Global Supplier Quality Manual

Leggett & Platt is an S&P 500 company, headquartered in Carthage, MO, USA. Leggett & Platt conceives, designs, and produces a diverse array of products that can be found in most homes, offices, and vehicles. For further information visit us at:

http://www.leggett.com

LPA, a division of Leggett & Platt, is a leading designer and manufacturer of seating suspension systems, lumbar support systems, and related comfort and convenience products for the automotive industry.

This LPA "Supplier Quality and Logistics Manual" describes the requirements that must be followed by LPA's entire supply base. This Manual is provided to serve as a guide for all suppliers that produce and ship product to any LPA facility. Following the procedures in this Manual will help to ensure that both LPA and all LPA suppliers are following governmental regulations as well as LPA standard policies and procedures.

The official language of business for LPA is "English". Therefore, unless otherwise required by applicable law or mutually agreed to by the parties, all documents and correspondence shall be conducted solely in English.

Global Supplier Quality Manual

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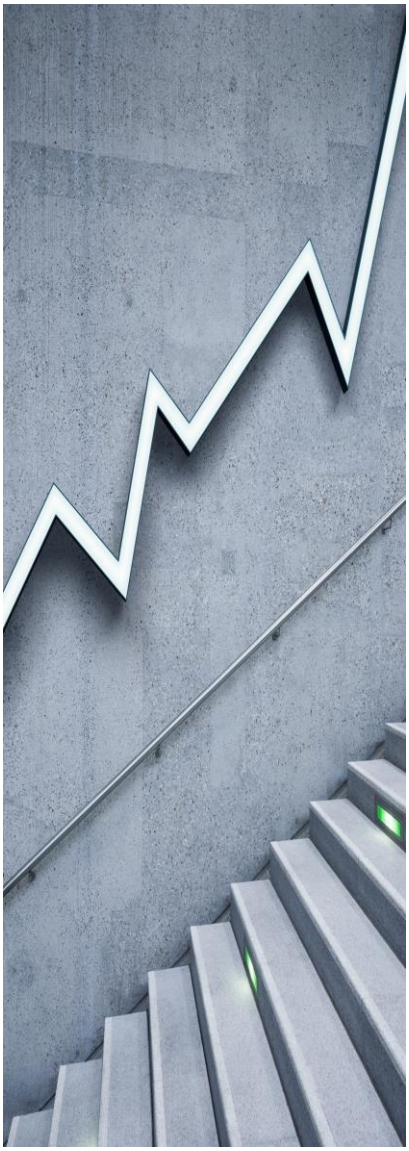


1. Supplier Quality Policy

LPA purchases materials, components and services only from companies (and their sub suppliers) that have a Quality Management System that conforms to all or one of the following standards:

(a) ISO 9001:2015 or later version;
(b) IATF 16949:2016 or later version

All purchased materials, components and services by LPA contribute to the ultimate quality and reliability of LPA end products to LPA customers.

The goals of LPA include the development of close working relationships with suppliers on quality matters and ongoing continual improvements and long-term relations with a select group of suppliers, which share LPA's uncompromising commitment to quality.

Supplier quality performances shall be monitored as stated in the supplier rating section of this document for compliance to the above-mentioned quality standards and to determine supplier relations. As a result, LPA is committed to working with world class suppliers.

Suppliers must be able to respond to rapid changes in design and production. The speed at which technologies and designs change determines our need for fast prototyping, short turnaround times, short lead times, 100% flawless materials, and timely deliveries.

LPA procurement operates without prejudice regarding suppliers and builds relationships based on quality products and services, competitive pricing, technical foresight, proactive product service support, and effective follow-through. We welcome the opportunity to develop relationships with businesses who share our vision and standards for quality products and services.

2. Scope

This Manual applies to all LPA suppliers. Compliance to the requirements within this Manual as well as to the LPA General Terms and Conditions of Purchase is mandatory. This Manual is incorporated as part of the terms and conditions for purposes of Supplier's supply to LPA. It is the supplier's responsibility to check at regular intervals for updates to this Manual at:

http://leggett-automotive.com/contact

This Manual describes and defines the requirements and expectations of LPA. It is intended to provide LPA suppliers with LPA's requirements, policies and procedures so they can learn how to collaborate with LPA to meet LPA's business goals. LPA desires to create a favorable business environment for both LPA and LPA suppliers that strive for customer satisfaction in an environment that supports continuously improving quality, costs, efficiencies, productivity.

Suppliers are fully responsible for the quality of their products and services and for meeting the requirements stated in this Manual and may not delegate these responsibilities to their sub-suppliers. Nevertheless, all suppliers are responsible for managing their suppliers (LPA sub-suppliers).

3. Supplier Quality Registration Requirements

LPA is certified to IATF 16949:2016 or later version and applicable customer specific requirements as they apply to automotive production and relevant service part organizations.

The LPA certification requirement of all supplier manufacturing locations is a 3rd party Certification to IATF 16949:2016 (or later version) or ISO 9001-2015 (or later version) and applicable Customer specific requirements.

Important Note:

Registration to ISO 9001-2015 (or later version) is only acceptable for those suppliers that do not meet the applicability requirements of IATF 16949:2016 (or later version) as described below or as an interim step to achieve IATF 16949 certification and compliance to other L&P Customer defined (QMS) Quality Management System requirements (such as minimum Automotive Quality Management System Requirements) is required for suppliers not eligible for IATF 16949 Certification conformance to these QMS requirements will be evaluated through second party audits.

Suppliers are also required to submit renewed certificates for each manufacturing location at time of renewal to their respective LPA Purchase Orders. Information on all certificates must match the name and address of record of the manufacturing location.

Applicability Requirements:

IATF 16949:2016 (or later version) applies to organizations that manufacture product that ends up in the final vehicle assembly, including:

- Production Materials
- Production or Service Parts, Assemblies
- Heat treating, Welding, Painting, Plating or other Finishing Services.

