supplier's invoice date. Payment of invoices will not constitute acceptance of the goods and will be subject to adjustment for shortages, defects, and other failure of Supplier to meet the requirements of the Purchase Order. CVG's tender of payment by check is sufficient, provided such check is honored, upon presentation to the "Payer Bank."

21. INDEMNIFICATION: To the fullest extent permitted by law, Supplier will defend, indemnify, and hold harmless CVG, its parent and affiliated companies, and their respective directors, agents, officers, officials, employees, volunteers, and successors and assigns from and against all claims, damages, losses, and expenses (including but not limited to attorneys' fees and court costs) arising from the acts, errors, mistakes, omissions, work or service (howsoever arising, including without limitation, by reason of negligence, breach of warranty, defect in design, material, workmanship, or otherwise, and even though strict liability be claimed) of Supplier, its agents, employees, or any tier of Supplier's subcontractors in the performance of the Purchase Order, directly or indirectly caused by, incident to, or growing out of defects in the design, manufacture, or materials used in the goods, negligence in the manufacture or provision of the goods supplied, or performances of the services hereunder. The amount and type of insurance coverage requirements set forth in this agreement will in no way be construed as limiting the scope of indemnification in this paragraph.

Supplier further agrees to pay the settlement of all such claims and the defense of any suit, suits, or legal proceedings of any kind, brought to enforce such claim or claims, and to pay all judgments entered in such suit, suits, or legal proceedings, and all costs of attorneys' fees or other expenses. Supplier agrees that in any instance where such claims in any way affect CVG's interests under a Purchase Order or otherwise, Supplier will not consummate any settlement without CVG's prior written consent. Supplier's covenants of indemnity herein will continue in full force and effect notwithstanding the termination or expiration of the Purchase Order.

22. INSURANCE: Unless an authorized representative of CVG instructs Supplier otherwise, Supplier will maintain during the term of the Purchase Order insurance policies described below issued by companies licensed in Ohio. CVG shall be explicitly named as an Additional Insured on said policy. Before supplying any goods or providing any services, Supplier must furnish the CVG Risk Manager with certificates of insurance evidencing the required coverages, conditions, and limits required by the Purchase Order at the following address:

7800 Walton Parkway
New Albany, Ohio 43054

The insurance policies, except those for workers' compensation or professional liability, must be endorsed to name CVG, its agents, officers, officials, employees, and volunteers as additional insureds. In the event any insurance policies required by the Purchase Order are written on a "claims made" basis, coverage will extend for two years past completion and acceptance of Supplier's goods, work, services, equipment, or materials and must be evidenced by annual certificates of insurance. The insurance policies must be endorsed stating that they will not expire, be cancelled, suspended, voided or materially changed without 30 days written notice by certified mail to the CVG Risk Manager. Supplier insurance must be primary, and any insurance or self-insurance maintained by CVG may not contribute to it. If any part of the Purchase Order is subcontracted, these insurance requirements also apply to all subcontractors. Insurance coverage required under the Purchase Order, unless the authorized CVG Purchasing Representative instructs Supplier otherwise, is: commercial general liability insurance with a limit of not less than \$2,000,000 per occurrence for bodily injury, property damage, personal injury, products, and completed operations, and blanket contractual coverage, including but not limited to, the liability assumed under the indemnification provisions of the Purchase Order; automobile liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 each occurrence with respect to Supplier's owned, hired, and non-owned vehicles; workers' compensation insurance with limits statutorily required by any applicable federal or state law and employer's liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit; and if applicable, professional liability insurance covering acts, errors, mistakes, and omissions arising out of the work or services performed by Supplier, or any person employed by Supplier, with a limit of not less than \$2,000,000 each claim.

23. TERMINATION: CVG may terminate the Purchase Order for convenience by giving Supplier fifteen (15) days written notice of termination. Upon termination for convenience, Supplier will, upon receipt of notice from CVG, discontinue work in connection with the Purchase Order, cease order materials therefore, and use its best efforts to cancel existing orders for materials needed for the terminated portion. CVG will consider in good faith any documented request by Supplier for reimbursement of costs incurred.

