

# SUPPLIER QUALITY MANUAL

*The Customer – Supplier Partnership*



# **FOREWORD**

This Supplier Quality Manual was developed by the Purchasing and Quality teams of FXI.

Sources of information used in its development are:

- 1) Input from the various disciplines within the FXI organization
- 2) ISO 9001:2008, Quality Management Systems Requirements, 4<sup>th</sup> Edition, November 2008
- 3) ISO/TS 16949:2009, Quality Management Systems, 3<sup>rd</sup> Edition, June 2009
- 4) ISO/IEC Guide 17025, General Requirements 2<sup>nd</sup> Edition, Sept 2005
- 5) Measurement Systems Analysis (MSA), 4<sup>th</sup> Edition, June 2010
- 6) Production Part Approval Process (PPAP), 4<sup>th</sup> Edition, March 2006
- 7) Statistical Process Control (SPC) Manual, 2<sup>nd</sup> Edition, July 2005
- 8) Failure Mode Effect Analysis (FMEA) Manual, 4<sup>th</sup> Edition, June 2008
- 9) Advanced Product Effect Analysis (APQP) 1<sup>st</sup> Edition, February 1995
- 10) ISO14001:2004, Environmental Management Systems, Nov. 2004.

## **Latest editions of these documents supersede the editions listed above**

The manual provides requirements for the production, handling, shipping, and delivery of key products to a FXI manufacturing facility, as well as requirements for internal controls within a supplier's facility. Requirements have also been outlined for those suppliers who provide a service to a FXI facility.

The contents of this manual are intended to complement and not supersede the terms and conditions specified on a FXI purchase order.



# TABLE OF CONTENTS

<b>Introduction &amp; Signatures</b>	1	
<b>Quality Policy &amp; Vision Statement</b>	2	
<b><u>General Requirements Section</u></b>		
Labeling & Packaging	3	
Process Control	4	
Process/Product Change Approval – Forecast of Change Notice	5	
Product Certifications to Specifications, Regulatory Requirements & Lot Traceability	6-7	
Quality System Registered Suppliers	8-10	
Supplier Development Program	11-12	
Controlled Shipping Status	13	
<i>Customs-Trade Partnership against Terrorism</i>	14-16	
<b><u>Product- Specific Section</u></b>		
Chemicals	17-20	
Equipment and Components	21	
Foams	22-23	
Lamination and Pourline Products	24-25	
Miscellaneous Products	26-27	
Other Fabrics	28	
Packaging Products	29	
Purchased Fabric & Vinyl	30-38	
<b><u>Service Providers</u></b>		
Calibration Services	39-40	
Hazardous Waste Disposal Services	41	
Inspection/Sorting Services	42	
Testing Services	43-44	
<b><u>Appendix A</u></b>	<b>FXI Supplier Forecast of Change Forms</b>	45-50
<b><u>Appendix B</u></b>	<b><i>FXI Terms and Conditions</i></b>	51
<b><u>Appendix C</u></b>	<b><i>FXI Supplier Code of Conduct</i></b>	52-53
<b><u>Appendix D</u></b>	<b><i>Cost of Poor Quality Fee Schedule</i></b>	54
<b><u>Appendix E</u></b>	<b><i>Supplier PPAP Checklist</i></b>	55



## INTRODUCTION

Foamex Innovations, Inc. continually strives to maintain our position as a world-class leader in the manufacture of polyurethane foam products. To do this, our focus must always be on quality, delivery, and service. We are dedicated to producing the best possible products for our customers.

As a supplier to FXI, you play a critical role in this endeavor.

**In 2004, the FXI Quality Management System was registered to ISO/TS 16949.**

**One of the mandates of this system is that suppliers of products that affect the quality of our products must have registered Quality Management Systems to ISO 9001:2000 at a minimum with a goal toward ISO/TS 16949.**

**Effective Jan. 1, 2007, all FXI Fabric & Vinyl Suppliers that service the Automotive Industry must be registered to ISO/TS 16949; or they must submit a plan for 2007.**

**This manual includes additional customer specific requirements beyond ISO 9001:2000 or ISO/TS 16949 requirements.**

Our supplier quality management system emphasizes supplier development, the importance of addressing problems or concerns as they occur and finding permanent solutions. It also enables us to track performance. For exemplary performance in delivery and/or service, we enjoy congratulating our suppliers on a job well done.

Building and maintaining solid, meaningful supplier relationships is important if we are to meet our customers' expectations. We realize that communication is a two-way street between customer and supplier and we know that in order for you to supply us with what we need; we must clearly state our requirements. Our intention with this manual is to do just that and provide consistent guidelines with which our suppliers can work.

We hope this manual will assist in your effort to meet our expectations consistently.

Best wishes for future success and thank you for helping us be a world-class leader in the polyurethane industry.



Dave Prilutski  
Chief Operating Officer



Tom Kilburn  
SVP, Procurement & Supply Chain



William Edwards  
Vice President, Purchasing



Martin Vico  
Director, Supply Chain  
Purchasing



Mark Matt  
Director, Specialty Chemical Purchasing



John Constantino,  
Director of Quality



## **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.**

## **POLITICA DE CALIDAD DE FXI**

**El equipo FXI estamos comprometidos a realizar nuestro trabajo bien a la primera vez . . . siempre . . . para lograr un “alto nivel de satisfacción del cliente”.**

**Lo anterior lo lograremos capacitando a todo nuestro personal en un proceso de Mejora Continua apegados a altos niveles de integridad y desarrollo personal para satisfacer las expectativas de los inversionistas de FXI.**

## **FXI VISION**

**To be the most successful and innovative polyurethane foam company,  
driven by:**

- ◆ **Continually improving product offering**
- ◆ **A flexible and disciplined organization**
- ◆ **A competitive cost structure**
- ◆ **Committed and energized employees**

## **FXI VALUES**

- ◆ **We please our customers with high quality and great service**
- ◆ **We do not compromise our employees’ safety**
- ◆ **We differentiate ourselves through innovation**
- ◆ **We exercise integrity in everything that we do**



**LABELING & PACKAGING****Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010****Page 1 of 1****I Scope**

- A) The following provides requirements for the labeling & packaging of containers/products to be delivered to FXI. Please see the specific product section within this manual for any additional requirements, which may apply.

**II General Requirements**

- A) All manufacturers, importers, and distributors of products must insure that containers provided to FXI are properly labeled. The label must indicate the product identity, name, and address of the manufacturer, importer, distributor, or other responsible party.
- B) The label must be legible, prominently displayed in English and other languages, if necessary. The FXI purchase order will specify label language requirements.
- C) Chemical shipments must have the chemical identity and the appropriate hazard warnings (HMIS or NFPA). See chemical section for ANSI and other specific regulations.
- D) Suppliers will ship product to FXI locations using the agreed upon packaging.
- E) Packaging must be adequate to prevent damage during transit, storage and subsequent processing.
- F) Damaged containers will not be accepted.
- G) Suppliers are required to work proactively with FXI to reduce costs of the packaging incoming products.
- H) Continued efforts to reduce disposable packaging wastes are expected.
- I) Where applicable, the use of returnable containers is encouraged.
- J) For importers, the goods and/or the containers must be labeled with the country of origin in a clear, indelible, and permanent manner.

**III Returnable Container Requirements**

- A) Where returnable containers (i.e., drums, totes, "A" frames) are used, each supplier is responsible for the appearance, cleanliness, and safety of containers that they own. The shipping company is responsible for delivering the containers in the good condition, however, the subcontracting of the shipping function, whether the supplier hires them or FXI, does not relieve of the responsibility for maintaining the container integrity. Each container must be properly cleaned to avoid contamination and maintained to ensure employee safety and avoid damage to its contents.



**PROCESS CONTROL****Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010****Page 1 of 1****I Scope**

- A) The following provides the requirements for process control within a supplier's facility.

**II General Requirements**

- A) All suppliers must establish and maintain a system of process control so that the supplier's processes meet or exceed the requirements established by FXI, or national and international standards. FXI'S requirements are stated in this document.
- B) Controls must include a documented control plan (detailing all processing, inspection, and testing operations that encompasses all phases of the manufacturing process from receiving raw material to shipping), a quality plan, or written procedures.
- C) Receiving controls should include a system to assure that no product is used in subsequent processing until it has been verified that the product meets all requirements.
- D) In addition, a system for urgent release of product must be included in the receiving and manufacturing process including a positive recall system.
- E) Process control activities must be directed to prevention rather than detection.
- F) Statistical process control, set-up verification, and first piece inspection must be used as appropriate.
- G) The final inspection process must assure that nonconforming or suspect product is not shipped to FXI. Documentation of the final product assurance is required.
- H) All quality and inspection records must clearly indicate whether a product has passed or failed testing.
- I) Operator instructions must be readily available at all processes.
- J) The supplier will maintain premises in a state of good order appropriate to the products manufactured.
- K) Quarterly SPC/SQC data submissions may be requested by FXI to evaluate supplier process capability.

**III Contingency Plan**

- A) The supplier will prepare a contingency plan to protect FXI's supply of product in the event of an emergency, such as utility interruptions, labor shortages, key equipment failures, etc.



<b>PROCESS/PRODUCT CHANGE APPROVAL FORECAST OF CHANGE NOTICE</b>	<b>Effective: September 23, 2002 Revision # 7: Nov. 11, 2010</b>
	<b>Page 1 of 1</b>

## I Scope

- A) The following provides the requirements for obtaining approval for process/ product changes. Please see the specific product section within this manual for any additional requirements, which may apply.

## II General Requirements

- A) Supplier requests for change or deviation (temporary changes) must be submitted on the "Forecast of Change – Suppliers" form (Appendix A) to:
- Corporate Quality Systems Manager  
FXI  
Rose Tree Corporate Center II  
1400 N. Providence Road, Suite 2000  
Media, PA 19063-2076  
[QualityDept@fxi.com](mailto:QualityDept@fxi.com)
- B) When requested by FXI, any follow-up information regarding the change must be forwarded to FXI in a timely manner.
- C) All supplier process/product change requests must be approved and coordinated through FXI. Qualification runs may need to be scheduled prior to approval of the change depending on the gravity of the change. Information proprietary to our suppliers may need to be reviewed without retention. Appendix A lists all cases where FXI must be notified for bulk and specialty chemical classification changes.
- D) Process/product changes may include but are not limited to:
- Manufacturing location within your company
  - Manufacturing location of your raw materials
  - Material processing
  - Quality control techniques, including:
  - Test methods,
  - SPC chart type,
  - FMEA's & Control Plans
  - Material Specifications – incoming and outgoing
  - Process equipment - new or renovation plans
  - Storage, handling, shipment and delivery
  - Fixtures / tools / dies

Alternate Reference: AIAG PPAP Manual Table 3.1.





# PRODUCT CERTIFICATIONS, SPECIFICATIONS, REGULATORY REQUIREMENTS & LOT TRACEABILITY

Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 1 of 2

## I Scope

- A) The following provides requirements for product certifications that must accompany products shipped to a FXI facility. Also included are the requirements for lot traceability. Please see the specific product section within this manual for any additional requirements, which may apply.

## II General Requirements – Certifications to Specification Requirements

- A) Product certifications must be e-mailed or faxed prior to shipment to the FXI facility &/or included with the shipment papers. In addition, the supplier must:
- Specify lot/batch number on the certifications.
  - Include actual test data vs. material specification for that lot/batch number.
  - *Country of Origin for all supplies as specified in the P.O. and Certification.*

## III Certification Examples

- A) **Certificate of Analysis (COA)** – Contains actual test data for a particular lot/batch of product and characterizes actual test results compared to specification limits.
- B) **Certificate of Conformance (COC)** – A general statement stating that the product conforms to all specified requirements.
- C) For importers from Canada and Mexico, a valid and signed **NAFTA Certificate** must be completed and sent to the Customer Compliance Manager.

## IV General Requirements – Product / Lot Traceability

- A) All products supplied to FXI must be labeled with a unique part and serial number (as applicable).
- B) Lot numbers are required on products that use a lot number as the primary means of traceability.
- C) In addition, all components of a product purchased by FXI must have full traceability from each of the supplier's sub-contractors. FXI may not request subcontractor information, but FXI expects the supplier to be able to identify source of raw material for tracking nonconformance issues. For FXI automotive products, subcontractor traceability may need to be more definitive.
- D) Traceability information must be furnished to FXI upon request.

## V Reusable Containers

- A) The supplier will have a system in place that allows the identification and traceability of previous contents.



**PRODUCT CERTIFICATIONS,  
SPECIFICATIONS, REGULATORY  
REQUIREMENTS & LOT TRACEABILITY**Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 2 of 2

**VI General Requirements – Regulatory Requirements**

- A) All purchased products must meet applicable regulations. Shipments must meet and be in accordance with the appropriate local, state, and federal regulations (OSHA, EPA, DOT, etc.).
- B) It is the supplier's responsibility to be knowledgeable of and enforce all applicable regulations pertaining to the product shipped.



<b>ISO 9001, TS 16949 QUALITY SYSTEM REGISTERED SUPPLIERS</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 1 of 3</b>

### **I Scope**

- A) The following provides requirements for suppliers registered to ISO 9001:2008, or ISO/TS16949, or for calibration and testing services, ISO/IEC 17025.

### **II General Requirements (ISO 9001:2008, ISO/TS16949 and ISO/IEC 17025)**

- A) ISO/TS registered suppliers are required to maintain a quality system that meets the requirements identified in the applicable standard.
- B) Calibration and inspection laboratories must be accredited to ISO/IEC 17025 by a registrar recognized by an international accreditation body such as ANAB/RABQSA. FXI laboratories registered to ISO/IEC 17025 must purchase testing and calibration services and reagents from ISO/IEC 17025 accredited suppliers.
- C) Copies of the supplier's current certificate will be forwarded to FXI Corporate immediately upon receipt from the registrar.
- D) Upon request by FXI, evidence of continuing compliance to ISO 9001, ISO/TS16949, or ISO/IEC 17025 must be provided.
- E) FXI must be immediately notified upon suspension of an ISO 9001, or ISO/TS16949, or ISO/IEC 17025 accreditation.

