

Supplier Quality Expectations for 2011



May 2, 2011

FXI Quality Policy

- **The FXI Team is committed to do our jobs right the first time...every time...in order to obtain the highest level of “customer delight”.**
- **We will achieve this by training all our Team Members in the Continuous Improvement Process and adhering to the highest levels of integrity and personal performance in order to satisfy the expectations of all FXI Stakeholders.**

2011 FXI Supplier Quality Expectations

- **Best in Class Supplier Launch Performance at FXI**
- **Best in Class Quality and Delivery Performance**
 - **0 RPPM (Reject Parts Per Million)**
 - **0 PPSC's (Potential Product Safety Concerns)**
 - Defect Free parts, On-time, everyday
 - 0 supplier defects at FXI (0 PPSC's)
 - 30 days into production
 - On-site Supplier Readiness Reviews
 - **100% Delivery On – time**
- **Best in Class Response Time & Problem Solving (100% On-time)**
 - Immediate response to FXI plants, Quality 8-d's, Closed On-time

FXI Supplier Quality Manual

- **Key Source of All FXI Specific Requirements**

- Location: FXI Internet Web Site

- <http://www.fx.com/>

- **The Customer – Supplier Partnership**

- Date: November 11, 2011

- Revision: 7

FXI Supplier Quality Manual Requirements

➤ FXI Expectations

- Suppliers are to meet 100% of all FXI requirements detailed in the FXI Supplier Quality Manual
- Suppliers may petition FXI for a waiver from certain requirements but must comply with all requirements until the waiver is granted by FXI
- Suppliers are responsible for knowing FXI Supplier Quality Manual Requirements and how to access the latest revision of the Supplier Quality Manual

FXI Supplier QMS Requirements

- **FXI is an ISO/TS 16949:2008 Subscribing Company**
 - FXI Quality Management System (QMS) registered to ISO/TS 16949:2009 in 2004
 - Suppliers of products that affect the quality of our products must have a registered QMS to ISO 9000:2008 at a minimum with a goal toward ISO/TS 16949
 - Effective January 1, 2007, all FXI fabric and vinyl suppliers must be registered to ISO/TS 16949 or ...
 - Must submit a plan for registration acceptable to FXI
 - Must be an “End-Customer Designated Source”

FXI Supplier General Requirements – Highlights

- **Process/Product Change Approval – Forecast of Change Notice**
 - Supplier requests for changes or deviations must be submitted on the “Forecast of Change - Suppliers” form or OEM forms
 - Form located on <http://www.fxi.com/>
 - Notification of Change per AIAG Production Part Approval Process (PPAP), 4th Edition, March 2006

FXI Supplier General Requirements – Highlights

- **Advanced Product Quality Planning (APQP) / Process Control**
 - All suppliers must establish and maintain a system of APQP and Process Control so that the supplier's processes meet or exceed the requirements established by FXI, or national and international standards.
 - All suppliers will prepare a contingency plan to protect FXI's supply of product in the event of an emergency (i.e. utility interruptions, labor shortages, key equipment failures, etc.)

FXI Supplier General Requirements – Highlights

➤ **Controlled Shipping Status & Containment Policy**

➤ Level 1:

- New products or changes to existing products may require containment until FXI approves shipment of the material

➤ Level 2:

- Supplier has nonconforming material and must implement procedures to segregate; perform further testing or inspection of material before it is released to FXI's dock

➤ Level 3:

- Supplier is required to contract a third-party inspection or testing service before material may be shipped to FXI
 - Supplier is required to notify their ISO 9001 or ISO/TS 16949 registrar of their Level 3 containment status with FXI.

FXI Supplier General Requirements – Highlights

- **Customs – Trade Partnership Against Terrorism (C-TPAT)**
 - FXI is a certified member of C-TPAT, a program established by U.S. Customs & Border Protection (CBP) in November 2001
 - C-TPAT objective is to protect global supply chains from terrorism and the concealment of terrorist weapons
 - CBP has defined best practices that exceed C-TPAT security criteria
 - C-TPAT/CBP Best Practices
 - Container Security
 - Access Security
 - Physical Security

FXI Supplier General Requirements – Highlights

➤ Standards and Expectations

- All purchased materials must meet the standards and specifications required by the end user (OEM)
- FXI reserves right to specify additional requirements or specifications
- The face goods supplied must be functionally useable by both FXI and the end user
- FXI expects suppliers to actively participate to resolve composite quality and performance issues, such as flammability, discoloration, staining, etc.

FXI Product Specific Requirements Highlights

Automotive Fabrics and Vinyl

➤ Production Part Approval Process (PPAP)

- The supplier shall provide a Level III PPAP unless otherwise approved by FXI

- Supplier PPAP's must be sent to the FXI purchasing plant within 24 hours of the request along with:
 - Material Safety Data Sheet (may also request before PPAP)
 - IMDS submission (may also request before PPAP)
 - OEM approval

- Changes to control plans, FMEA's or any other product documentation must be amended in the PPAP and forwarded to FXI

FXI Product Specific Requirements Highlights

Automotive Fabrics and Vinyl

- **Production Part Approval Process (PPAP) - continued**
 - OEM or Tier 1 directed changes to a product cannot be implemented until FXI has received a PPAP for the change
 - Annual testing to detailed specification must be reported to FXI for all supplied materials
 - Annual PPAP may be required for some suppliers and or materials
 - FXI will not give final approval to any PPAP until FXI customer has approved FXI PPAP

FXI Supplier Additional Requirements

- Purchase Order Terms & Conditions
 - Located in Appendices of FXI Supplier Quality Manual
 - Quality Expectations Statement is included in Terms & Conditions
 - Seller must comply with the requirements set forth in the latest version of Buyer's Supplier Quality Manual

- FXI Supplier Code of Conduct (in Appendices of SQM)
 - Sets forth FXI's desire to do business with ... "Suppliers" ... that carry our business utilizing sound and responsible ethical, social, and environmental practices
 - Suppliers are required to abide by all applicable laws, codes, or regulations, but not limited to, any local, state, or federal laws governing protection of the environment, workers' health and safety, and labor and employment practices
 - Minimum requirements that Suppliers must meet in order to do business with FXI

FXI Supplier Scorecard

Delivery - Quality - Responsiveness - Safety of Supply Performance Expectations and Results (Issued by FXI Materials and Purchasing)

- FXI's strategy for monitoring performance expectations and results. Performance metrics, constructive feedback, as well as prompt corrective action by the supplier are fundamental to achieving continuous process improvements
- The FXI Supplier Scorecard is a tool for measuring and communicating a supplier's performance and to aid FXI in determining their place in future business relationships
- FXI's Supplier Scorecard goals for 2011 are:
 - Suppliers complete an action plan to improve each of the areas
 - Discuss action items, owners and due dates
 - Use this as a working document throughout the year to ensure corrective action requests and improvements are completed.
 - Have scores increase to 85% or more.