If Supplier fails to comply with any material term of the Purchase Order, CVG may terminate the Purchase Order immediately. If the non-compliance relates to an obligation of Supplier that is, in the opinion of CVG, capable of cure, CVG may terminate the Purchase Order if the Supplier has failed to either: (a) timely cure the non-compliance within ten (10) days of CVG's written notice of default, or (b) otherwise provide CVG with adequate assurances of performance acceptable to CVG in its sole discretion.

CVG, upon termination of the Purchase Order, will not be required to make any payments for finished goods, work-in-process, or other raw materials fabricated or procured by Supplier in amounts in excess of those authorized for delivery by the Purchase Order nor for any undelivered goods which are in Supplier's standard stock or which are readily marketable. For requested reimbursement for production material, CVG will only consider claims supported by CVG POs, schedules or forecast for three (3) weeks of requirements for finished goods and five (5) additional weeks for WIP and raw material. Payments made

under this paragraph may not exceed the aggregate price payable by CVG for finished goods which would be produced by Supplier under delivery or release schedules outstanding at the date of termination. Except as provided in this paragraph, CVG will not be liable for and will not be required to make payments to Supplier directly or on account of claims of Supplier's subcontractors for loss of anticipated profit, unabsorbed overhead, interest on claims, product development, or engineering costs and facilities, and equipment rearrangement costs or rental, unamortized depreciation costs, and general and administrative charges from termination of the order. Within 60 days of the effective date of termination, Supplier must submit a comprehensive termination claim to CVG with sufficient supporting data and evidence to permit CVG to audit, and will thereafter promptly furnish such supplemental or supporting information as directed by CVG and will give to CVG, its agents, or representatives, the right to audit and examine all books, records, facilities, work material, inventory, products, designs, records, reports, or other items that relate to the termination claim of Supplier.

Termination of the Purchase Order by CVG will not relieve Supplier of its obligations or liabilities under the applicable provisions of the Uniform Commercial Code.

Supplier may terminate the Purchase Order, in whole or in part, only if CVG fails to comply with any material requirements of this Purchase Order and only upon sixty (60) days written notice to CVG. If the non-compliance relates to an obligation of CVG that is capable of cure, Supplier may terminate the Purchase Order only if CVG has failed to timely cure the non-compliance within sixty (60) days of Supplier's written notice of default to CVG.

24. EARLY TERMINATION CHARGES: Except as otherwise expressly agreed upon in writing by the parties in an alternative controlling Purchase Order, an openable agreement, or associated document, if Supplier, without cause terminates, cancels, changes, or breaches this Purchase Order at any time during the effective period, Supplier shall pay CVG a termination, cancellation, or change charge in an amount equal to all costs incurred by CVG as a result of such termination, cancellation, change, or breach including, but not limited to, charges or costs imposed by third party providers/sellers responsible for provisioning portions of the affected products/materials, express delivery charges, administrative charges, warehousing charges, inventory carrying charges, banked products/materials costs, and developmental charges.

25. PROPERTY RIGHTS: All tools, equipment dies, gauges, models, drawings, supplies, fixtures, molds, patterns, or other materials furnished by CVG to Supplier or made by Supplier for the purpose of the Purchase Order, or to be paid for by CVG, and all replacements thereof and materials fixed or attached thereto, are and remain the property of CVG. Supplier will bear the risk of loss or damage to CVG's property.

26. CERTIFICATION: Supplier certifies that it is an independent contractor and not a partner with CVG for any purpose, provides services to other customers, maintains insurance, sets its own priorities on time and hours of work, provides its own supplies, and determines the means of delivering the goods or services.