### **III Other Requirements (ISO/TS16949 only)**

- A) Suppliers registered to *ISO/TS16949* are expected to meet all requirements outlined in the current edition of the relevant standard, reference standards, and FXI specific requirements within this Supplier Quality Manual and other FXI publications. This includes but is not limited to:
- MSA (bias, stability, linearity, repeatability, reproducibility)
  - PPAP, APQP, FMEA & Control Plans
  - Continuous Improvement
  - Contingency Plans
  - Mistake Proofing
- B) All products must be identified with the standard AIAG bar code shipping label. Not applicable to chemical suppliers.
- C) Where applicable, the supplier's product must be listed on the OEM's approved source list.
- D) If a supplier facility uses a third party service for a PPAP submission, such lab must have an ISO/IEC 17025 accreditation or it must be approved by the end customer.

**FXI, at its discretion, may require Gauge R&R studies from our ISO 9001 suppliers.**



<b>ISO 9001, TS16949</b> <b>QUALITY SYSTEM REGISTERED</b> <b>SUPPLIERS</b>	<b>Effective: January 1, 2000</b> <b>Revision # 7: Nov. 11, 2010</b>
	<b>Page 2 of 3</b>

#### **IV Guidelines for Acceptance of Gauge R&R (ISO/TS16949)**

**FXI, at it's discretion, may require Gauge R&R studies from our ISO 9001 suppliers.**

- A) Gauge R&R, or some method of determining reproducibility & repeatability, must be conducted at regular intervals on inspection, measuring and test equipment identified on the Control Plan.

The acceptance criteria for Gauge R&R are as follows:

- Under 10%      Acceptable
- 11% to 20%    Acceptable but improvement is desired.
- 21% to 30%    An improvement plan is required. If R&R cannot be improved, FXI may use the gauge only after approval.
- Over 30%      The gauge is unacceptable.

#### **V Production Part Approval Process expectations**

- A) Products that require PPAP's on file at Foamex ISO/TS16949 facilities, when the end use is for an automotive application, are:

- Fabric,
- Vinyl,
- Scrim,
- Duon,
- Sheeting,
- Film,
- Adhesive,
- Wires,
- Velcro,
- O-Flex,
- Fasteners

- B) All PPAP's are to be level III unless approved prior to submission by FXI.

- C) Unless otherwise specified, all PPAP's must contain the following information:

- 1.0 Design Records:
  - 1.1 For proprietary components details – retain
  - 1.2 For all other components details – submit
- 2.0 Engineering Change Documents, if any (FXI Forecast of Change)
- 3.0 Customer Engineering approval, if required
- 4.0 Design FMEA
- 5.0 Process Flow Diagram
- 6.0 Process FMEA
- 7.0 Control Plan
- 8.0 Measurement System Analysis Studies
- 9.0 Dimensional Results (Quality Indices such as CpK, Ppk, etc.)
- 10.0 Material Performance Test Results
- 11.0 Initial Process study
- 12.0 Qualified Laboratory Documentation (if applicable ISO / IEC17025 accreditation)



**ISO 9001, TS16949  
QUALITY SYSTEM REGISTERED  
SUPPLIERS****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 3 of 3**

- 13.0 Appearance Approval Report (AAR), if applicable
  - 14.0 Sample product
  - 15.0 Master sample
  - 16.0 Checking Aids
  - 17.0 Record of Compliance with Customer - Specific Requirements (COA)
  - 18.0 Part Submission Warrant (PSW)  
Bulk Material Checklist
- Additionally the following maybe required ISO 9001:2008 / TS16949 certificates (if applicable):
- Recyclable instructions
  - Restricted Chemical Reporting (OEM / IMDS Guidelines)
  - Material safety Data Sheets
  - OEM approval (if applicable)

Supplier's quality official must sign warrants, appearance approvals & control plans.

- E) All elements must be included unless waiving the requirement makes sense for the product.



# SUPPLIER DEVELOPMENT PROGRAM

Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 1 of 2

## I Scope

- A) The following details FXI's comprehensive Supplier Development Program.

Monthly systematic feedback from our plants provides data on delivery performance, quality, and error-free shipments. These are combined to produce a supplier assessment rating on a quarterly basis and an on-time delivery rating on a monthly basis.

## II On-Time Delivery Requirements

- A) FXI requires **100% on-time delivery** from all its suppliers; taking negotiated lead times into consideration.
- B) Any supplier who shows a rating of less than 100% may be issued a Supplier Corrective Action Report (**SCAR**) and is expected to respond within a specified period of time.
- C) The on-time delivery window is specified on the purchase order, and might include one of the following categories:
- Agreed upon promised delivery date
  - +/- 2-day window
  - Week-of delivery

## III Supplier Corrective Action Program

- A) A SCAR is issued to address delivery problems, service and/or quality issues.
- B) The FXI corporate office or manufacturing facility will issue a SCAR.
- C) As a response to a SCAR, a brief summary of the identified cause of the condition(s), the action plan to prevent recurrence and objective evidence that the action plan was taken and completed effectively is required. Proprietary information may be stricken from the records, as needed.
- D) Objective evidence may include copies of revised procedures, updated training records, records of internal audit results, etc.
- E) Verification of the effectiveness of the corrective action taken may be carried out by FXI's corporate office or the appropriate manufacturing facility. If the corrective action is deemed ineffective, an audit may be conducted by FXI's corporate office.
- F) While assessing effectiveness, proposed revisions to documentation, meetings, audits, etc. will not be considered as objective evidence.
- G) If a SCAR cannot be completed prior to the requested response date, an extension may be formally requested from a FXI facility.
- H) A "milestone plan" for each planned in-process corrective action, including interim actions or steps and associated plan dates, should be provided. Objective evidence of progress toward completion of the plan is required. Objective evidence may include team-meeting minutes that provide evidence of progress.



# SUPPLIER DEVELOPMENT PROGRAM

Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 2 of 2

## IV Supplier Quality Rating

- A) The Supplier Quality Rating will be based on data received from a FXI facility and is determined by either a quarterly rating or an annual appraisal rating.
- B) Quarterly Rating:
- A calculated weighted average based on on-time delivery, error-free shipments, including quantity and quality issues, SCARs issued and receipt of conformance documentation (COA or COC).
  - If the quarterly rating is less than 90%, formal corrective action may be required.
- C) Yearly Scorecard:
- FXI uses a yearly scorecard to rate its supplier based on the following:
    - Delivery
    - Quality
    - Responsiveness
    - Safety of Supply
    - Technology
    - Value

## V Supplier Assessments/Audits

- A) FXI may at any time conduct an on-site assessment/audit based on our minimum requirements. Advance notice will be given to the supplier to ensure that the appropriate personnel are available to take part in the audit.
- B) Suppliers are scored on results of the audit. Scores are intended to be a guide to the supplier on how well a quality requirement/expectation is being met.
- C) The scoring system is based on a scale from 0 to 3.
- D) Scoring Criteria:
- The overall rating system is based on a scale from 0 to 3. Scores are intended to be a guide to the supplier on how well a quality requirement/expectation is being met.
- 3** - Evidence that all requirements/expectations are being met and exceeded. A quality aspect system is fully implemented and constantly being improved.
- 2** - Evidence that some progress has been made toward addressing the requirements and/or expectations. At least one product/process/function meets the requirement.
- 1** - Evidence that a quality aspect is being met but the requirements and/or expectations are informal and have not yet been fully implemented. The process needs to be formalized.
- 0** - Little or no evidence that an aspect/quality system is being addressed
- E) Where a nonconformance is discovered in the course of the audit, a Supplier Corrective Action Request is written.



# CONTROLLED SHIPPING STATUS & CONTAINMENT POLICY

Effective: July 30, 2004  
Revision # 7: Nov. 11, 2010

Page 1 of 1

## I. Scope

This documents the procedures for controlled shipping status and containment policy for suppliers of all bill of materials to FXI where quality nonconformance continues to occur.

## II. Definitions

- A. Containment - supplier action to prevent new, changed or nonconforming material from being shipped to FXI.
- B. Controlled shipping – supplier action using an independent third-party service to inspect and sort nonconforming material from good material.

## III. Containment Policy

There are three levels of FXI's containment policy, as follows:

- Level 1 – New products or changes to existing products may require containment until FXI approves shipment of the material. (See Forecast of Change on page 5 & Appendix A.)
- 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. FXI will not re-inspect supplier's material.
- 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.**

## IV. Controlled Shipment Policy

- A. FXI reserves the right to place suppliers on Controlled Shipping Status as well as insisting on containment of product.
- B. Controlled shipment may require the supplier to inspect and sort product.
- C. FXI may insist that the supplier contract with an independent third-party vendor to inspect and sort their material before shipping it to FXI.
- D. Responsibility for the cost of controlled shipping rests with the supplier.

## V. Notification of Special Status to Registrar

- A. FXI requires suppliers with ISO, or TS registered Quality Management System to notify FXI if they have lost their certification, or are placed on probation.
- B. FXI expects suppliers that are placed on controlled shipment status to notify their registrar of this circumstance.
- C. If quality issues persist, FXI may notify a supplier's QMS registrar of the situation.





# Customs -Trade Partnership Against Terrorism

Effective: October 10 2006

Revision # 7: Nov. 11, 2010

Page 1 of 3

## I Scope

FXI is a certified member of **C-TPAT** (Customs-Trade Partnership Against Terrorism), a program established by the U.S. Customs & Border Protection (CBP) in November 2001. The objective of this partnership between the U.S. government and the private business community is to protect global supply chains from terrorism and the concealment of terrorist weapons. The below items are best practices as defined by the CBP which means that these security measures exceed C-TPAT security criteria. These best practices must be applied to reduce the level of risk associated with a particular supply chain situation. Therefore, FXI asks its foreign suppliers to comply with them based upon the supplier's actual circumstances.

## II. Definitions

- A) C-TPAT (Customs-Trade Partnership Against Terrorism) - a program established by the U.S. Customs & Border Protection (CBP) in November 2001 with the objective of partnering with the private business community to protect global supply chains from terrorism and the concealment of terrorist weapons.
- B) CBP - U.S. Customs & Border Protection

## III. Container Security

To best comply with C-TPATs security guidelines, foreign vendors may join a security-based program in their own country. If a non-US supplier is a certified member of a security program in a non-US organization, they must inform the Customs Compliance Manager at FXI. The foreign firm must supply proof of such. Foreign vendors must have security processes and procedures in place to augment the reliability of any shipment to FXI at the point of loading. Container security is crucial. This means inspection, storage, tracking, seal control, and verification of containers from the time the goods are being produced until the moment that they reach the importer's premises. Specifically, this includes:

- A) Container inspection relates to the doors (inside and outside), ceilings/roofs, undercarriage, left/right sides, front wall, and floor. In addition, container locks must be checked to ensure the proper functioning.
- B) Containers should be stored in a way that prohibits theft or the introduction of unknown substances. Additionally, a written policy must declare what actions will be taken should a container found to be compromised.
- C) After a container has been loaded and inspected, it should be sealed shut with a high-security numbered seal that can be sent to the carrier to ensure that it is tracked properly. Taking a digital photograph of this seal prior to leaving the premises further enhances the likelihood that it will not be tampered with or if it is, determining who is responsible is made easier. Should a seal be found to be compromised, this must be reported to FXI and/or CBP so that appropriate action may be taken. The foreign factory should have policies in effect to ensure that only certain personnel have access to these seals. Furthermore, all seals should meet or exceed the current PAS ISO 17712 standards for high-security seals. And finally, how and when to apply these seals should be codified.



## Customs -Trade Partnership Against Terrorism

Effective: October 10, 2006

Revision # 7: Nov. 11, 2010

Page 2 of 3

- D) "Smart containers" are those containers that are able to detect if they have been tampered with from point A to point B to point C. As technology increases, these containers will become more cost effective and then should be considered for use when shipping goods to FXI.
- E) The foreign firm should also have written policies that clearly define who are responsible for the loading, tracking, sealing, and inspecting of containers throughout the entire process.

#### IV. Access Security

In addition to container security, physical access to a supplier's foreign facilities (i.e. factory, distribution warehouse, computer area, etc.) should be controlled. This means that access to such critical areas is restricted to authorized individuals who have a need to enter them. There are various methods to accomplish this (the first five refer to employees):

- A) **Biometrics:** This method uses handprint identification technology to allow employees access to work areas. Sometimes a unique employee code is added to further enhance security.
- B) **Color-coded uniforms:** Different color uniforms are required for different functioned employees. This allows for easy and quick differentiation of employees and outside people (truck drivers, delivery personnel, visitors, etc.).
- C) **ID Badges:** The supplier issues photo ID badges to every employee and they are renewed on a yearly basis. In addition, these badges may be imprinted with a swipe mechanism (thus becoming a "key card") that allows for access to certain sections of the building[s].
- D) **Locks:** Alternatively, doors may be locked and require special numeric codes to gain access. Only individuals who require access are given the numeric codes. Such codes should change periodically throughout the year to ensure that the system is not compromised.
- E) **Revoking access:** Regardless what method (or methods) is (are) utilized, there must be a mechanism in place to remove persons who no longer have a need (e.g. those who have been dismissed, those on leave) to enter such facilities. This could be as easy as changing codes and/or the removal of ID badges or installing new locks. Regardless of which procedure is used, the guidelines for issuing, removing, and modifying access must be documented in a written policy.
- F) **Visitors:** A receptionist should verify a visitor's identify by photocopying a government-issued identification. The visitor should also sign a logbook stating time in, person visiting, reason for visit, company representing, and time out. This information is then entered into database where it is reviewed periodically by management for unusual patterns. The visitor should be given some type of temporary ID badge that identifies this person as a visitor. This ID badge must be returned at the end of his/her visit.

#### V. Physical Security

The physical security of a facility is the first line of defense against a threat from outsiders. There must be some combination of physical barriers and deterrents to minimize the possibility of unauthorized access.