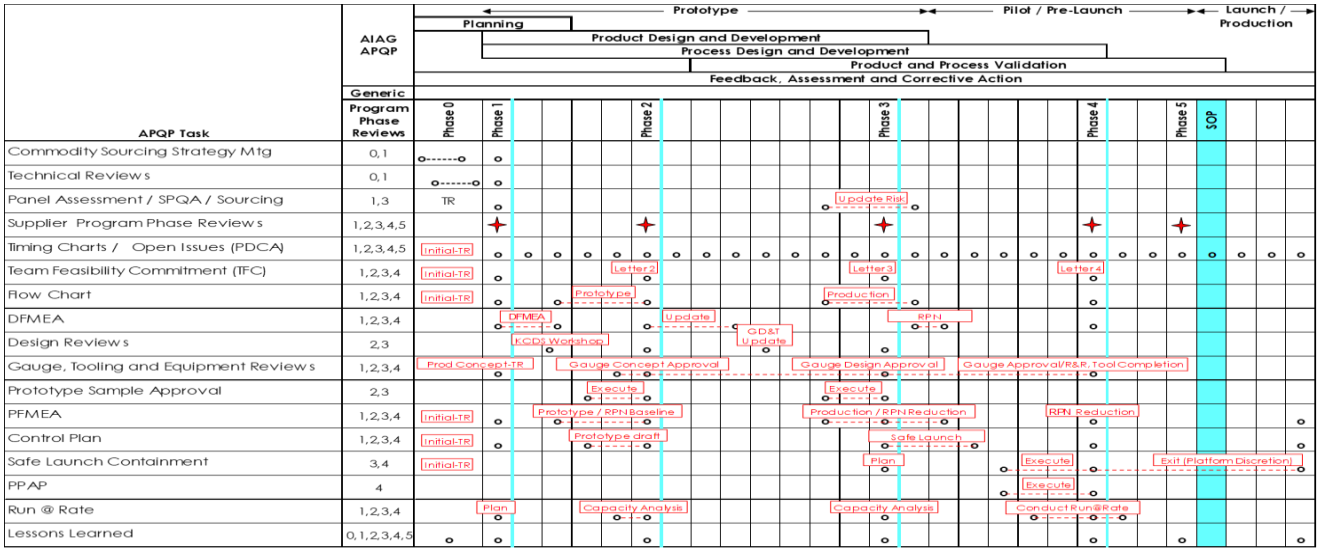
4. Advanced Product Quality Planning (APQP)

It is essential that the supplier engage in advanced product quality planning activities to provide a foundation for consistent manufacturing of quality products on timely basis. The supplier shall be active in the following quality planning areas where are applicable:

APQP Tasks to ensure a flawless launch

- Program Steering Committee
- Confidentiality Agreement
- Special Characteristics
- Technical Input Reviews
- Technical Reviews
- Panel Assessment / SPQA
- Master Schedule
- Feasibility Commitment
- Sourcing Committee
- Sourcing Decision & Contracts
- Program Review & Kick-off
- Design FMEA
- Design Review
- Prototype/Pre-Production Builds & FOTP
- Design Verification Plan
- Drawing and Specification Freeze
- Process Flow Chart & Sub-Supplier Management
- Process FMEA
- Facilities, Tool & Gauging
- Control Plan
- Packaging
- Training Plan
- Appearance Approval (or IMDS)
- Product & Process Quality File
- Run @ Rates
- Process Audit
- Statistical Process Control Methods
- Production Validation Plan
- Safe Launch Concept (Pre-Launch)
- PPAP
- Transition to Mass Production & Lessons Learned

Timing with Generic Guidelines for Advance Supplier Quality



For New Programs, LPA Advance Supplier Quality (ASQ) will be the main contact to manage new program kick-off meeting, open issues list (PDCA), APQP deliverables, PPAP, so on and so forth.

5. Supplier Visits to Leggett & Platt Facilities

LPA appreciates visits from our suppliers and considers them an effective means of collaboration. The appropriate frequency of such visits shall be determined by several factors, including, but not limited to, business volume, project status, and quality performance. In all instances, the supplier must pre-inform and obtain approval for visiting an LPA facility.

During a visit to LPA plants, guidelines and security regulations shall apply to visitors.

It is prohibited to take photographs or videos on the premises unless permission is granted from an appropriate level of LPA management, for example, the Branch Manager for a premise of a branch. In the event of violations to the above, the supplier may be subject to claims for compensation, refused access, or termination of a Purchase Order.

6. Prototype Requirements/Pre-Production/ECN changes

LPA prefers to select suppliers that offer prototyping services and can implement and guarantee short delivery periods for sample and prototype orders. The number of pieces required are defined by LPA engineering and/or stated in Purchase Orders.

All SC/CC or engineering specified dimensions must be confirmed by suppliers on all parts. Full dimensional layout will be required by LPA on an as needed basis. Material certification of a prototype is mandatory. Dimensional and material certifications are to be included in the packaging with the parts or by email to arrive with or before the parts. Complete traceability of all prototypes and samples is required. Traceability must be maintained by serializing each part or at minimum being able to trace to the ship date on the packaging label. Supplier is to maintain records to trace parts from the serial number or shipping date back to the raw material lots used.

The packaging must be identified with the appropriate label "0572-SC-FRM-0027" which is available at https://leggett.com/supplier-documents

For further details please review the Plant (Branch) specific requirements, available on request at each Plant (Branch).

7. R&D Support

LPA requires its suppliers to guarantee enough and qualified product design and/or process engineering capacity and project management resources. The resources must be available as support for the initial design until the first PPAP has been released.