27. CONFIDENTIALITY: During production of the goods or provision of the services and thereafter, Supplier will retain

Commercial Vehicle Group, Inc.
PURCHASE ORDER TERMS & CONDITIONS

Unless this Purchase Order expressly provides otherwise, it is limited to the terms and conditions set forth herein. CVG hereby objects to any additional or different terms and conditions proposed by Supplier in any proposal, quotation, acknowledgment, or other document. Any such proposed terms and conditions shall be void and the terms and conditions herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the parties. When used in this Purchase Order, the term "goods" or "services" or "work product" means the items, materials, equipment, software, tooling, parts, and/or work or services supplied pursuant to this Purchase Order.

in confidence, and will not disclose to any third party, without the prior written consent of CVG, the specifications, drawings, information, or data furnished to Supplier by CVG ("CVG's Confidential Information"); provided that Supplier may, during production, reveal CVG's Confidential Information to selected employees of Supplier who have a need to know and who have the same obligation of confidentiality as does Supplier. Supplier and the selected employees (referred to above) will not use CVG's Confidential Information for any purpose other than the production of the goods or provision of the services for CVG. Upon completion of the production of the goods, the provision of the services, or the termination or cancellation of any Purchase Order, whichever occurs first, Supplier must return to CVG all documents (and all copies thereof) which contain all or any portion of CVG's Confidential Information. The obligations under this paragraph will survive the cancellation, termination, or completion of the Purchase Order.

Any unpatented knowledge or information concerning Supplier's goods, products, methods, or manufacturing processes which Supplier may disclose to CVG incident to the manufacture of the goods or the performance of services covered by the Purchase Order will, unless specifically agreed to in writing, be deemed to have been disclosed as part of the consideration for the Purchase Order, and Supplier agrees not to assert any claim against CVG by reason of CVG's use or alleged use thereof, and if the Purchase Order involves experimental research or development work paid for by CVG, Supplier agrees to grant

to CVG an irrevocable and exclusive, royalty-free license to make, have made, use, and sell any inventions resulting from the work under the Purchase Order.

28. **ADVERTISING:** Supplier will not advertise the fact that it has contracted with CVG for goods and services or appropriate or make use of CVG's name or other identifying marks or property, without the prior written consent of CVG. Further, Supplier may not use any trademark, trade names, copyrights, or patents of CVG in Supplier's advertising or promotional materials. In the event of Supplier's breach of this provision, CVG will have the right to cancel the undelivered portion of any goods or services covered by the Purchase Order and will not be required to make any further payments except for conforming goods delivered or services rendered prior to cancellation.

29. **RIGHTS AND REMEDIES:** All rights and remedies of CVG are cumulative and do not exclude any remedies allowed by law. The failure by CVG to exercise or enforce any of the terms or conditions hereof will not constitute or be deemed a waiver of CVG's rights hereunder to enforce each and every other term contained herein. The failure by CVG to insist upon strict performance of any of the terms and provisions herein will not be deemed a waiver of any subsequent default in the terms or provisions herein. Waiver of any breach will not constitute waiver of any other breach of the same or any other provision. Acceptance of any items or payment therefor will not waive any breach.

30. **ANTI-KICKBACK ACT:** By accepting a Purchase Order, Supplier represents, covenants, and warrants to and with CVG that Supplier and all subcontractors below Supplier are in full compliance with the Anti-Kickback Act of 1986 and amendments thereto (the "Act"). Supplier further agrees to indemnify and hold harmless CVG, its parent, and their respective directors, officers, and employees from any violation of the Act by Supplier or any subcontractors below Supplier. All defined terms set forth in the Act apply to this paragraph.

31. **SEVERABILITY:** In the event that any provision in a Purchase Order should under applicable law in whole or in part be held invalid, illegal, or void, such invalidity, illegality, or unenforceability will in no event affect the applicability of the other provisions of the Purchase Order.

32. **AGREEMENT:** Each Purchase Order together with the attachments, exhibits, or supplements specifically referenced in the Purchase Order, constitutes the entire agreement between CVG and Supplier with respect to the matter contained therein and supersedes all prior written or oral representations and agreements. The Purchase Order may only be modified by an order amendment or alteration specifically identified as such and entered into over the signature of CVG's Purchasing VP.

These Terms & Conditions are subject to revisions. Revised December 15, 2016. The most current revision can be found at <http://www.cvggrp.com>