## Customs -Trade Partnership Against Terrorism

Effective: October 10, 2006

Revision # 7: Nov. 11, 2010

Page 3 of 3

- A) **Fences:** Depending on the physical layout, perimeter fencing may be a wise choice to limit access to the buildings (in general) or the loading areas (in particular). Also based on the situation, internal fencing of cargo-loading areas may be cost-effective and easy to implement. The fencing material should be strong enough not to permit easy cutting of such.
- B) **Gates & Gate houses:** This method may make sense if fencing is not possible or cost-prohibitive. Gates require either a guard or some type of locking mechanism. One such possibility is an electronic locking device that is activated with a key card. As with fences, gates should be constructed of solid materials to deter the easy crashing.
- C) **Parking:** Employees must have some type of marking (i.e. stickers, decals) that clearly identifies them as employees of the company. These “passes” should be removed if such persons are no longer in the employ of the company. If an employee forgets his/her parking “pass” then a procedure should be set up to issue a temporary one. Collecting temporary “passes” should also be written down so that they do not find their way into the wrong hands. Private automobiles/trucks should not be allowed to enter such parking areas nor should they be permitted to park near cargo loading/unloading areas for fear of entering such areas after-hours.
- D) **Lighting:** Ample lighting should be available in all areas. To determine what constitutes “ample” the local law enforcement community may be consulted. The use of motion detectors may be advisable, depending on the situation. There should be a procedure for replacing burnt out bulbs, such as walking the perimeter on a regular (e.g. monthly) basis.
- E) **Building:** Buildings must be secure against unlawful entry. This includes, but is not limited to, materials that resist easy entrance, functioning locks on all doors, fences, gates, and lockable windows. In addition, there must a policy in place to inspect such on a regular basis and report such findings to the person in charge of the physical plant. This person then would schedule repairs as needed to maintain the integrity of the building.
- F) **Alarms:** An alarm system may be necessary to thwart unauthorized access to all locations. Consultations with a security specialist may be beneficial to determine type and positioning of alarm system. Deactivation codes (in case of false alarms) must be assigned to appropriate individuals and regularly reviewed by management. When an employee leaves the company, his/her deactivation code must be terminated.
- G) **Video Camera Surveillance:** CCTV records the comings/goings of all persons within the camera’s path. This option is used alone or in conjunction with an alarm system. Recordings should be maintained for 30 days (or longer) and reviewed periodically to look for unusual patterns.
- H) **Locks:** All doors, windows (where applicable), and gates/fences should be locked when not in use. When an employee who has been issued a key leaves the company, that person must return all keys.



**CHEMICALS****Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010**

Page 1 of 4

**I Scope**

- A) The following provides requirements that apply to all chemicals used in the manufacture of products that FXI supplies to its customers. It encompasses chemicals, which can directly affect the quality of the product FXI produces.

**II Equipment Requirements****A) Tanker Trucks:**

- Appropriate hoses are required for unloading. The length and ID dimensions are determined by the manufacturing facility receiving the chemical and communicated via purchase order.
- Unloader requirements are also determined by the receiving facility and communicated via purchase order.
- All unloading equipment must be maintained, clean, leak free and dry.
- Pumps must be maintained, clean, leak free and dry.
- Supplier/carrier must be able to pressurize tanker.
- For safety purposes, all tankers must have a bleed-off valve on their unloading manifold to relieve hose pressure.
- In the event that another product has been shipped/pumped in the tanker delivering product to FXI, the tanker must be cleaned prior to transferring material into the tanker. A dedicated container is preferred.
- FXI and the supplier will negotiate what materials are considered compatible for shipping container reuse without a cleaning process.
- Drivers must maintain their own personal protective equipment that meets DOT regulations and each FXI facility's safety requirements for unloading chemicals.
- Drivers must be in constant attendance during the transfer operation from tank truck to prevent spillage and/or overfilling.
- In the event that the supplier is not the carrier, all applicable FXI requirements (hose sizes, pump requirements, driver requirements, etc.) must be forwarded and/or communicated to the carrier by the supplier.

**B) Railcars:**

- In the event that another product has been shipped/pumped in the car delivering product to FXI, the car must be cleaned prior to transferring material into the car. A dedicated container is preferred.
- A top unloading railcar is required for all TDI shipments.
- Carrier must be able to pressurize railcar.
- Personal protective equipment, which meets DOT regulations and each FXI facility's safety requirements for unloading chemicals, is required.

**C) Containers (Drums & Totes):**

- Drums must be clean and leak free.
- Where applicable, an "Empty Drum/Tote Return" program is required.
- Drums must meet current DOT requirements.



**CHEMICALS**

Effective: January 1, 2000

Revision # 7: Nov. 11, 2010

Page 2 of 4

## C) Containers (Drums &amp; Totes) continued:

- All drums must be shipped and delivered on pallets unless otherwise stated by a FXI facility. The quantity per pallet is specified by the receiving facility on their purchase order.
- Drums must be shrink-wrapped or banded for stabilization unless otherwise stated by a FXI facility.
- Any container found damaged or leaking upon arrival will not be unloaded and remains the responsibility of the carrier.
- Personal protective equipment, which meets DOT regulations and each FXI facility' safety requirements for unloading chemicals, is required.

**III Labeling Requirements**

- A) Labeling for chemicals should follow the format pertaining to the government specifications for that chemical. These requirements may include, but are not limited to the American National Standards Institute (ANSI) specifications found in ANSI Z129.1-1982 Precautionary Labeling of Hazardous Chemicals.
- B) Containers (Drums & Totes):
- Net weight must be clearly marked on all drums and totes.
  - All containers must have the appropriate DOT-regulated and HMIS or NFPA labeling. HMIS labels are required for hazardous or non-hazardous products.
  - The proper hazardous warning information is required. Labeling for hazardous chemicals should include the chemical name, supplier name, address, and a class marking – for example, toxic marking (6) for TDI drums.
  - At a minimum, all labels must identify product name, lot number, requestor's name and purchase order number. Additional required information will be communicated via purchase order. Some of this information may be stenciled on the containers themselves.
- C) Railcar/Tanker Truck:
- All tankers and railcars must be equipped with designated placards or markings as required by current DOT regulations.

**IV Documentation Requirements**

- A) Certificate of Analysis (**COA**) is required for all shipments of chemicals.
- B) The COA must be e-mailed or faxed to the receiving facility prior to a shipment. The driver may supply a COA at the time of delivery, if prior approval is received by the receiving facility.
- C) The COA must clearly state the actual test results as well as the FXI material specification limits and will be traceable to product when verifying compliance to FXI specifications.
- D) An **MSDS** is required to accompany each chemical shipment. All modified or new chemicals require an MSDS.
- E) A product specification is required for all new products that are shipped to FXI.



**CHEMICALS****Effective: January 1, 2000****Revision # 7: Nov. 11, 2010**

Page 3 of 4

**IV Documentation Requirements continued:**

- F) For importers, a completed and signed **TSCA** statement must accompany the shipment or be sent to the Compliance manager.
- G) All chemicals must be approved by corporate EHS and facility EHS (if applicable) before use in a facility. First-time purchases must have an MSDS faxed and approved by corporate EHS and facility EHS (if applicable) before an order is placed.
- H) FXI part number and P.O. number must appear on all paperwork.
- I) A Bill of Lading and packing list must accompany all shipments. A FXI facility reserves the right to request a Bill of Lading to be faxed prior to a shipment.
- J) The Bill of Lading must contain, at a minimum, the following information:
  - FXI P.O. Number
  - Weight
  - Product Description
  - Ship Date
  - Routing / Destination
  - Railcar Number (if applicable)
  - Pro Number (drum shipments, supplied by carrier, not supplier)
  - Truck Line Name (drum shipments)
- K) A certified weight ticket is required for all tanker truck and railcar shipments.
- L) For railcar shipments of TDI, a "return car authorization" must be faxed on the day of shipment and a hardcopy mailed
- M) The supplier must provide statistical data to the appropriate FXI facility & corporate, Requirements for frequency and content will be determined with each individual supplier.

**V Notification Requirements**

- A) Immediate notification of any proposed changes to a process, product, or material specification is required and subject to FXI's approval.  
A Forecast of Change form must be completed communicating these changes to FXI Corporate Quality Systems Manager prior to the change. See Appendix A.
- B) FXI must be notified immediately when the approved changes are in effect. A new product specification and MSDS must be submitted before any product is shipped.
- C) Changes to product or process may require a PPAP submission to FXI. If required, the supplier will provide a Level III PPAP (as outlined in the AIAG Production Part Approval Process manual). FXI must approve the use of submission levels other than Level III prior to submission.  
An MSDS must be included with the PPAP submission.
- D) The supplier will be held responsible for all direct and indirect damages, which arise from, or are related to, any unauthorized change.
- F) The supplier will insure that a FXI facility is notified by the railroad of all pending railcar deliveries.



**CHEMICALS****Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010**

Page 4 of 4

**VI Rejected Chemical Requirements**

- A) When notified that a chemical is rejected, the supplier is required to arrange for pick-up of the chemical from the FXI facility. Rejected chemicals cannot remain in a facility for longer than 30 days.
- B) All costs and charges associated with return of rejected chemicals are the responsibility of the supplier.
- C) The supplier will be liable for any downtime experienced by FXI or a FXI customer, which is charged to FXI, due to poor quality material provided by supplier.
- D) Failure to meet established COA ranges might result in rejected material unless a variance is requested and obtained ahead of time.
- E) Corrective action for nonconforming product is required for any chemical returns.

**VII Lead Times/Delivery Requirements**

- A) Lead times are negotiated between FXI and the supplier.
- B) Actual delivery time is by appointment only and established when an order is placed.
- C) Drivers must check in at the receiving office upon arrival to a FXI facility.
- D) FXI must be notified of all late shipments as soon as possible or within the specified time frame, which has been established by the receiving facility.
- E) Any deviation from originally agreed upon delivery date must be communicated and agreed upon. Verbal communication is a minimum requirement and written (fax or E-mail) confirmation may be requested.
- F) The supplier will be liable for any downtime experienced by FXI or a FXI customer, which is charged to FXI, resulting from late deliveries.

**VIII Temperature Requirements**

- A) Due to the complexity of our manufacturing process, some chemicals cannot be used at excessively high or low temperatures. This necessitates the need for a FXI facility to precisely identify an arrival temperature on their purchase order.
- B) To ensure the proper arrival temperature, the supplier is responsible to adjust tank temperatures when loading chemicals. The adjustment should reflect seasonal temperature change, winter vs. summer.
- C) Process oils must be received at a sufficient temperature that enables unloading of high viscosity oils during the winter months.



**EQUIPMENT, COMPONENTS  
& TOOLING****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 1 of 1****I Scope**

- A) The following provides specific requirements that apply to all purchased Equipment and Components (tooling, replacement parts, supplies, etc.) used in the manufacture of products that FXI supplies to its customers. It encompasses all equipment and components that can directly affect the quality and/or productivity of the product that FXI manufactures.

**II Delivery Requirements**

- A) Suppliers are required to deliver the correct part at the time agreed upon at the time the order is placed.
- B) Drivers must check in at the receiving office upon arrival at a FXI facility.
- C) The time for delivery is stated on the purchase order.
- D) Delivering the correct product and quantity is critical. If the correct quantity cannot be delivered at the specified time, the supplier must request a written waiver from FXI.

**III Quality and Specification Requirements**

- A) Equipment and components must meet or exceed requirements specified by FXI and/or the OEM (Original Equipment Manufacturer) specifications and quality.
- B) If OEM and/or FXI specifications are not available to the supplier, the supplier must provide FXI with the product specifications at the time the purchase order is placed.
- C) The supplier must maintain specification sheets on the product.
- D) The specification sheet must be forwarded to FXI upon request.
- E) Testing data on the product must be made available to FXI upon request.

**IV Identification and Packaging Requirements**

- A) Products shipped must have product identification on the part as well as on the packaging.
- B) Product packaging must be sufficient to prevent damage during transit.

**V Control of FXI Customer Drawings – (paper and electronic)**

- A) Tooling drawings are the intellectual property of FXI's customers and must be protected by all tooling suppliers.





**I Scope**

- A) The following provides requirements that apply to all purchase foams (foams not manufactured by FXI facilities) used in the manufacture of products that FXI supplies to its customers. It encompasses all foams that can directly affect the quality and/or productivity of the product FXI manufactures. Foams may include but are not limited to polyethylene, neoprene, and polystyrene.

**II Labeling and Packaging Requirements**

- A) Material will be labeled with the size, density, and color, per FXI facility requirements.
- B) Unless specified by the appropriate FXI facility, there are no defined requirements for packaging. However, products must be packaged in order to arrive at FXI in good condition. This includes but is not limited to measures taken to prevent slippage or damage during shipment.

**III Documentation Requirements**

- A) When requested, suppliers will provide a Certificate of Analysis (COA) with each shipment to include actual test results & product specifications listed.
- B) An MSDS is required with the first shipment of the material.
- C) A product specification is required for all new products that are shipped to FXI.
- D) Shipping papers include at a minimum: lot number, date shipped, quantity shipped, FXI P.O. number and sizes shipped. Any backordered items will also be identified.
- E) The supplier will provide statistical data to the appropriate FXI facility when requested. The frequency and degree of information will be according to the requirements of the facility requesting the data.
- F) For importers, the goods and/or the containers must be labeled with the country of origin in a clear, indelible, and permanent manner. For importers from Canada and Mexico, a valid and signed NAFTA certificate must be completed. If applicable, a completed and signed TSCA statement must accompany the shipment.

**IV Lead Times/Delivery Requirements**

- A) Lead times are negotiated between FXI and the supplier.
- B) Drivers must check in at the receiving office upon arrival at a FXI facility.
- C) FXI must be notified as soon as it is known that a delivery will be late.
- D) Any change from the originally agreed upon delivery date must be communicated to FXI and the new date agreed upon by that facility.
- E) The supplier will be liable for any downtime resulting from a late delivery.



**FOAMS****Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010****Page 2 of 2****V Notification Requirements**

- A) FXI must be immediately notified upon any change to the product's constituents or manufacturing process. Use the Supplier Forecast of Change form (Appendix A). A new product specification and MSDS must be submitted before any product is shipped.
- B) Immediate notification of any proposed changes to a specification is required and subject to FXI's approval.
- C) Changes to product or process may require a PPAP submission to FXI. If required, the supplier will provide a Level III PPAP (as outlines in the AIAG Production Part Approval Process manual). FXI must approve the use of submission levels other than Level III prior to submission. An MSDS must be included with the PPAP submission.
- D) The supplier will be held responsible for all direct and indirect damages, which arise from, or are related to, any unauthorized change.