LPA uses 3D CAD systems (Catia V4 + V5, UG, NX Ideas, Solid Works) for the design of LPA products/systems and components. Suppliers who do not use an identical system shall convert the data, with no loss of data integrity, at supplier's cost. The supplier must confirm use of an acceptable CAD system prior to beginning a project.

If necessary, the supplier must be able to conduct or have conducted mold flow, FEA, DFM, acoustics, material or other analysis. LPA requires that the results of the analysis be provided to LPA upon request. If external providers are to be used, their suitability must be demonstrated (e.g., by accreditation according to ISO/IEC 17025 for test labs)

8. Pre-Launch Production Trial Run

All suppliers are required to perform a Run@Rate prior to PPAP, to verify that the supplier's actual production process can meet program volumes at an acceptable first-time pass-through quality level.

LPA's supplier development will coordinate the Run@Rate with the supplier in accordance with LPA's Run@Rate forms which are available at:

https://leggett.com/supplier-documents

It is the responsibility of the supplier to enter the completed Run@Rate documents.

Suppliers shall assure that Run@Rate is conducted for all their sub-suppliers and provide supporting documentation to LPA upon request.

LPA supplier development reserves the right to be onsite for the Run@Rate to witness and monitor the execution.

Suppliers to affix label "0572-SC-FRM-0027" printed on ORANGE paper on each container/packaging of any new part number, new ECN, and/or new suffix for all pre-production and the first three shipments after PPAP. This label must be located directly beside the product identification label (with both labels being visible). This provides visual control for suppliers and LPA. Suppliers also shall affix labels for pass through parts and customer specified labels as required.

9. Launch Support

During any program launch at an LPA production facility, the selected supplier may need to provide on-site representation for a period as required. The supplier's launch support representative(s) must be knowledgeable, capable and empowered to make decisions. Coverage must be provided for all shifts if requested.

Suppliers will be selected based in part on past quality performance and/or complexity of components or assemblies being supplied.

Any component or assembly that is identified as a safety or critical item or contains any special record retention requirements must have additional inspection implementation prior to LPA receiving the component or assembly for launch. Each component or assembly shipment must be certified to safe launch requirements to ensure defect free products. It is the responsibility of LPA's supplier development to approve a safe launch plan and the execution of the safe launch plan.

Suppliers shall attend key event builds prior to production launch as required.

10. Production Part Approval Process (PPAP)

The AIAG PPAP manual defines the requirements for the part submissions. PPAP Level 3 is the default level to be utilized for all submissions unless otherwise advised by the LPA quality team.

- Design Record
- Engineering Change Documents
- Customer Engineering Approval, if required
- Design FMEA
- Process Flow Diagrams
- Process FMEA
- Control Plan
- Measurement System Analysis Studies
- Dimensional Results
- Material, Performance, Test Results
- Initial Process Studies
- Qualified Laboratory Documentation
- Appearance Approval Report (AAR), if applicable
- Sample Product
- Master Sample
- Checking Aids
- Records of Compliance with Customer Specific Requirements (IMDS, Run@Rate, Supplier Packaging Data Sheet)
- Part Submission Warrant (PSW)

For multiple cavity tooling, each cavity shall be treated as an individual "PPAP" sample and data is to be collected from each cavity.

Material testing facilities shall be certified to ISO/IEC-17025 or equivalent lab accreditation standard. Lab accreditation certificates are to be provided with supplier PPAPs. Material certificates shall be traceable to a part number and the specified material, as identified on applicable product drawing.

The supplier shall submit a minimum of 6 "PPAP" sample parts per tool and tool cavity, as applicable. For multiple cavity tools, this sample quantity can be reduced with LPA Supplier Quality approval. PPAP samples shall be labeled and traceable to PPAP dimensional reports.

All laboratory data and material certificates shall be less than one year old.

PPAP submissions shall be supplied at no charge to LPA.

When to Submit PPAP

PPAP approval is mandatory in the following instances:

- Initial Submission (new part, new project)
- Engineering change (change product)
- Sub-supplier change
- Process changes
- Additional or change of manufacturing location
- Tooling (replacement, repairs or inactive for more than one year)
- Correction discrepancy
- Materials changes
- Test methods/equipment changes
- Relocation of production equipment at the same site

Advance written approval from LPA is required prior to when a supplier changes some of the items above. Production deliveries shall not commence until formal authority has been received from LPA Quality confirming PPAP approval.

Part Submission Warrant (PSW)

All PSWs must contain standard information; however, the external suppliers will provide options for the reasons for submission and the submission level.

Supplier Partnership

Reason for Submission Summary

Original

- Initial Submission

Inactive Tool

- Inactive (1Year)

Changes

- Engineering
- Tooling
- Material
- Suppliers

Discrepancy

- Corrections
- Process
- Manufacturing

PSW Requirements

PSW submission related to discrepancy may require Interim Approvals. All interim approvals require a corrective action plan (PDCA).

Meet the described PPAP requirements as outlined in the AIAG PPAP manual (most current edition) as well as any additional requirements specified by Leggett & Platt Automotive or its customers.

Submission Level Summary

Again, a level 3 PPAP is required unless specifically waived.

Level 1

- PSW + AAR

Level 2

- PSW + Samples Limited Data

Level 3

- PSW + Samples
- Complete data

Level 4

- PSW + Other

Level 5

- PSW + Samples
- Complete data
- On-site Review

Duplicate samples are required for Level 2 and Level 3 unless otherwise specified.

For multiple processes duplicate samples are required per cavity, tool, cell, assembly line unless otherwise specified.

PSW with missing information will not be accepted.

Further questions about Production Part Approval Process (PPAP) do not hesitate to contact LPA Supplier Quality & Development (SQ&D).

Regulations (IMDS)

Product material content, recyclability, weight and other information must be reported via IMDS as specified below. Products containing substances of concern that are restricted and/or prohibited must comply with current legal and customer requirements. Life cycle assessment (LCA) data may also be required for specific programs.