**VI Rejected Foam Requirements**

- A) Rejected foam will be handled according to a FXI facility's procedures. This could include scrapping, returning the foam or using "as is" (with a request for a credit).
- B) All costs and charges associated with a return of rejected foam are the responsibility of the supplier.
- C) The supplier will be liable for any downtime experienced by FXI due to poor quality material provided by a supplier.
- D) Corrective action for nonconforming product may be required.



# LAMINATION AND POURLINE PRODUCTS

Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 1 of 2

## I Scope

A) The following provides requirements that apply to all products supplied for lamination and pourline processes. The products include but are not limited to:

- Pourline paper / Kraft paper\*\*
- HD pourline film / RS film\*\*
- LD / HD plastic film\*\*
- Pressure sensitive adhesives
- Adhesive web
- Scrim/Backing/Netting/Mesh
- Films

\*\* = Products which are used in the process that do not become part of the product.

## II General Requirements

- A) Paper, scrim and film will be free of holes or voids.
- B) Rolls will have even ends with no telescoping and will unwind freely with no blocking or stretch. Cores will be of sufficient strength to prevent collapse during shipment and normal handling and storage.
- C) Film will be free of splices, with uniform thickness edge-to-edge, free of wrinkles.
- D) All lamination/pourline products must be able to be used in FXI processes without adverse affect.
- E) Scrim and backing will be free of open splices.

## III Packaging and Labeling Requirements

- A) It is the responsibility of the supplier to ensure that all lamination/pourline products are packaged and labeled in such a way as to prevent damage during transport and storage and to ensure ease of identification.
- B) Labels will be placed at each end of the roll with an additional label permanently attached inside the core at one end.

Suppliers will conform to the appropriate FXI facility requirements for core sizes, palletization, quantities per package, roll or package size, length, width, etc.

Where required, label format/content will follow AIAG requirements. All required government and regulatory body requirements/warnings will be indicated.



**LAMINATION AND POURLINE  
PRODUCTS****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 2 of 2****IV Documentation Requirements**

- A) Certificates of Analysis with actual results compared to FXI specifications for lots shipped and statistical data must be provided with each shipment.
- B) A product specification is required for all new products that are shipped to FXI.
- C) Evidence of annual testing/layout will also be provided as required by a FXI facility or Corporate Quality department.
- D) Shipping documentation will identify at a minimum, supplier part number, FXI part number, quantity in units ordered, production lot numbers, manufacturing date and all applicable information required by government and regulatory bodies.

**V Lead Times/Delivery Requirements**

- A) Lead times will be negotiated between the appropriate FXI facility and the supplier.
- B) Drivers must check in at the receiving office upon arrival at a FXI facility.
- C) The receiving FXI facility must be notified of all late shipments as soon as possible or within the time specified by the receiving facility.
- D) Any deviation from the agreed upon delivery date must be communicated and agreed upon verbally and in writing. Late deliveries will be considered in supplier ratings.
- E) An acceptable weight variance that is over 10% may impact a supplier's quality rating. Acceptance of the order is under the discretion of the receiving FXI facility.

**VI Notification Requirements**

- A) FXI must be immediately notified upon any change to the product's constituents or manufacturing process. Use the Supplier Forecast of Change Form (Appendix A). A new product specification and MSDS must be submitted before any product is shipped.
- B) Immediate notification of any proposed changes to specification is required and subject to FXI's approval.
- C) Changes to product or process may require a PPAP submission to FXI. If required, the supplier will provide a Level III PPAP (as outlines in the AIAG Production Part Approval Process manual). FXI must approve the use of submission levels other than Level III prior to submission. An MSDS must be included with the PPAP submission.
- D) The supplier will be held responsible for all direct and indirect damages, which arise from, or are related to, any unauthorized change.



<b>MISCELLANEOUS PRODUCTS</b>	<b>Effective: January 1, 2000</b>
	<b>Revision # 7: Nov. 11, 2010</b>
<b>Page 1 of 2</b>	

## I Scope

- A) The following provides requirements that apply to all miscellaneous products used in the manufacture of products that FXI supplies to its customers. It encompasses products, which can affect the quality of the product FXI produces.

Miscellaneous products may include but are not limited to:

Conductive Thread, Splicing Tape, Clear Tape/Pull Strips, Pallets, Temperature Strips, Mold-in Velcro, Printed Inserts, Tags, Warning Tags, Color Posters, Baling Wire, Wire Inserts Track Wire and Horseshoe Wire, Fiber.

## II Packaging Requirements

- A) The supplier is required to ship all products to ensure the protection of the quality of the product. Additional packaging requirements will be communicated via purchase order. Packaging that is required for delivery to final destination will also be the responsibility of the supplier.
- B) Cores:  
➤ Cores should be palletized, banded or strapped and if requested shrink-wrapped.
- C) Spiral Tubes, Corrugated Tubes, Paper Tubes:  
➤ Tubes should be palletized, banded or strapped and if requested shrink-wrapped.  
➤ They may also be bundled and tied by quantity and size.
- D) Baling Wire:  
➤ Baling Wire should be palletized, bundled by quantity as specified by the appropriate FXI facility.
- E) Wire Inserts:  
➤ Paper-coated and non-paper-coated specially bent wires must be bound in bundles as specified by the appropriate FXI facility.
- F) Horseshoe Wire:  
➤ Product should be taped on ends and bound in quantities as specified by the appropriate FXI facility.
- G) Mold-in Velcro:  
➤ The supplier will ship product by truck, packaged in boxes to prevent damage. UPS Shipments will not be accepted.
- H) Fiber:  
➤ Product should be packaged in compressed rolls wrapped in plastic.



<b>MISCELLANEOUS PRODUCTS</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 2 of 2</b>

**III Labeling Requirements**

- A) At a minimum, all labels must identify product name, lot number, requestor's name and purchase order number. Additional required information would be communicated via purchase order.
- B) Cores:
  - Labels for each skid or pallet will include weight, length, width, shelf life and manufacture date.
- C) Spiral Tubes, Corrugated Tubes, Paper Tubes:
  - Labels for each skid or pallet will include weight, length, width, shelf life and manufacture date.
- D) Baling Wire and Horseshoe Wire:
  - Label will also include product size and gauge.
- E) Fiber:
  - Label will also include manufacture date.

**IV Documentation Requirements**

- A) A Certificate of Conformance (COC) is required for all shipments of miscellaneous material.
- B) A COC must either accompany shipment or be e-mailed or faxed to the receiving facility prior to shipment.
- C) A product specification is required for all new products that are shipped to FXI (if applicable).
- D) FXI part number and P.O. number must appear on all paperwork.
- E) A Bill of Lading and a packing list must accompany all shipments. A FXI facility reserves the right to request a Bill of Lading to be faxed prior to a shipment.
- F) The Bill of Lading must contain, at a minimum, the following information:
  - FXI P.O. number
  - Weight or quantity shipped
  - Product type
  - Size
  - Ship date

**V Rejected Products Requirements**

- A) All costs and charges associated with return of rejected products are the responsibility of the supplier.
- B) The supplier will be liable for any downtime experienced by FXI or a FXI customer, which is charged to FXI, due to poor quality products provided by supplier.

**VI Lead Times/Delivery Requirements**

- A) Lead times are negotiated between FXI and the supplier.
- B) The supplier will be liable for any downtime experienced by FXI or a FXI customer, which is charged to FXI, resulting from late or incorrect deliveries.
- C) Drivers must check in at the receiving office upon arrival at a FXI facility.



**OTHER FABRICS**

**Effective: January 1, 2000**  
**Revision # 7: Nov. 11, 2010**

**Page 1 of 1**

**I Scope**

- A) This section provides requirements that apply to fabrics used by FXI in the manufacture of products that FXI supplies to its customers. It includes but is not limited to fabrics, such as Stabilon, Duon, Brushed Nylon, Velvet, Denim, Taffeta, Bridal Satin, Pillow Ticks.

**II Labeling Requirements**

- A) At a minimum, all labels must identify the product name, manufacturer, lot number, requestor's name, vendor number and purchase order number.
- B) Additional labeling may include but is not limited to product weight, correct unit of measure and date of production.
- C) Suppliers of roll goods should insure that rolls are tagged according to the specified needs of the FXI facility.

**III Documentation Requirements**

- A) A Bill of Lading and a packing slip may be required. A FXI facility reserves the right to request a Bill of Lading to be faxed prior to a shipment. The Bill of Lading must contain, at a minimum, the following information:
- FXI PO number
  - Weight
  - Product type
  - Ship date
- B) For importers, the goods and/or the containers must be labeled with the country of origin in a clear, indelible, and permanent manner. For importers from Canada and Mexico, a valid and signed NAFTA certificate must be completed. If known, please supply the customs harmonized tariff classification number for the fabric.

**IV Packaging Requirements**

- A) Fabrics must be packaged in order to arrive at a FXI facility in good condition.
- B) Precautions should be taken to prevent damage during shipment.
- C) Fabrics should be packaged to prevent telescoping.

**V Rejected Fabric Requirements**

- A) When notified that a fabric is rejected, the supplier is required to arrange for pick-up of the fabric from the FXI facility.
- B) All costs associated with the return of rejected fabric are the sole responsibility of the supplier.

**VI Lead Times/Delivery Requirements**

- A) Lead times are negotiated between FXI and the supplier.
- B) Drivers must check in at the receiving office upon arrival at a FXI facility.
- C) FXI must be notified of all late shipments as soon as possible, or within the time frame, which has been specified by the receiving facility.
- D) The supplier will be charged with any downtime experienced by FXI or a FXI customer, which is charged to FXI, resulting in late deliveries.



<b>PACKAGING PRODUCTS</b>	<b>Effective: January 1, 2000</b>
	<b>Revision # 7: Nov. 11, 2010</b>
<b>Page 1 of 1</b>	

**I Scope**

- A) The following provides requirements that apply to all packaging products used by FXI in the production of foam supplied to customers.

**II Labeling Requirements**

- A) At a minimum, all labels must identify the product name, manufacturer, lot number, requestor's name and purchase order number.
- B) Additional labeling information may include but is not limited to product weight, correct unit of measure, and date of production.
- C) Suppliers of roll goods should insure that rolls are tagged according to the specified needs of the plant. This may include tagging each end of a roll and the inside core.

**III Documentation Requirements**

- A) A Certificate of Analysis (COA) or Certificate of Compliance (COC) may be required for packaging products.
- B) A Bill of Lading and a packing list may also be required. A FXI facility reserves the right to request a Bill of Lading to be faxed prior to a shipment.
- C) The Bill of Lading must contain, at a minimum, the following information:
- FXI P.O. number
  - Weight
  - Product type
  - Ship date

**IV Packaging Requirements**

- A) Packaging products must be packaged in order to arrive at FXI in good condition. This includes but is not limited to measures taken to prevent slipping or damage during shipment.
- B) Products should be packaged according the FXI plant specified requirements. A FXI facility may request that product be bundled, boxed, banded, palletized, strapped, and wrapped. In certain circumstances, products may require dividers and/or reinforced wrapping.
- C) Products (roll goods) should be packaged to prevent telescoping and sliding during shipment.

**V Rejected Packaging Product Requirements**

- A) When notified that a packaging product is rejected, the supplier is required to arrange for pick-up of the material from the FXI facility.
- B) All costs and charges associated with the return of rejected products are the sole responsibility of the supplier.

**VI Lead Times/Delivery Requirements**

- A) Lead times are negotiated between FXI and the supplier.
- B) Drivers must check in at the receiving office upon arrival at a FXI facility.
- C) FXI must be notified of all late shipments as soon as possible, or within the specified time frame, which has been established by the receiving facility.
- D) The supplier will be charged with any downtime experienced by FXI or a FXI customer, which is charged to FXI, resulting form late deliveries.





<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 1 of 9</b>

## I Scope

- A) This policy applies to all fabric and vinyl purchased by Foamex Innovations Inc. (FXI).

## II Standards and Expectations

- A) All purchased materials must meet the standards and specifications required by the end user (**OEM**). In addition, FXI reserves the right to specify additional requirements or specifications.
- B) All FXI Fabric/Vinyl suppliers are to be ISO/TS16949 unless they are customer directed suppliers and the customer has waived this requirement.
- C) This document is intended to clarify product requirements and does not supersede any specifications or standards set by the OEM, governmental and/or environmental requirements.
- D) FXI general purchasing requirements also apply unless specifically noted otherwise.
- E) The face goods supplied must be functionally useable by both FXI and by the end user.
- F) The OEM designated master standard shall be used should questions arise in the texture, finish, luster, construction, design, dimension, and/or pattern of the fabric.
- G) In the event that a foam/material combination does not meet OEM flammability standards, the OEM and FXI customer will be notified.
- H) FXI expects suppliers to actively participate to resolve composite flammability issues.
- I) Regularly scheduled visits to FXI facilities are expected. Each plant will determine the frequency of visitations required. The supplier is expected to visit the FXI facility as soon as possible when quality issues occur.
- J) FXI reserves the right to place suppliers on containment status. The level of containment depends on the gravity of the issue. **Level 3** requires the supplier to notify their quality system registrar of such status necessitating a registrar audit of the corrective action to remove **Level 3** containment status.

## III Production Part Approval Process (PPAP)

- A) The supplier shall provide a Level III PPAP to FXI. FXI must approve the use of submission levels other than Level III prior to submission. The PPAP must be sent to the purchasing plant within 24 hours of the PPAP request. In addition, a Material Safety Data Sheet (MSDS), IMDS submission and OEM approval and documentation, as required, must be included with the PPAP submission.  
**Special Note: For an OEM PPAP the Customer Specific Requirements may replace the ones stated above.**
- B) FXI requires prior notification of any change to product, process, and Location of Manufacture. These changes require a PPAP submission to FXI (as outlined in the AIAG Production Part Approval Process Manual). Failure to notify FXI of the change prior to shipping could result in the rejection of the shipment.
- C) Changes to control plan, FMEA's, or any other product documentation must be amended in the PPAP and forwarded to FXI.
- D) OEM or Tier 1 directed changes to a product cannot be implemented until FXI has been PPAP'd on the change.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 2 of 9</b>

- E) **PPAP** submission must include original OEM construction, color, approvals and data sent with OEM submission. If OEM submission data is more than one year old, current test data must included as well.
- F) Annual testing to detailed specification must be reported to FXI for all supplied materials.
- G) Annual PPAP may be required for some suppliers and/or materials.
- H) FXI will not give final approval to any PPAP until FXI's customer has approved FXI's PPAP to them.
- I) **MSA's** are required for all gages listed in the control plan.

See APPENDIX E for Supplier Checklist

#### IV Product Information

- A) In addition to the PPAP submission, FXI may require additional information, such as a construction approval form, roll direction card, flammability warrant, or actual burn rate data, backing weight, back coating type, type of face good treatment, material width, etc.
- B) Appropriate OEM forms, as an example, International Material Data System (IMDS), for restricted chemical content must be provided upon request.
- C) Based on the manufacturer's identification (label and/or back printing), the supplier must be able to provide relevant process and test data demonstrating material conformance to specifications within 24 hours of the request from FXI.
- D) Each shipment of material must include a certification of conformance to applicable flammability standards. Suppliers are to follow the OEM's spec and standard for testing and acceptance of flammability.
- E) FXI reserves the right to require test information that has been tested by a lab that has been accredited to ISO/IEC 17025 by a registrar that has been recognized by an international accreditation body (such as ANAB/RABQSA).
- F) FXI reserves the right to require testing of the suppliers' product at an accredited laboratory (see item "E" above) that is independent of the supplier.
- G) For importers, the goods and/or the containers must be labeled with the country of origin in a clear, indelible, and permanent manner. For importers from Canada and Mexico, a valid and signed NAFTA certificate must be completed. If known, please supply the customs harmonized tariff classification number for the fabric/vinyl.

#### V Color and Appearance

- A) FXI recognizes the OEM and Tier 1 master and approved ranges (if any). Any working ranges authorized by the OEM or Tier I are to be provided to the FXI producing plant.
- B) If the OEM has not set shade ranges, the customer, FXI, and supplier will agree upon shade limits. The face goods supplier is responsible for assuring that the shade limits are set.
- C) Pattern, pile angle, nap length, gloss level, etc. are to match the master.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 3 of 9</b>

- D) In a rare case where a master or shade range has not been established by the end user, the face goods supplier shall submit a master applicable to FXI for use and approval. Master samples and shade ranges **must** be established with the OEM and FXI within the first 60 days of production. This responsibility is borne by the face goods supplier.
- E) A dye or production lot must be a commercial match to the master and fall within the framework of the established shade range. Multiple dye lots with a shipment (representing the same color) must be compatible and mergeable. The appearance of a dye lot must be consistent throughout the lot. The dye lot must be compatible with the previous three shipments. Dye or production lots are expected to be consistent. Any inconsistencies within a lot is reason for rejection of the entire lot. Multiple dye or production representing the same color is expected to be compatible and mergeable. An inconsistency between shipments is cause for rejection.
- F) Shade calls on material must be compatible with other like shade calls, especially with the Ford color-code classification system

## VI Swatches

The supplier shall provide one swatch for appearance approval purposes for each roll of material shipped. (One swatch per lot number for Vinyl). The swatches shall be provided at no cost to FXI. Material shipped to Foamex Innovations, Inc. without fabric swatches shall be assessed a service charge of **\$15 USD/roll** without a swatch, plus the cost of the lost material and administrative charges.

Continued problems with missing swatches may result in the rejection of the entire shipment of material.

## VII Rejected and Nonconforming Material

- A) Disposition of rejected material is required within 48 hours of notification, unless otherwise specified. The supplier's account will be debited for the material and related costs if disposition is not made within 48 hours after notification. Disposition of material must be in writing.
- B) When requested, a Corrective Action Report must be submitted to FXI. Within seven calendar days, the supplier is expected to communicate in writing the problem solving results utilizing the 8D approach. If the supplier is unable to resolve the quality issue within the seven day time period, a weekly updated **8D** must be provided to the FXI location until the problem resolution is achieved.
- C) The supplier has **24 hours** to perform containment activities.
- D) If the OEM or FXI customer has rejected material, replacement material must be sent upon request. Replacement material must be shipped via the method specified by FXI.
- E) Lead times and schedule increases will not be accepted as a reason not to pay freight or replace material rejected for quality. Material of questionable quality must not be shipped to FXI.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 4 of 9</b>

- F) The material supplier is expected to review nonconforming material at the FXI plant or at a FXI customer (as required).
- G) All costs and charges associated with material rejected by the end-use customer due to material related defects shall be borne by the supplier. The costs and charges may include, but are not limited to, costs /charges incurred by FXI, FXI customer and/or OEM. (See Appendix D).
- H) Any deviations approved by the end user **must** be completed **before** material is shipped to FXI.
- I) See standard charges for an explanation of charges.
- J) For issues or rejections at FXI customer location, the supplier must notify FXI before contacting the FXI customer and include FXI in all conference calls and conversations between the supplier and our customer.

### VIII Standard Charges

- A) All rejected material returned will be at the supplier's expense (including inbound freight).
- B) An administrative fee of \$50 USD may be imposed for each rejection.
- C) Sort, rework, downtime, and inspection cost charges are **\$40 USD** per hour per FXI employee (FXI de México rate is **\$10 USD**). This includes manpower, facilities, equipment, etc. All charges from a FXI customer may be passed on to the material supplier, including travel, sorting and handling costs incurred by FXI at the customer's location.
- D) FXI will consider assessing a **\$ 0.75** per yard fee when a Supplier chooses to use a FXI's resources to correct chronic problems. This fee is intended for the use of FXI's facilities, equipment, and tools.
- E) If the supplier requests that samples of defective material be sent for evaluation, the shipping charges, plus a \$10 USD sort fee may be assessed.
- F) Interruptions to the FXI production schedule may result in a minimum charge of \$500 USD.
- G) In the event that material rejected by FXI is subsequently granted a deviation or one-time buy-off by the end user, the supplier may be assessed a \$10 USD per roll handling charge, plus any additional charges assessed by the end user.

### IX Defect Flagging and Allowance

All defects must be flagged in accordance with the applicable OEM standard or specification. All spot material defects must be flagged at the selvage edge with a red tag and the defect must be clearly marked on the face of the material with a china marker of contrasting color. Splices must be flagged with a red or blue tag. Open ends within a roll are not acceptable. Running defects (over 1/8 yard in length) must be flagged at the selvage edge with a yellow tag at the beginning and end of the defect. In addition, the actual defect shall be marked with a china marker.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 5 of 9</b>

**X Unflagged Defects**

- A) Unflagged defects are not acceptable and will be charged back to the supplier. Each using plant reserves the right to charge back to the supplier all costs related to unflagged defects. All material received is expected to be of first quality. In the event nonconforming material is shipped to a FXI location, the costs of any and all off-line inspection shall be borne by the supplier.
- B) The supplier will be charged for unmarked defects detected and marked by FXI and shipped to a FXI customer.

**XI Packaging and Shipping Requirements and Material Identification**

- A) The supplier has the responsibility to package and ship material assuring 100% quality and meeting OEM's expectations and standards. Material packaging must be sufficient to prevent damage during transit, storage, and subsequent processing. The supplier must weigh, load and count product shipped to FXI.  
  
"Shipper's weight, load and count" must be specified on the packing slip and the trailer must be sealed before the carrier's departure. Any packaging damage, loading damage or missing product will result in charge backs to the supplier.
- Note:** Shipper's weight, load and count, and sealed shipments do not apply to **LTL** shipments.
- B) Suppliers are expected to be proactive and work with the purchasing plant to reduce the total cost of incoming material.
  - C) Face goods suppliers are expected to work with each using plant to optimize roll lengths and packaging requirements to improve material handling and transportation. Roll length will be specified by face goods type.
  - D) All rolls must be identified with the standard AIAG bar code-shipping label. Minimum requirements for the shipping labels are as follows: Part number, color name, dye lot, piece number, shade code (if applicable), serial number, supplier number, gross yards, net yards, and date of manufacture.
  - E) All face goods must be clearly back-printed with the supplier's identification, directional arrow, and traceability information as established by the OEM or Tier 1.
  - F) A packing list is required with each shipment. The following information is required on the packing list: FXI part number, purchase order number, piece or roll number, dye lot, skid number (if applicable), yards, (gross and net), roll weight.
  - G) There shall be no open ends within a roll. All material cut out of a roll must have the ends securely joined together.
  - H) Roll cores are expected to meet the OEM/Tier 1 requirements.
  - I) Roll telescope may not exceed 1".



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 6 of 9</b>

- J) In order to avoid delay and penalties at border crossings, the following information on every shipment, is required by the receiving plant's materials group:
1. Quantity in yards
  2. Number of rolls
  3. Accurate weight
  4. Part number
  5. Description
  6. Country of Origin
  7. Certificate of Origin
  8. Trailer number
  9. Packing list number
  10. Shipper number
  11. Advanced Ship Notice (ASN) via email

All information on the documentation must exactly match the physical items in the trailer. Certificate of Origin is required for all goods including spot buys and samples. This information is required by the buyer before the material can cross.

## **XII Bow and Skew**

- A) Bow and skew of material outside of specified limits is unacceptable. The end user and/or OEM specify the maximum amount of bow and skew allowed at any point on the roll. The ends of all material rolls must be cut square with roll  $\pm 1/4$ ". On material, that has a definite pattern and a bow/bias requirement specified, the ends of the roll must be cut perpendicular to the selvage edge within  $\pm 1/8$ ".

## **XIII Backcoating**

- A) Back coated material must have a uniform treatment so that the amount of back coating does not interfere with FXI and/or customer processing.
- B) Backcoating must be within OEM specified tolerances.

## **XIV Curling**

- A) Curling at the edges of material is not acceptable. Curling on circular knit material must be usable in FXI processes and not cause any adverse effects on finished product quality.

## **XV Commercial**

- A) Face goods suppliers must provide FXI (upon request) a written quotation stating price, lead time, width tolerance, nap direction, part number, material name and description, minimum run quantity, standard roll length and minimum roll length. Suppliers must provide FXI with written notification of price changes, a minimum of 60 days prior to the effective date. Any price increase will be contingent upon FXI customer acceptance.

## **XVI Continuous Improvement**

- A) The face goods supplier shall implement a continuous improvement plan so that the number of defects per roll is steadily decreased. A status report may be requested periodically by the using plant and the Supplier Development Manager.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 7 of 9</b>

- B) Suppliers performing below expectations will be required to attend a supplier review meeting. Corrective actions with dates, inspection results, and corrective measures taken will be reviewed and evaluated.
- C) Appropriate statistical data must be provided to FXI on a quarterly basis or as requested.
- D) Suppliers with repeated quality problems would be subject to a systems audit by FXI.
- E) In the event of continued unresolved problems or issues, FXI reserves the right to contact a FXI customer for assistance with problem resolution. In addition, FXI reserves the right to contact the supplier's registrar.
- F) **PPM** Goals are Supplier specific.

### **XVII Material Salvage/Width**

- A) All fabric is expected to have a selvage or false selvage edge so that pin tentor frames may be utilized. If no selvage edge is available (as with some fabric and most vinyl), the product width must be negotiated during contract review. Unless otherwise specified on the quotation, material with no selvage edge is expected to have a 1 ½" width overage.

### **XVIII Premium Freight**

- A) A FXI supplier's failure to satisfy the projected ship schedule and/or quality product will result in a FXI supplier's responsibility for all expedited freight between a FXI supplier and the using FXI plant. The supplier will be liable for any premium freight and/or downtime by a FXI customer charged to FXI resulting from late deliveries and/or poor quality of product.
- B) The supplier will send replacement material immediately if material is questionable, rejected by a FXI customer, and/or rejected by FXI. If an expedited shipment is required to replace material, the supplier will be liable for the freight to FXI. Lead times and schedule increases will not be accepted as supplier reasons not to replace material or pay freight.

### **XIX Lead Time and Material Authorization**

- A) Supplier must comply with all requirements listed on each release.
- B) Unauthorized use of incorrect transportation by supplier may be subject to a charge back of excessive freight charges and/or costs incurred due to damaged product.
- C) FXI will pass on to the supplier the entire authorization given to FXI by our customer plus a working loss factor.
- D) We give the supplier a delivery release. We authorize supplier lead-time plus one week on our supplier release because we want material in house on Monday. If our supplier's release has any demand in week 1, it is needed immediately. The supplier should alert their FXI contact to coordinate movement of any week 1 requirements.  
FXI's week 1 requirements supply our customer current week and week 2 demand.  
Week 2 requirements are due in the FXI plant by the Monday listed on the release. However, each plant may ask for freedom of the week to pull this material.



<b>PURCHASED FABRIC/VINYL POLICY</b>	<b>Effective: January 1, 2000 Revision # 7: Nov. 11, 2010</b>
	<b>Page 8 of 9</b>

The FXI week-2-demand is to supply our customer week-3-demand. Our supply base is not allowed to ship the FXI week-3-requirements. Any requirement shipped from the week-3-demand will be returned freight collect to the supplier.

- The authorization will appear as a “High Material Authorization”.
- Any number not covered by “High Material Authorization” is for planning purposes only.
- FXI expects suppliers to be able to react to increases up to 15% over “High Material Authorization”.
- Standard lead-times for face goods are plant and product specific.
- Material is due at the plant as specified in the shipping instructions on the release.

## **XX EDI/Non-EDI Releases**

- A) Weekly releases will be sent to each supplier either by fax or by EDI.
- B) FXI reserves the right to submit revised releases at any time.
- C) FXI reserves the right to submit pull signals to the mills at any time.
- D) Releases submitted by noon on Wednesday of the current week will use the current week as week 1 when applying requirements. Releases submitted after noon on Wednesday of current week will use week 2 as the first week when applying requirements. Since releases are driven by cumes, this understanding is critical.

## **XXI Cume Reconciling**

- A) Cumes must be reconciled on a weekly basis.
- B) It is the suppliers’ responsibility to reconcile cumes and give written notice of discrepancies to the supplier’s contact at the receiving FXI plant. The supplier will be responsible for any premium freight, downtime charges, obsolescence, or missed shipments due to a discrepancy in cumes.
- C) If the supplier cannot or will not rectify cumes after being notified in writing, the supplier would be responsible for any expedited freight charges, downtime charges, obsolescence, or missed shipments.