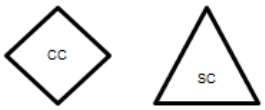
Important Note: PPAP approval will not be granted if IMDS submission is missing and or is rejected.

Special Characteristics

A process capability (Ppk and Cpk) study is to be performed and must be ≥ 1.67 for short term Ppk and ≥ 1.33 for long term Cpk. This is required for each critical and significant characteristic as identified on the drawing and/or related specifications.

For identified attribute characteristics, a go/no go capability study must be performed. For safety related critical characteristics, the supplier shall ensure zero defects of parts shipped to LPA.

The critical characteristic is identified on the drawing as "CC" in a Diamond. The significant characteristic is identified on the drawing as "SC" in a triangle.

CC and SC symbols 

Annual validation

Annual (yearly on the date from initial PPAP approval) validation is required on each component delivered to LPA at suppliers' cost.

The content includes:

- Measurement and dimensional reports
- The capability study of SC´s and CC´s.
- Material, performance, test results (e.g. flammability, material reports).

11. Control Plan, PFMEA, PFD

A control plan is a document that outlines the supplier's method of assuring and controlling the quality of a part. Control plans shall be prepared and maintained for all new products, changed products or processes and all control items.

Control plans are required for prototype, pre-production and production stage and are to be part of the PPAP submission. Control Plans shall identify annual validation as well as what will be submitted as part of the annual validation.

To re-emphasize, a Process FMEA (PFMEA) with a supporting Process Flow Diagram (PFD) is part of Level 3 PPAP submission and shall be included.

Highly recommended to use only the latest templates of the AIAG. Suppliers of Automotive product related- software or Automotive products with embedded software must maintain a software Quality Assurance Processes.

12. Statistical Process Control (SPC)

Identified statistical process control shall be carried out on critical and significant characteristics for product supplied to LPA.

LPA requires suppliers to use three ways to control critical and significant characteristics:

- SPC
- Mistake-proof/Poka-Yoke
- Implement 100% inspection by device

For safety related characteristics or federally regulated items, the supplier shall ensure zero defects of parts shipped to LPA. For more information on SPC, please follow and/or use the AIAG SPC manual.

13. MSA Studies

Suppliers shall perform MSA studies on each type of measurement system. For reference please follow the latest AIAG MSA manual.

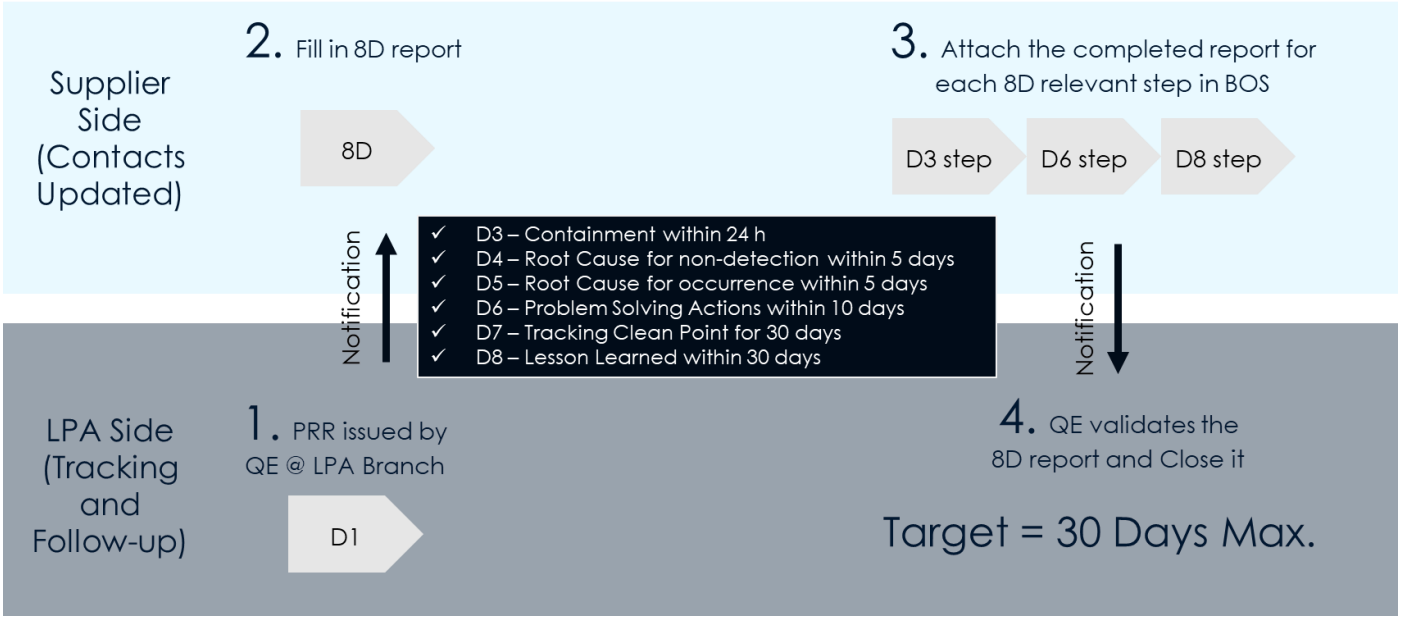
14. Corrective & Preventative Action (C&PA)

Suppliers to LPA are required to have a documented procedure for failure analysis, corrective and preventive action. In the event of a non-conforming part, a Problem Resolution Report ("PRR") will be issued by LPA Quality Engineer (QE) or LPA Planner against the supplier in BOS.

PRR Risk Type Input

Type of PRR	Risk
1 - Delivery Alert	1
1 - Quality Alert	1
1 - RFQ Alert	1
2 - Delivery	2
2 - Quality	2
2 - RFQ	2
2 - Safe Launch	2
3 - General Customer Satisfaction	3
3 - Quality Customer Satisfaction	3
3 - Delivery Customer Satisfaction	3
3 - CS1	3
3 - CS2	3
3 - Warranty	3
3 - Quality System (IATF 16949 / VDA 6.3)	3

If a PRR is issued against a supplier, the following are the response time requirements:



Within 24 hours of the complaint, LPA requires the following information in 8D format (D1-D3):

- Acknowledgement that the complaint has been received
- Quantity of parts in house and in transit to the complaint issuing LPA facility
- Material Authorization to ship to supplier address
- Immediate containment actions in place (including identification and procedure)

Within the 3rd day of the complaint, LPA requires:

- Updated 8D describing steps taken so far
- Potential root cause(s) -- every possible root cause must be identified
- Cause verification actions must be defined

Within the 5th day of the complaint, LPA requires:

- Identified root cause
- Corrective action for the root cause
- Verification plan for the corrective action assigned

If above information is provided on the 5th day and is deemed acceptable, the response time will be evaluated as "on time".

If information is late, incomplete or not acceptable, the response time will be evaluated as "late". In case of not finding the root cause in time, it is the supplier's responsibilities to contact the LPA plant and ask for new timing.

After the 5th day, any open PRR updates are to be made in the portal on a weekly basis until it is accepted and closed in a target period of 30 days maximum.

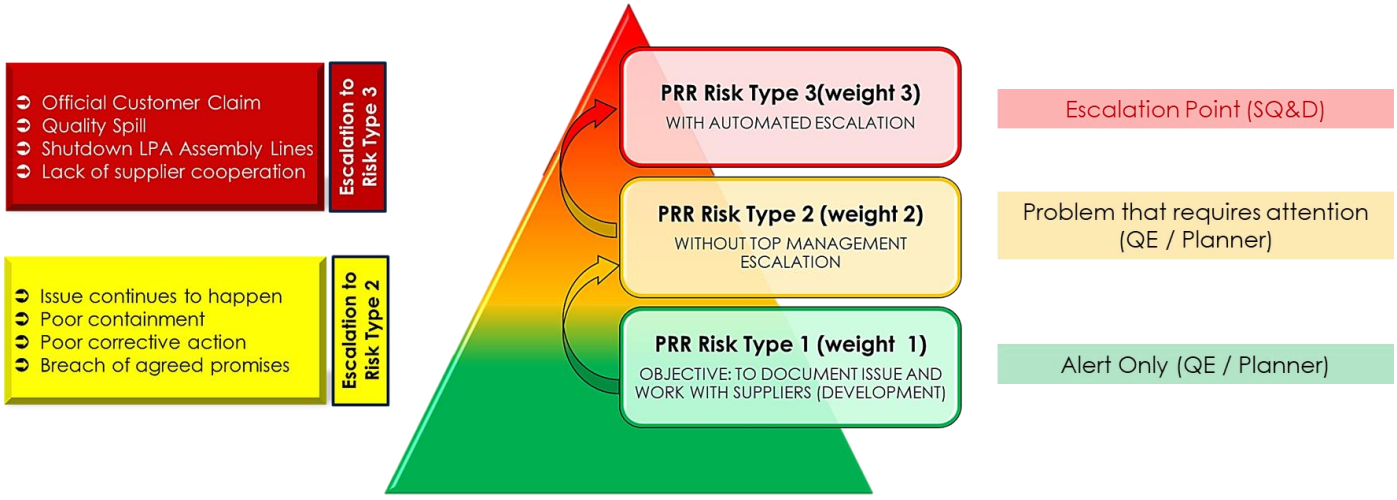
All corrective & preventive actions must be reported and documented through the PRR module (BOS). Further Plant specific procedures are to be followed, see supplier portal. First time users please reach out your LPA contact to get access to BOS.

https://supportal.leggett.com

Prototype and pre-production parts are also subject to corrective and preventative action process as required by LPA's customers. Default for problem reports during prototype and pre-production will be to follow the C&PA requirements unless agreed to with LPA to use an alternate method to track corrections and actions that result from the failure.

PRR Escalation Process

PRR Quality Related will be issued by Quality Engineers (QE) at LPA Branch Level whilst PRR Delivery Related will be issued by LPA Planners at Branch Level, type of PRR will determine the level of risk, severity and attention required by LPA.



Follow up, Tracking and Closure

- PRR Type 1 and 2 Quality related will be issued and managed by Quality Engineers (QE) at Branch Level.
- PRR Type 1 and 2 Delivery related will be issued and managed by Planners at Branch Level.
- PRR Type 2 Launch Phase Related will be issued by QE but managed by Advance Supplier Quality (ASQ).
- PRR Type 3 Quality & Delivery Related will be issued by QE & Planner but managed by Supplier Quality & Development (SQ&D).

15. Material certificates and test reports

In the event of product non-conformities, LPA can require test certificates and reports be provided. And LPA reserve the right to request supplier provide material certification for every shipping batch. New suppliers to LPA that have not shipped previously or suppliers that are shipping a new material are also to provide an IMDS with the shipment.

16. Traceability, Flow of goods, FIFO

Complete traceability is required for all products, individual components, and raw materials and must be made available upon request.

Special processes (heat treatment, surface treatment, welding, soldering, etc.) can have additional requirements for traceability.

If a delivery contains products from different production lots, the delivery papers must identify the different lots.

The supplier also shall ensure a working FIFO (first in first out) system for parts received, parts in production, and work in progress, as well as finished goods, including safety stock coverage.

17. Controlled Shipping Levels (CSL I & II)

In the event of an issued PRR that requires containment the supplier is automatically placed on CSL I. Parts in house, in transit and at supplier site are to be contained under CSL I. Supplier is to update the LPA on sorted quantity and defect quantity until clean point is established. Supplier shall remain on CLS I until corrective action has been verified and exit approval has been granted.