## **XXII Electronic Data Interchange**

- A) Releases to Suppliers: FXI will work with suppliers so that EDI releases can be transmitted. All face goods suppliers are expected to be on line and have the ability to receive EDI releases.
- B) Supplier **ASN’s**: ASN’s must be forwarded with part number, quantity, and delivery cume. A Shipping Identification number (SID) is required for all shipments and must be faxed to the receiving plant. EDI ASN’s are required unless waived by purchasing plant.

## **XXIII Build-Out**

- A) Suppliers need to supply a list of any materials that are building out at least **12 weeks** prior to build-out





**PURCHASED  
FABRIC/VINYL POLICY****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 9 of 9****XXIV Obsolescence**

- A) FXI will send a form to the supplier requesting information on obsolescence claims. (This form is FXI plant specific.)
- B) Information must be returned to FXI within 2 working days of receipt so that the claim processing can start.
- C) Claims will be paid upon receipt of payment from FXI customer.
- D) Claims involving material used at Lear or Irvin, with items less than **\$500**, or totaling less than **\$500**, will not be accepted.
- E) Failure of supplier to return form(s) to FXI within the specified time frame will result in FXI rejecting the claim. Material must be held at the supplier facility until written approval to dispose of the material is issued by FXI.

**XXV Service**

As an essential part of the order, the Fabric/Vinyl suppliers will provide service parts to FXI to support FXI Customer requirement regarding price and quantity, for **ten** (10) years after the last part production build date of the program (EOP). If the Customer extends the period of the required service parts term, the supplier agrees to abide by the extended period.



**CALIBRATION SERVICES****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 1 of 2****I Scope**

- A) The following provides requirements to suppliers who provide calibration services to a FXI facility.

**II General Requirements**

- A) If required, the supplier must have the appropriate state license.
- B) A supplier who provides services to a FXI facility, which is ISO 9001 or ISO/TS16949 registered, must be accredited, by a third party, to ISO/IEC 17025 or national equivalent.
- C) The personnel performing the calibration must be qualified and be familiar with the piece of equipment to be calibrated.
- D) Calibrations must be performed on the full range of the equipment, unless otherwise specified.
- E) The supplier must have a system in place to handle, identify, and preserve the integrity of calibration items received from a FXI facility.
- F) An appropriate lab environment (temperature, humidity, heating, lighting, housekeeping, etc.) must be maintained to insure accurate results.
- G) The supplier should adhere to the calibration schedule of a FXI facility.
- H) When scheduled to perform calibration activities inside a FXI facility, the supplier must notify a FXI facility prior to arrival.
- I) When in a FXI facility, the supplier must adhere to the security and safety procedures of that facility.
- J) The supplier must affix an appropriate label/tag on the calibrated equipment showing the new calibration date, next due date and the initials of the person who performed the calibration must be on the label &/or calibration certificate.



**CALIBRATION SERVICES**Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 2 of 2

**III Documentation Requirements (Report of Calibration/Certificate)**

- A) The report of calibration/certificate must be accurate, clear, objective and unambiguous and include but not limited to the following information:
- Title
  - Name and address of calibration service and the location where the calibration was carried out
  - Unique identification of certificate or report and of each page and total # of pages
  - Item/serial number of equipment calibrated
  - Description of equipment calibrated
  - Unit/measure of calibration
  - Date of calibration and due date of next calibration
  - As found and as left conditions
  - Uncertainty measurements
  - Environmental conditions
  - Review and approval signature
  - Statement of Laboratory Accreditation
- B) The report of calibration/certificate must also clearly identify the standards used to perform the calibration and information relating to those standards. The information includes but is not limited to:
- Item/Serial number of the standard
  - Standard description
  - Date standard was calibrated
  - Date of next calibration
  - Tolerances
  - Uncertainty measurements
  - Traceability report number to a national (NIST), or international standard

**IV Subcontracting Requirements**

- A) FXI will be notified immediately of the intention to subcontract a calibration.
- B) The supplier will ensure and be able to demonstrate that its subcontractor is competent to perform the calibration activities.
- C) Where any part of a calibration is subcontracted, the supplier is responsible to ensure that its subcontractor complies with these requirements.
- D) Results of calibrations performed by subcontractors must be clearly identified on the report of calibration.

**V Record Retention Requirements**

- A) Records of subcontractors from whom a supplier obtains support services or supplies that are required for calibration activities must be retained.
- B) Record retention shall be as prescribed in ISO/TS16949.



# HAZARDOUS WASTE DISPOSAL SERVICES

Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 1 of 1

## I Scope

- A) The following provides requirements for suppliers who provide hazardous waste disposal services to a FXI facility.

## II General Requirements

- A) A supplier is required to have appropriate safe and standard operating procedures.
- B) A new supplier is subject to pre-approval by the FXI corporate office.
- C) The pre-approval process may include a review of a supplier's environmental records to determine regulatory compliance and environmental liabilities.
- D) Upon request, the supplier will provide FXI the following documentation:
- Environmental permits
  - Certificates of Insurance
  - Recent state agency inspection reports
  - Financial statements
  - Remedial investigations (if applicable)
  - Organizational charts
  - General facility information
  - Client reference list
- E) FXI reserves the right to conduct supplier audits. Audits may consist of a record review and/or an assessment of the physical condition of a supplier's facility (i.e., spills, safety, housekeeping, waste treatment options, secondary containment capabilities, etc.).
- F) The supplier is responsible to transport, store, recycle or dispose of waste in accordance with all applicable state and federal laws including, but not limited to:
- Hazardous waste training
  - Waste labels
  - Hazardous waste manifests
  - Equipment
  - Spill response
- G) FXI reserves the right to discontinue service if a supplier fails to comply to the applicable state and federal laws or a FXI requirement.

## III Record Retention Requirements

- A) The supplier will retain and store records in such a way that they are readily retrievable and meet the retention requirements of specified national or international standards.
- B) The supplier will provide a suitable environment for records to prevent damage, deterioration, or loss.



**INSPECTION/SORTING SERVICES**Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010

Page 1 of 1

**I Scope**

- A) The following provides requirements for suppliers who provide inspection/sorting services to a FXI facility.

**II General Requirements**

- A) The supplier must have a proven track record and be able to demonstrate experience in the inspection/sorting methods used for the appropriate business commodity.
- B) The supplier will have available to its employees general operating procedures.
- C) The supplier is required to have sufficient personnel having the necessary education, training, technical knowledge and experience. It is necessary for the personnel to be detailed oriented. The contact person for a FXI facility is required to speak and understand English. Training must include any safety/government requirements as well.
- D) To preclude a conflict of interest, no one in the supplier's organization can be related to or affiliated with a FXI employee or a FXI customer's employee.
- E) The supplier's facility will have the capability to handle large, off-site projects.
- F) The supplier's facility should have storage and security arrangements that protect the integrity of products to be inspected/sorted.
- G) The supplier must exercise good housekeeping practices.
- H) All measurement equipment must be properly maintained and calibrated.
- I) The supplier must be self-insured (comprehensive, liability, property, etc.).
- J) The supplier will take direction from the FXI facility only.  
The method of the inspection/sort or the length of time will be to the discretion of FXI.
- K) If the inspection/sorting activity take place within a FXI facility or a FXI customer's location, the supplier must adhere to all security and safety policies and procedures within that facility. If working within a FXI customer's location, the supplier must be acceptable to the customer.

**III Reporting Requirements**

- A) The supplier must provide detailed reports to the FXI facility on a daily basis or as required.
- B) The reporting method will be according to the FXI facility or a FXI customer's requirement.
- C) The reporting method will be communicated to the supplier by the FXI facility.



<b>TESTING SERVICES</b>	<b>Effective: January 1, 2000</b> <b>Revision # 7: Nov. 11, 2010</b>
	Page 1 of 2

**I Scope**

- A) The following provides requirements for laboratories that perform testing activities for a FXI facility.

**II General Requirements**

- A) The supplier will have the appropriate equipment and facilities to perform tests according to specified standards, methods or as required by FXI. The tests conducted for FXI must be listed on the supplier's Scope of Accreditation.
- B) The supplier is required to have sufficient personnel having the necessary education, training, technical knowledge and experience.
- C) A supplier, who provides services to a ISO 9001 or ISO/TS 16949 registered FXI facility, must be accredited to ISO/IEC 17025 by a registrar that has been recognized by an international accreditation body, such as ANAB/RABQSA.
- D) Laboratories performing government tests are required to be **NVLAP** certified.
- E) Adequate measures should be taken to ensure good housekeeping in laboratory.
- F) The appropriate environmental conditions (temperature, humidity, lighting, etc.) must be maintained to ensure accurate test results and to maintain the integrity of the test sample.
- G) The laboratory must comply with relevant health and safety requirements.
- H) The laboratory should have storage and security arrangements that protect the condition and integrity of the test sample.
- I) All test equipment must be properly maintained and calibrated. Calibration records must show evidence of a standard's traceability to a national standard of measurement.

**III Documentation Requirements (Test Report)**

- A) The test report must be accurate, clear, objective and unambiguous and include but not limited to the following information:
- A title
  - Name and address of testing service
  - Test number
  - Unique identification of report and of each page and total number of pages
  - Date of test
  - FXI product identification number
  - Description of sample to be tested
  - Name and address of the FXI facility
  - Test method used
  - Physical tests conducted
  - Results vs. requirements
  - Pass/Fail status of the test
  - A statement of estimated uncertainty of tests results (where relevant)
  - Any deviations, additions or exclusions from test method
  - Review and approval signature
  - Statement of Laboratory Accreditation



**TESTING SERVICES****Effective: January 1, 2000  
Revision # 7: Nov. 11, 2010****Page 2 of 2****IV Notification Requirements**

- A) The supplier will notify a FXI facility immediately, in writing, of any event (such as defective measuring/test equipment, etc.) that casts doubt on the validity of the results, which have been reported.

**V Subcontracting Requirements**

- A) FXI will be notified immediately of the intention to subcontract a test.
- B) The supplier will ensure and be able to demonstrate that its subcontractor is competent to perform the testing activities.
- C) Where any part of a test is subcontracted, the supplier is responsible to ensure that its subcontractor complies with these requirements.
- D) Results of tests performed by subcontractors must be clearly identified on the test report.

**VI Record Retention Requirements**

- A) Test records must be retained and stored in a way to prevent damage and loss and preserve confidentiality.
- B) Records of subcontractors from whom a laboratory obtains support services or supplies that are required for testing activities must be retained.
- C) Records must be retained as prescribed by specified national or international standards.



# **PRODUCT SPECIFIC SECTION**





# APPENDICES

A - Forecast of Change Form	45-50
B - Purchase Order Terms & Conditions	51
C - Supplier Code of Conduct	52-53
D - Cost of Poor Quality Fee Schedule	54
E - Fabric / Vinyl Supplier PPAP Checklist	55



# FXI SUPPLIER FORECAST of CHANGE



DATE: \_\_\_\_\_

FOC LOG #: \_\_\_\_\_

SUPPLIER, LOCATION: \_\_\_\_\_

PRODUCT CODE / NAME: \_\_\_\_\_

FXI FACILITY(S) AFFECTED: \_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_

SUPPLIER DIRECTED CHANGE?

FXI INITIATED CHANGE?

Description	Reason for Change	Class Rated	FXI Final Approval Date	Comments & Instructions
Details				

CLASS: A = Qualification required, three (3) non-consecutive runs.  
 B = Qualification required, one (1) batch.  
 C = No Qualification required, however, FXI may require at a later date.

MAIL TO: Corporate Quality Systems Manager  
 FXI  
 Rose Tree Corporate Center II  
 1400 N. Providence Road, Suite 2000  
 Media, PA 19063-2076  
 E-mail: [QualityDept@fxi.com](mailto:QualityDept@fxi.com)  
 Fax: 610-744-2338

FXI Signature, Technical Approval: \_\_\_\_\_ Title: **VP, Research & Development** Date: \_\_\_\_\_

FXI Signature, Purchasing Approval: \_\_\_\_\_ Title: **VP, Purchasing** Date: \_\_\_\_\_

Further Information:

CONFIDENTIAL to FXI and our SUPPLIER named above.

## Definitions / Instructions for Completion of the Forecast of Change Form:

**Supplier / Location:** Your company name and plant location

**Product Name:** Example: TDI 80/20, Polyol 3200 MW, etc. and chemical code name – FXI code & your company code

**Submitted by:** Individual for your company who is responsible for reporting changes to FXI

**FXI Facility(s) Affected:** List all FXI plants that will be affected by the change

**Who directed the change:** check box to indicate if the supplier or FXI initiated the change

**Description:** Describe the change that you are reporting

**Reason for the Change:** State your company's need or the cause for making the change

**Class Rated:** FXI will rate the change as "A", "B" or "C" depending on the FXI customers that will be affected by the change &/or the level of influence on FXI's products

**FXI Final Approval Date:** Date input by Corp. Quality Systems Manager after receipt of VP of R&D and VP of Purchasing signatures thus approving the change in production of our products.

**Comments & Instructions:** This column may be used for several purposes. Examples are: What affect will this change have on foam or foaming? What physical or chemical characteristic should FXI monitor more closely? Do you expect the change to require mechanical or chemical changes? FXI approval conditions to be met by supplier.

**FOC Code for Sampling FXI:** FXI will add a code here that is to be used by the supplier to identify samples submitted for testing.

**Details:** Use this for further explanation of any line above.

**Class Rating "A":** Qualification required after 3 non-consecutive batches or trial runs and FXI hand mixes, small-scale foam pours &/or production machine pours

**Class Rating "B":** Qualification required after 1 batch or trial run and FXI has tested at some level of foam pour

**Class Rating "C":** No qualification is required. FXI & supplier collectively do not expect the change to affect FXI's products or customers

**Mail To:** Address for submitting this form including fax and current E-mail address.

**Foamex Approval Signature & Title:** The VP of R&D & the VP of Purchasing must sign this form and E-mail to Corp. Quality Systems Manager to approve shipment to FXI production facilities.