Ineffective CSL I will become CSL II automatically.

In case of:

- Repeat PRR (inadequate resolution from initial PRR)
- A quality problem in the field
- Inadequate containment
- Duration and severity of the problem

Supplier shall remain on CLS II until corrective action has been verified and exit approval has been granted.

18. Cost Recovery Policy

External Production Suppliers are liable for all costs incurred by LPA when the cause is the Supplier responsibility as listed below (list is not exhaustive).

Examples of costs / charges which can be charged back to or absorbed by the supplier:

- Rework/repair supplier fault
- Sorting of suspect material in house, customer location, third party warehouse
- Disposition of scrap (supplier responsibility)
- Overtime to avoid production shut down or potential shutdown because of defective/suspect material or delivery issue.
- Customer returns to include sorting and transportation costs.
- Warranty costs
- Premium freight including air charter if the situation requires to the final customer/OEM that is a result of the supplier defective/ suspect material or delivery issue.
- Other internal and external costs (per issue)
- General administration fee associated with the claim based on LPA plant or a regional fee applied ($ 150 USD as a minimum fee as a reference)

If costs due to supplier issues are charged to LPA by its customers, the costs shall be passed on to the Supplier. LPA reserves the right to charge variable costs based on actual costs.

19. Supplier Performance Index (SPI)

Supplier Performance index is utilized by LPA to maintain and improve the supplier's performance and quality of the parts as well as to provide a reliable, fair and consistent source of information by which all production suppliers are rated. These ratings shall be an aid for LPA management to determine the future potential of the supplier for an ongoing relationship.

In case of rework the receiving LPA plant will retain a sample of the defective product without rework and return it to the supplier for root cause analysis.

Whenever a suspect product is used to support production at an LPA facility, it will still be recorded as defective in supplier scorecard. However, it is the LPA plant's responsibility to supply a quantity of the suspect product to the supplier for verification, root cause analysis and corrective action reporting.

All defective product reworked in a containment period or unacceptable identified parts in CSL II sorting by a 3rd party, which is paid for by the supplier and performed off-site or at the supplier's facility, will not be reflected in the supplier's scorecard.

In the event a receiving discrepancy is due to an engineering change balance out condition, the number of "wrong level" pieces will be reflected in the supplier's SRS scorecard.

LPA Red List – Top 10 Worst Suppliers

Suppliers shall monitor their performances and to avoid being in the LPA Supplier Red List – Top 10 Worst Suppliers. Based on three months rolling (3MR) PRRs, calculations are done to rank the Supplier Performance Index (SPI).

PRRs Quality Related (3MR)

# Rejections (NOK Parts)	Points		PRR Type		Points
# <10	1		PRR Type 1		1
10 < # < 50	10	A	PRR Type 2	B	10
50 < # < 100	50		PRR Type 3		50
100 < # < 500	100		PRR Reoccurrence	C	x2
# > 500	500		PRR Official Customer Claim	D	x10

Supplier Quality Index (SQI)

SQI = (A+B)*C*D

PRR Reoccurrence x 2
PRR Customer Related x 10

PRRs Delivery Related (3MR)

# Rejections (NOK Parts)	Points		PRR Type		Points
# <10	1		PRR Type 1		1
10 < # < 50	10		PRR Type 2	B	10
50 < # < 100	50	A	PRR Type 3		50
100 < # < 500	100		PRR Reoccurrence	C	x2
# > 500	500		PRR Official Customer Claim	D	x10

Supplier Delivery Index (SDI)

SDI = (A+B)*C*D

PRR Reoccurrence x 2
PRR Customer Related x 10

SPI = Supplier Performance Index
SQI = Supplier Quality Index
SDI = Supplier Delivery Index

SPI = SQI + SDI

- Suppliers in Red List with 100 ≤ SPI ≤ 600 points will require an 8D workshop
- Suppliers in Red List with 600 < SPI ≤ 2000 points will require 8D + PDCA
- Suppliers in Red List with either SPI > 2000 or with > 6 consecutives months will require 8D + PDCA SPQA (Self-Assessment or on-site audit)

Supplier Audits Schedule will be published in monthly basis internally at LPA to track the improvements of supplier performance index (SPI).

Suppliers in Red List with either SPI > 2000 or with > 6 consecutives months won't be recommended to quote for new projects.

20. Supplier Assessment, Panel Management, Escalation

LPA may conduct an inspection at the Supplier's operation at any time to ensure that the specified requirements are met in production.

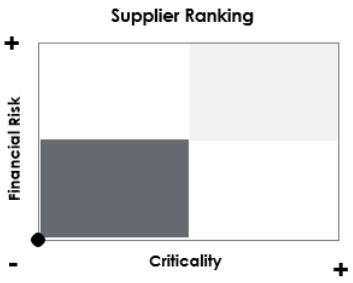
Such inspections may be informal or formal (audit). The Supplier will be notified in a timely manner about the schedule, the results of the inspections, and actions that are required to ensure quality products are supplied to LPA.

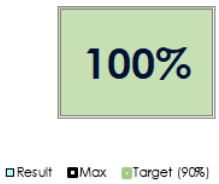
LPA follows Supplier Panel Assessment and Supplier Process Qualification Audit (SPQA) (panel decision input and process audit respectively) for supplier approval.

Supplier Panel Assessment

Supplier Selection based on panel assessment score that must be ≥ 90%.

Economic, Technical, Program Management and Quality are the main topics to be audited by LPA Category/Commodity and SQ&D. Matrix and Radar Score Picture for illustration purposes only.