**Further Information:** Report any information that you consider of importance to your company or FXI.

# FXI SUPPLIER FORECAST of CHANGE

## Automotive Material Change Management



DATE: \_\_\_\_\_

FOC LOG #: \_\_\_\_\_

SUPPLIER, LOCATION: \_\_\_\_\_

PRODUCT CODE / NAME: \_\_\_\_\_

FXI FACILITY(S) AFFECTED: \_\_\_\_\_

SUBMITTED BY: \_\_\_\_\_

SUPPLIER DIRECTED CHANGE?

FXI INITIATED CHANGE?

Description	Reason for Change	Class Rated	FXI Final Approval Date	Comments & Instructions
Details				

CLASS: A = Qualification required, three (3) non-consecutive runs.  
 B = Qualification required, one (1) batch.  
 C = No Qualification required, however, FXI may require at a later date.

MAIL TO: Corporate Quality Systems Manager  
 FXI  
 Rose Tree Corporate Center II  
 1400 N.Providence Road, Suite 2000  
 Media, PA 19063-2076  
 E-mail: [QualityDept@fxi.com](mailto:QualityDept@fxi.com)  
 Fax: 610-744-2338

FXI Signature, APQP Manager: \_\_\_\_\_

Date: \_\_\_\_\_

FXI Signature, Technical Approval: \_\_\_\_\_

Date: \_\_\_\_\_

FXI Signature, Plant Manager Approval: \_\_\_\_\_

Date: \_\_\_\_\_

FXI Signature, V. Pres. Manufacturing Approval: \_\_\_\_\_ Date: \_\_\_\_\_

CONFIDENTIAL to FXI and our SUPPLIER named above.

Further Information:

**Definitions / Instructions for Completion of the Forecast of Change Form:**

**FOC Log #:** To be filled in by Quality Document Control

**Supplier / Location:** Your company name and plant location

**Product Name:** Example: name of fabric, color, code number, etc.

**Submitted by:** Individual for your company who is responsible for reporting changes to FXI

**FXI Facility(s) Affected:** List all FXI plants that will be affected by the change

**Who directed the change:** check box to indicate if the supplier or FXI initiated the change

**Description:** Describe the change that you are reporting

**Reason for the Change:** State your company's need or the cause for making the change

**Class Rated:** FXI will rate the change as "A", "B" or "C" depending on the FXI customers that will be affected by the change &/or the level of influence on FXI's products

**FXI Final Approval Date:** Date input by Automotive Materials Manager, or designee, after receipt of APQP Manager, Technical Approval, Plant Manager and VP of Manufacturing signatures thus approving the change in production of our products.

**Comments & Instructions:** This column may be used for several purposes. Examples are: What affect will this change have on foam or lamination? What appearance or special characteristic should FXI monitor more closely? Do you expect the change to require mechanical changes? FXI approval conditions to be met by supplier.

**FOC Code for Sampling FXI:** FXI will add a code here that is to be used by the supplier to identify samples submitted for testing.

**Details:** Use this for further explanation of any line above.

**Class Rating "A":** Qualification required after 3 non-consecutive batches or trial runs. FXI will run small -scale trials &/or production runs.

**Class Rating "B":** Qualification required after 1 batch or trial run and FXI has tested at some level.

**Class Rating "C":** No qualification is required. FXI & supplier collectively do not expect the change to affect FXI's products or customers

**Mail To:** Address for submitting this form including fax and current E-mail address.

**FXI Approval Signature & Title:** The APQP Manager, Technical Dept., Plant Manager and VP of Manufacturing must sign this form and E-mail to Corp. Quality Systems Manager to approve shipment to FXI production facilities.

**Further Information:** Report any information that you consider of importance to your company or FXI.

## ***Forecast of Change Required for Chemical Suppliers***

(Reference PPAP Fourth Edition and AIAG D-22 Best Practices for Approval of Plastics and Rubber Formulation Changes)

### **Examples of changes requiring notification via Forecast of Change Form**

- 1) Swapping chemicals with another producer
- 2) Changing reactor(s) to a new, or not yet approved unit
- 3) Changing anti-oxidant level or type
- 4) Introducing a new solvent to the process for production or cleaning
- 5) Modifying stabilizer design for Styrene Acrylonitrile (SAN) polymer polyol
- 6) Changing catalyst level or type to produce Polyol or SAN polymer polyol
- 7) Changing raw material supplier (new, not yet approved source) – Propylene Oxide, Ethylene Oxide, Glycerine, Styrene, Acrylonitrile, Potassium Hydroxide, gases, catalysts, anti-oxidants, solvents or any other raw material
- 8) Changing filtration or stripping methods for end products or intermediates (polyol precursor)
- 9) Changing storage method or location
- 10) Changing transportation equipment (materials of construction or significant equipment specifications / design)
- 11) Major plant turn-around (Samples to FXI to qualify start-up material)
- 12) Changing test method or frequency at any step in the process

### **Changes not requiring notification to FXI via Forecast of Change Form**

- 1) Replace or repair pump, gauge, valve, meter, etc.
- 2) Update or modify process control software / electronics
- 3) Update or modify quality assurance instrumentation where same method will be employed
- 4) Conventional equipment maintenance that is not designated to change a process function

## ***Forecast of Change Required for TDI / MDI Suppliers***

### **Examples of changes requiring notification via Forecast of Change Form**

- 1) Swapping chemicals with another producer
- 2) Changing reactor(s) to a new, or not yet approved unit.
- 3) Introducing a new solvent to the process for production or cleaning
- 4) Changing catalyst level or type
- 5) Changing raw material supplier (new, not yet approved source) – Dinitrotoluene (DNT), Toluenediamine (TDA), gases, catalysts, solvents or any other raw material
- 6) Changing filtration, separation or distillation methods for end products or intermediates steps
- 7) Changing storage method or location
- 8) Changing transportation equipment (materials of construction or significant equipment specifications / design)
- 9) Major plant turn-around (Samples to FXI to qualify start-up material)
- 10) Changing sampling test method or frequency at any step in the process

### **Changes not requiring notification to FXI via Forecast of Change Form**

- 1) Replace or repair pump, gauge, valve, meter, etc.
- 2) Update or modify process control software / electronics
- 3) Update or modify quality assurance instrumentation where same method will be employed
- 4) Conventional equipment maintenance that is not designated to change a process function

**TERMS AND CONDITIONS**

For purposes of these terms and conditions, FXI is referred to herein as "Buyer".

- 1. CONTRACT**—This order will become a binding contract on the terms set forth herein upon (a) Seller's written acceptance of this order, (b) Seller's shipment of any permitted unit of the items described herein, or (c) other conduct by Seller recognizing the existence of a contract. Notwithstanding any provisions communicated in any way by Seller to Buyer prior to this order including any terms contained in any quote by Seller, Seller agrees that this order will control the relationship between Seller and Buyer, even if Seller sends to Buyer other terms and conditions to which Buyer may not respond. This order is to be construed under the laws of the Commonwealth of Pennsylvania; is not subject to change or variation, irrespective of the wording of Seller's acceptance, without Buyer's written consent; and is not assignable or transferable without Buyer's written consent.
- 2. MODIFICATION**—No amendment, alteration, or change of this order, including but not limited to prices, subsequent to the date hereof, shall be valid or enforceable unless in writing and executed by an authorized representative of the Buyer.
- 3. WARRANTIES**—Seller agrees and represents to Buyer that the title to the goods delivered hereunder is good and marketable and free and clear of all liens, taxes, charges, or other encumbrances; that such goods are free from all defects in design, workmanship, and materials and are merchantable; that such goods are fit for their ordinary intended purposes and any purposes specified hereunder; that such goods and their components are new and not previously used; that such goods conform to Buyer's specifications, drawings, plans, or other documents furnished to Seller (collectively, the "Specifications").
- 4. DELIVERY—INSPECTION—EXCESS TRANSPORTATION COSTS**—Time of delivery or performance is of the essence of this order and if any shipment or service rendered is not made when promised, Buyer reserves the right to refuse any goods and to cancel without any liability all or any future shipments or performance by Seller. Delivery of goods shall not be deemed complete until goods or services have actually been received, inspected, tested, and accepted by Buyer. Seller shall bear the Risk of Loss to the goods purchased hereunder until received and accepted by Buyer. Such inspection or testing will be made by Buyer within a reasonable time after their receipt by Buyer, irrespective of payment date. If inspection discloses that part of the goods received are not in accordance with Buyer's specifications, Buyer shall have the right to cancel any unshipped portion of the order. In the event such goods are nonconforming, Buyer may either return the rejected goods or hold at Seller's entire risk and expense, and may in any event charge Seller with the cost of transportation (inbound and outbound) or excess transportation charges paid, due to Seller's failure to meet Buyer's specifications or Seller's noncompliance with packing requirements as set forth by carrier specifications and any other like charges. Buyer reserves the right to refuse goods when shipped contrary to instructions or not on the shipping date specified by Buyer or for noncompliance with classification packing requirements. Buyer will not be liable for any charges for handling, bagging, blocking, blocking, crating, drayage, storage, or other packing unless such charges are specifically authorized and agreed to by Buyer in writing. If price stipulated on purchase order is F.O.B. destination, freight prepaid or F.A.S. port of exit, freight prepaid and freight rate or charges between point of shipment and destination are subsequently reduced, such reduction shall operate as a reduction on the price payable herein and the Buyer shall be entitled to credit equivalent to such reduction. If shipment by carrier other than specified becomes necessary in order to fulfill Seller's delivery obligations, Seller shall be responsible for any excess charges.
- 5. PRICE**—Price is set forth on the face of this order and is not subject to increase for the duration of the order. If Price is not stated in this order, it is agreed that the goods shall be billed at the price last quoted, or billed at the prevailing market price, whichever is lower. Should Seller reduce its price for the terms detailed in this order to either Buyer or any of its customers of like items prior to actual shipping date, Buyer herein will have the advantage of the lower price. If at any time during the term of the order a third party makes a competitive offer to sell products or services pursuant to one or more terms (including price, volume, quality and/or payment terms) that are more favorable to Buyer than the terms then in effect under the order (the "Favorable Terms"), then Seller will meet, or notify Buyer that it will not meet, such Favorable Terms within fourteen (14) days of receipt of Buyer's notice thereof. Seller's failure to meet such Favorable Terms within such fourteen (14) day period shall be deemed a decision not to meet such Favorable Terms regardless of whether Seller specifically notifies Buyer thereof. If Buyer is obligated under the order to buy certain quantities of products or services from Seller and Seller does not meet the Favorable Terms as provided above, Buyer will be released from its obligations with respect to any quantities of products or services available from the third party on such Favorable Terms. Seller specifically and expressly assumes the risk of any foreseen or unforeseen event or cause affecting price occurring subsequent to the date of this order, which would not render performance impossible or excusable under the force majeure clause.
- 6. PAYMENT**—Individual invoices must be issued for each shipment applied against this order. In the event the Seller's invoice is not received in an acceptable form or if it does not include proper proof of shipment and/or delivery documentation, or evidence of services completion, the date of payment including net invoices or cash discounts will be computed from the Buyer's receipt of same. Drafts will not be honored. Invoice must not be dated prior to shipping date.
- 7. SET-OFF**—Buyer shall be entitled to set-off any amount owing at any time from Seller to Buyer or any of its affiliated companies against any amount payable at any time by Buyer in connection with this or any previous or subsequent orders.
- 8. BANKRUPTCY**—In the event of any bankruptcy, receivership, insolvency, assignment for the benefit of creditors, or any similar proceeding by Seller, voluntary or involuntary, for or on behalf of Seller's creditors initiated by or against Seller, Buyer may, at its option, cancel this order without any liability.
- 9. INTELLECTUAL PROPERTY INFRINGEMENT**—Seller agrees to defend, indemnify, and hold harmless Buyer against all claims, suits, liabilities, damages, and expenses including reasonable attorneys' fees and court costs, on account of any alleged infringement of any patent, copyright, trade name, trademark, trade secret, or other legal rights resulting from or arising with the manufacture, sale, normal use, or other normal disposition of any item furnished hereunder, excluding those items fabricated to Buyer-furnished drawings. Buyer retains to the right to participate in any such defense of any claim without relieving Seller of any obligation hereunder.
- 10. FORCE MAJEURE**—No failure or omission of either the Seller or Buyer in the performance of any obligation of this order shall be deemed a breach nor create any liability for damages or other relief if the same shall arise from any cause or causes beyond the reasonable control of such party, including, without limitation, to: acts of God, flood, fires, explosions, storms, earthquakes, acts of public enemy, war, rebellion, insurrection, riot, sabotage, accident, or any order, rule, act, action or the withholding of necessary action by any governmental agency; or transportation embargoes or delays, or the reduction or unavoidable delays in deliveries of any product or material, or causes of similar nature. In the event such failure or omission cannot be remedied within a reasonable period of time, the party awaiting performance shall have the right to terminate the order.
- 11. DEFAULT**—Upon default by Seller under any clause, provision or obligation hereunder, Seller shall pay all of Buyer's costs, charges and expenses arising from such default including, but not limited to, reasonable attorneys' fees and costs of litigation, and Buyer shall have any and all remedies available to Buyer under the Uniform Commercial Code or otherwise.
- 12. COMPLIANCE**—Seller agrees to comply with all applicable federal, state, local, and foreign laws, executive orders, ordinances, rules, and regulations as currently amended. Compliance includes, but is not limited to, Workers Compensation Laws; the Occupational Safety and Health Act of 1970; the Age Discrimination in Employment Act of 1967; the Utilization of Minority Business Enterprises Clause, Executive Order 11625; Federal Clean Air Act; Federal Water Pollution Control Act; the Federal Resource Conservation and Recovery Act of 1976; the Enemy Policy and Conservation Act; Superfund Amendments and Reauthorization Act (SARA—Title III); Comprehensive Environmental Response Compensation and Liability Act (CERCLA); and the National Energy Conservation Policy Act.
- (1) **Toxic Substance Control Act**: Seller warrants that each and every chemical substance constituting or contained in the goods sold or otherwise transferred to Buyer as a result of this Purchase Order and that is subject to the Toxic Substance Control Act is on the list of chemical substances compiled and published by the administrator of the Environmental Protection Agency pursuant to the Toxic Substances Control Act and is otherwise in compliance with that Act.
- (2) **Hazardous Materials Transportation Act of 1976**: Any materials required by this Order that are deemed hazardous will be packaged, marked and shipped by Seller to comply with all federal, state, and local regulations.
- (3) **Fair Labor Standards Act of 1938**: Seller shall furnish a statement on each invoice that the goods hereunder were produced in accordance with the provisions of the Fair Labor Standards Act.
- (4) **Equal Opportunity Clause**: Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. Seller will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such actions shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Seller will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 13. INSURANCE**—Seller agrees to carry the following minimum insurance coverage, which shall be primary to any insurance maintained by Buyer:
- | <u>Insurance</u>  | <u>Minimum Limits</u>  |
|---|--|
| (a) Workers' Compensation Including Occupations Disease Coverage  | (a) Statutory  |
| (1) Including Employer's Liability  | (1) \$1,000,000  |
| (b) Commercial General Liability  | (b) \$3,000,000 per occurrence   |
|   | property damage.   |
| (c) Automobile Liability  |  |
| (1) Including coverage for all owned, hired, or non-owned automotive equipment used in connection with the Seller's operations. | (c) \$1,000,000 per occurrence<br>\$2,000,000 per accident<br>for personal injuries and property damage. |
- Evidence of insurance in the form of insurance certificates showing the foregoing coverages shall be furnished by Seller prior to the commencement of work. Seller agrees to maintain the foregoing insurance coverage and, providing for at least thirty (30) days' written notice of cancellation or modification to Foamex, name Foamex as an additional insured thereunder for the limits required for as long as goods and services are provided hereunder.
- 14. INDEMNIFICATION**—Seller shall indemnify, defend and hold harmless from and against all claims, suits, liabilities, damages, and expenses including reasonable attorneys' fees and court costs arising out of or incurred in connection with any claims: (i) for personal injury or property damage resulting or arising out of delivery or use of the items covered by this order or the performance of any item or condition of this order, (ii) Seller's non-compliance with the Specifications, (iii) Seller's non-compliance with Buyer's Supplier Quality Manual (as described below), (iv) the purchase, or use of such products or services or from any patent or hidden defects in the quality of such products and/or services or dangerous condition thereof, or (v) any failure of the Seller to comply fully with the requirements of any applicable law, rule, regulation or order.
- 15. QUANTITY TERMINATION; ORDER CHANGES.** Buyer may, by written notice to Seller, terminate its purchase of any quantity of products or services (i) for convenience, (ii) if Seller fails to complete or deliver any part thereof when required, and (iii) if Seller is in breach of any material term of the order, immediately prior to the delivery thereof. If terminating for convenience, Buyer will pay Seller termination charges equal to the cost of materials and labor incurred (and not otherwise mitigated) on ordered products or services prior to the date of Buyer's termination notice; provided Seller takes all steps reasonably necessary to mitigate such costs. Seller will notify Buyer of the actual termination charges within thirty (30) days after termination. If termination is due to a failure of completion or delivery or breach of any material term of the order, no termination charges will apply and Buyer may procure substitute products or services and Seller will be liable to Buyer for any excess costs incurred by Buyer.
- 16. AUDIT.** In relation to Seller's obligations under Section 5 above, Seller will permit Buyer reasonable access to Seller's books and records relating to the order.
- 17. QUALITY EXPECTATIONS**—It is expected that the Seller will provide on time delivery, error free shipments, and material that will conform to all specified requirements. Seller must comply with the requirements set forth in the latest version of Buyer's Supplier Quality Manual, which is available at [http://www.fx.com/supplier\\_quality.php](http://www.fx.com/supplier_quality.php).
- 18. ASSIGNMENT**—This order or any right or obligation associated therewith may not be assigned or transferred by Seller in the absence of Buyer's prior written consent thereto and any purported assignment or transfer absent such consent shall be void.
- 19. WAIVER**—The failure of Buyer to insist in any instance upon strict performance by Seller of any provision of this order shall not be construed as a continuing waiver of such item, or waiver or any other provision of this order.
- 20. GOVERNING LAW AND VENUE** - This Agreement shall be governed by and interpreted according to the laws of the Commonwealth of Pennsylvania, without application of its conflict of laws provisions. The Seller hereby agrees that the adjudication of any claim or controversy whatsoever arising out of or related to this Agreement or the performance of this Agreement will occur in the federal or state courts located within Philadelphia County, Pennsylvania, and the Seller consents to the jurisdiction of those courts for that purpose.
- 21. ENTIRE AGREEMENT**—This order is the entire and only agreement and supersedes all previous communications, promises, representations or agreements, whether verbal or written, with respect to the goods provided hereunder. No occurrence of prior dealings between the parties and no usage of trade shall be relevant to supplement or explain any term herein.
- 22. AUTOMOTIVE BUSINESS PROVISIONS**—The following provisions are only applicable to goods supplied to Buyer for use in Buyer's Automotive Business Unit: (a) Seller is supplying the goods to Buyer because the applicable original equipment manufacturer ("OEM") has directed Buyer's customer to obtain the goods from Seller. Buyer and Buyer's customer are only integrators of the goods supplied by Seller pursuant to this order for the OEM program. Seller agrees that Seller and OEM will be directly responsible to one another for all commercial issues (such as pricing disputes), collection risk, warranty charges, product liability claims, intellectual property matters and production interruptions relating to the goods supplied under this order. Seller agrees that Buyer's customer and Buyer will not be responsible for and will be indemnified by Seller against these matters. Any debits or surcharges claimed by Seller will be passed through Buyer's customer and Buyer only after the written agreement of all parties. Subject to the foregoing, all orders by Buyer, and the entire relationship between Buyer and Seller in connection with the goods ordered hereunder, will be governed exclusively by the terms of this order. In the event of any conflict with any other document, the terms of this order will control. (b) Seller is supplying the goods to Buyer because Buyer's customer has directed Buyer to obtain the goods from Seller. Seller agrees that Seller and Buyer's customer will be directly responsible to one another for all commercial issues (such as pricing disputes), collection risk, warranty charges, product liability claims, intellectual property matters and production interruptions relating to the goods supplied under this order. Seller agrees that Buyer will not be responsible for and will be indemnified by Seller against these matters. Any debits or surcharges claimed by Seller will be passed through Buyer only after the written agreement of Seller and Buyer's customer. Subject to the foregoing, all orders by Buyer, and the entire relationship between Buyer and Seller in connection with the goods ordered hereunder, will be governed exclusively by the terms of this order. In the event of any conflict with any other document, the terms of this order will control.