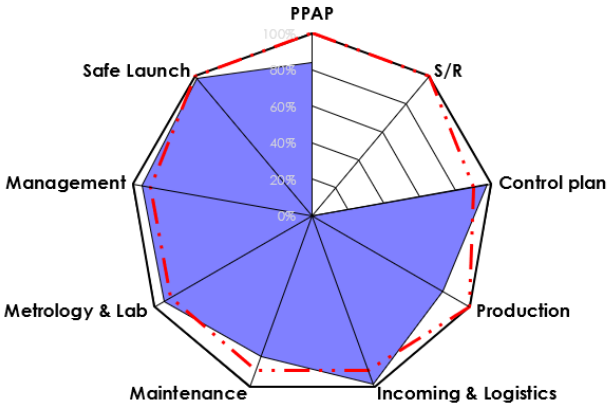


Supplier Process Qualification Audit (SPQA)

PPAP, Safe Launch, Management, Metrology & Lab, Maintenance, Incoming and Logistics, production, Control Plan and Safety / Regulatory Items are the main topics to be audited by LPA SQ&D.

SPQA Acceptable Score must be ≥ 90%.

SPQA Radar and Score are shown below for illustration purposes only.



Score	≥ 90%	≥ 80% < 90%	< 80%
Rank	A	B	C
Judgement	Acceptable Quality - Capable	Conditionally Acceptable Quality-Capable	Not Acceptable Not Capable
Action	None		Install Containment

Further details about Panel Assessment and Supplier Process Qualification Audit (SPQA) do not hesitate to contact LPA Supplier Quality & Development (SQ&D).

Panel Management

e-Auctions or appropriate costing tools could be used by LPA Category / Commodity / Procurement in addition to be able to achieve most competitive market price. All LPA Suppliers are ranked via Panel Status as following:

P (Panel)	➲ Fully approved Supplier for development and production. ➲ Only class A Suppliers may be considered within this status. ➲ All criteria are in accordance with our policy.
I (Intermediate or Investigation)	➲ In the Vendor List but not yet assessed or pending because of other criteria not being fulfilled (Finance, Development…).
H (On-Hold)	➲ No consultation for new development. Production orders maintained.

E (Eliminate)	➲ Not acceptable Supplier. ➲ To be eliminated from the vendor list in a determined period.
Pr (Prospect)	➲ Supplier which passed a first screening (under market screening process) and can receive an RFI/RFQ ➲ No award possible under this Status.
S (Suppressed)	➲ Supplier which are deleted in LPA Systems.

Supplier Partnership

Once a Supplier has been integrated into the vendor list, Supplier Quality, Cost and Delivery (QCD) performance will be continuously reviewed and the business will be given, through sourcing committee decision, under following conditions:

Performance Criteria

- Production Quality (Zero Defect Policy).
- Program Quality (PPAP).
- Program Purchasing Index (PPI).
- Logistic performance
- Productivity (Price Index) and cash management (payment terms and consignment stock).

Business Criteria

- Financial Health.
- Financial Penetration (LPA Turn-over below 30%).
- Competitive Benchmark.
- Risk Evaluation.

Suppliers Expertise…Expertise levels define Suppliers ability to develop and support LPA on programs with various levels of responsibility.

Expertise levels are defined as following

Expert

- Co-operates with LPA to define the functional specifications.
- Proposes solutions and participates in design.
- Is responsible for his processes and designs.
- Manages and designs complete sub-Assemblies.

Designer / Co-Developer

- Designs parts based on LPA functional specifications.
- Designs complex parts with full design and process responsibilities.
- Designs and totally controls his processes.

Manufacturer

- Is responsible for his own production processes.
- LPA has full design responsibility (detailed specifications).
- Supplier delivers a part-to-print product.

Subcontractor

- It is an extension of LPA manufacturing.
- Is responsible that the process follows LPA specifications.
- Executes parts in accordance with the definition file.
- Typically, this kind of supplier receives from LPA a semi-finished product for another process completion and then they return the transformed product (with value-added operations) to LPA for further or final processing (i.e. painting, heat-treatment, surface-treatment, welding, sub-assembly, etc.).

Supplier Partnership

Product Segmentation

Another key factor of the Panel Management is the Purchase Product Segmentation which will allow us to define specific Strategies tailored to Commodities (type of products/parts) and Suppliers but also, it'll simplify and provide the proper level of attention to the Sourcing and Supplier Development processes.

LPA current Portfolio of Commodities is as follow:

- Commodity injection molded parts
- Commodity Resin
- Commodity injection molding tools for external production
- Motor Components
- Mechatronics
- Motor & Actuator Assemblies
- Electronics
- Wire & Wire-harness
- Stamping & Machining
- Fasteners & Springs
- Wire (external only)
- Elastomer molded parts
- Die casting
- Powder metal
- Specialty materials
- Extruded tubes, liners, conduits, foils
- Fiber, felt, foam, fabrics materials

Generic Panel Management Process

Teamwork approach is followed by LPA Category/Commodity, LPA Procurement and LPA Supplier Quality and Development to maintain Panel Management Process moving constantly. Generic Panel Management Process for illustration purposes only.

1- Supplier Sourcing

2- Supplier Positioning

Expert/Designer/Manufacturer/Sub-contractor

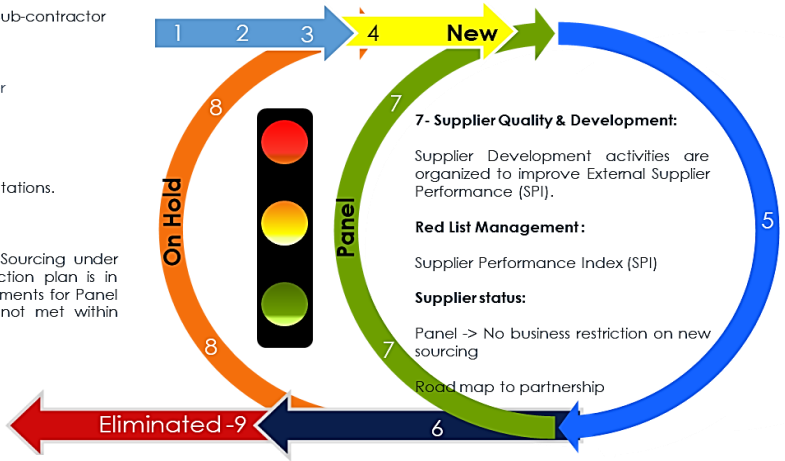
3- Supplier Classification:

Preferred / Strategic / Challenger

4- Supplier Assessment and Qualification:

Panel Assessment / SPQA Assessment

Status: Intermediate limited orders under commodity control



5- Supplier Evaluation:

After Initial Ramp-up, under normal operating conditions, suppliers are expected to meet and exceed consistently minimum QCD performance requirements.