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**FXI SUPPLIER CODE OF CONDUCT**

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FXI's Supplier Code of Conduct (the "Code") sets forth FXI's desire to do business with suppliers, vendors, and contractors (collectively, "Suppliers") that carry out business utilizing sound and responsible ethical, social and environmental practices. Suppliers are required to abide by all applicable laws, codes or regulations including, but not limited to, any local, state, or federal laws governing protection of the environment, workers' health and safety, and labor and employment practices. FXI is committed to the highest standards of product quality and business integrity in its dealings with Suppliers. The Code sets forth the minimum requirements that Suppliers must meet in order to do business with FXI.

**1. CHILD LABOR**

Suppliers must comply with local minimum working age laws and requirements, and not employ child labor.

**2. FORCED LABOR**

FXI shall not tolerate the use of indentured, bonded, or other forced labor by the Supplier when the Supplier provides products or services to FXI.

**3. WAGES AND BENEFITS**

Suppliers shall recognize that wages are essential to meeting employees' basic needs. Suppliers shall not pay less than the minimum wage in accordance with local laws or the market, whichever is higher.

**4. WORKING HOURS**

In compliance with applicable laws, regulations, codes and industry standards, Suppliers are expected to ensure their employees have safe and healthy working conditions and reasonable daily and work schedules.

Employees should not be required to work more than the number of hours allowed for regular and overtime work periods under applicable local, state and federal law.

**5. OVERTIME COMPENSATION**

Employees shall be compensated for overtime hours at the applicable premium rate in their country. In countries that have not established premium overtime rates, the employees shall not be paid less than their regular hourly rate for overtime hours.

**6. HEALTH AND SAFETY GUIDELINES**

Suppliers must share FXI's commitment to providing a safe and healthy workplace environment treating employees fairly and in compliance with local laws. Health, safety, and other standards must meet all local laws and safety regulations. FXI places a duty on Suppliers to ensure that the products and services delivered constitute no hazard to health and safety of any of its employees, customers and local communities.

**7. FREEDOM OF ASSOCIATION**

Employees of Suppliers shall be free to join organizations of their own choice. Suppliers shall respect and recognize the right of employees to join and organize associations of their own choosing, and to bargain collectively. Employees shall not be subject to intimidation or harassment in the exercise of their right to join or to refrain from joining any organization.

**8. NON-DISCRIMINATION**

FXI believes that all terms of employment should be based solely on an individual's ability to do his or her job. FXI requires its Suppliers to uphold a commitment to basic principles of his or her rights. This means that Suppliers should not discriminate against employees in hiring, providing salary, performance evaluation or any other term or condition of work, based on race, national origin, gender, sexual orientation, religion, disability, political affiliation, union membership, or marital status.

**9. HARASSMENT AND ABUSE**

FXI firmly believes that everyone should be treated with dignity and respect. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse.

**10. ENVIRONMENTAL GUIDELINES**

FXI will actively seek Suppliers that share its commitment to protecting the environment. Suppliers shall abide by all federal, state, and local environmental laws.

**11. COMMUNITY INVOLVEMENT**

FXI seeks to work with Suppliers that partner with local governments and communities to improve the educational, cultural, economic, and social well-being of the communities.

**12. ETHICAL STANDARDS**

FXI seeks to identify and partner with Suppliers that aspire to conduct all of their business following a set of ethical standards not incompatible with FXI's standards.

**13. CONFLICTS OF INTEREST**

Suppliers must deal with FXI in a manner that avoids conflict between personal interests and those of the supplier and FXI. This requirement applies equally to business relationships and personal activities.

**14. COMMUNICATION**

Suppliers are encouraged to take appropriate steps to ensure that provisions of the Code are communicated to their employees and throughout their own supply chain. Suppliers are also encouraged to ensure that the principles referred to above are adopted and applied by their employees, suppliers, agents, vendors and contractors as far as reasonably possible.

**15. CONFIDENTIAL INFORMATION**

Any information a Supplier receives through business dealings with FXI must be kept confidential and never used for personal gain and shall, where applicable, be governed by the terms and conditions of existing confidentiality agreements.

**16. GIFTS AND HOSPITALITY**

Suppliers to FXI should not offer gifts and favors to FXI employees that may be seen as an attempt to influence business decisions.

In addition to maintaining compliance with the terms of the Code, Suppliers are bound by the provisions of the FXI Supplier Quality Manual located at [http://www.fx.com/supplier\\_quality.php](http://www.fx.com/supplier_quality.php).

## Cost of Poor Quality Fee Schedule

In order to offset the high cost of poor quality, FXI will charge suppliers administrative and recovery fees as listed below:

Administrative fee for nonconformance &/or corrective action results	\$50 - \$200
Containment (in-house) fee for sorting nonconforming shipments per FXI employee	\$10 - \$40 per hour
Containment (customer's site) fee for sorting nonconforming shipments per customer invoice (may include travel and living expenses)	\$ customer charges
Cost of using FXI facilities, equipment, and tools	\$ 0.75 per yard
Interruptions to FXI production schedule	\$500, minimum
Interruptions to FXI's customer schedule accountable to supplier	\$ customer charges
All rejected material returned will be at the supplier's expense	\$ cost of material
Premium freight charges (inbound and outbound)	\$ full cost
Deviation allowance charges from FXI's customer	\$ full cost + \$10/roll
Production downtime charges (FXI or customer)	\$ full cost

These fees may be in addition to other charges or claims for out-of-specification materials causing FXI or its customers to receive or process material that has been found to be unacceptable for use.

FXI strongly believes that good relationships with our suppliers should be based on effective methods of communicating and addressing quality issues. If we all adhere to this principle, the aforementioned charges would be minimal and viewed as a fair restitution, not retribution.

## Supplier PPAP Check sheet (Fabric/Vinyl)

Supplier:  
 Part Number:  
 Description:  
 Customer:  
 Program:

***Hold full approval until material has passed testing and FXI Customer has signed PPAP***

<u>No:</u>	<u>Description:</u>	<u>Y/N</u>	<u>Notes:</u>
1	Warrant Form		All boxes must be checked off and all must pass
2	Appearance Approval Report		Must be complete and current - FXI must sign.
3	Significant Production Run		Amount must be noted
4	Design Records		Must comply with ISO/TS16949 requirements
5	Textile construction sheet		If applicable
6	Engineering Approval		If applicable
7	DFMEA		Required
8	Process Flow Diagrams		Compare with control plan, FMEA, documented procedures
9	PFMEA		Evidence of sign off and review
10	Control Plans		Review carefully for process control and special characteristics
11	Dimension Results		Tolerance required
12	Material Tests		Must have all tests listed and all must pass!
13	Performance Tests		Make sure Flammability, fogging, etc. are not borderline.
14	Initial Process Studies		Capability studies based on control plan
15	Quality Indices		Capability studies based on control plan
16	Measurement System Analysis Studies		Look at control plan, must comply with MSA.
17	Qualified Laboratory Documentation		Lab Scope for all, accreditation if required
18	Quality Documentation		Valid certificate(s) - accreditation/registration
19	Sample Production parts		If Required
20	Checking Aids		If Required
21	Customer Specific Requirements		OEM/FXI/FXI Customer
22	Certificate of Origin		Mandatory! (Must be submitted every year)
23	MSDS		Mandatory!
24	Recycleability Reporting		If required
25	Restricted/Reportable Substances:		Mandatory!
26	IMDS Reporting		Mandatory!
27	Sample Shipping Label		Requested - plant option
28	Pre-Launch Control Plan		For GM programs (GP-12)
29	Roll direction card		For fabrics, vinyls, and sheeting: Swatch must be attached to the card with correct nap direction and wind-up orientation.
30	OEM approvals		Must be signed by OEM!
31	FXI Fabric Technical Data Sheet		Mandatory for new or revised fabrics from suppliers.

**Note: Test data must be less than 1 year old**

**Check list sign off - Name and Date**