Periodic contract / Supplier reviews are conducted by the commodity team to reassess the supplier status

6- Traffic Light model:
In function of their QCD performance record against well defined criteria (supplier Evaluation scorecard), Supplier are assigned a different Status with associated action plans and impact on new orders

7- Supplier Quality & Development:

Supplier Development activities are organized to improve External Supplier Performance (SPI).

Red List Management:

Supplier Performance Index (SPI)

Supplier status:

Panel -> No business restriction on new sourcing

Road map to partnership

8- Supplier Probation:

QCD performance below expectations.

Supplier status:

On Hold-> New business Hold. Sourcing under commodity control and an Action plan is in place to meet minimum requirements for Panel Approved status Recovery. If not met within Reasonable time => Elimination

9- Supplier Elimination:

Phase out plan
Supplier status:
Eliminate => No new order / Data remains in supply base to avoid reintroduction without scrutiny

NBH & Elimination Decision belongs to VP Purchasing LPA

Purchasing Escalation Process

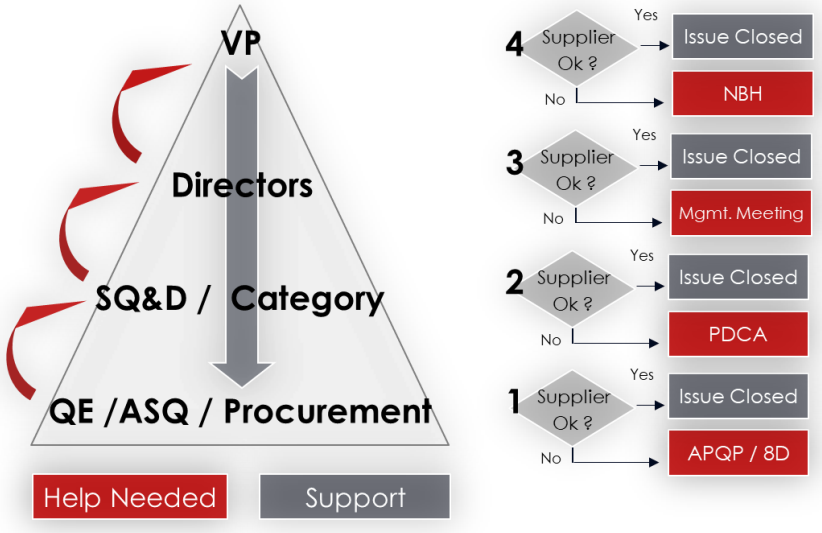
During Escalation Mode, to have a sense of urgency is to act promptly and with intention to make things happen efficiently and effectively. Having a sense of urgency means doing what needs to be done immediately, without being asked and in the most thorough way possible to solve the Supplier Issues.

Supplier Contact List is required with the latest contact information at all levels of the supplier Organization, availability 24/7.

An escalation point can be considered as:

- Lack of Collaboration
- Lack of Communication
- Program Phase Launch Issues
- Shutdown of any LPA Branch
- Official Customer Complaint
- Quality Spills
- Reoccurrence of a problem
- Debit notes disputed
- Warranty Claims
- Quality Recalls
- Lack of Raw Material
- Late shipments
- No shipments
- Any case of PRR Risk Type 3

In such a case, Purchasing Escalation Process is followed as described below:



If Supplier Issue reaches out to the highest level of Purchasing Organization then Supplier can be put in New Business on Hold (NBH) Status, unless the final resolution can be achieved.

NBH Decision belongs to VP Purchasing LPA

21. Deviations

A deviation constitutes permission to supply materials or components that do not fully comply with the drawing, specifications or master sample. Materials or components will not be delivered if they do not meet print requirements, unless a deviation is approved by LPA prior to shipping. Note: For every LPA plant which will be supplied an approval of deviation for each has to be obtained.

To obtain deviation approval, a written request must be submitted to an LPA supplier quality representative. The form(0572-QA-FRM-005) is available on the supplier portal.

22. Product Safety & Regulations

Suppliers to LPA shall take due care regarding product safety. Means to minimize and to eliminate any potential risks to employees, users and the environment shall be promoted within the supplier's organization.

23. Environment, Health and Safety

The manufacturing locations of LPA are certified according to ISO 14001 (environmental management) and some according to OHSAS18001 (occupational safety).

During visits to LPA locations or when performing work on the premises of LPA, the safety regulations of the respective LPA location shall apply. Compliance with these regulations is essential.

All suppliers are expected to be compliant with our environmental directives, our customers and applicable legal requirements including Product Material Content and Recyclability Reporting (PMCRR-IMDS), REACH and ROHS.

24. Laws and Regulations

Suppliers must be familiar with, understand, and comply with all international and national laws, regulations and decrees from the countries they deliver to.

Suppliers must be familiar and comply with all laws and regulations relevant for the business relation with respect to environmental, health and safety legislation. It shall be the responsibility of each partner to independently obtain information about applicable regulations and take measures for compliance, without the express request by LPA.

25. Sustainability and protection of environment

LPA has a strong interest in contributing to environmental and social sustainability through short-term and long-term measures.

Suppliers must inform their employees about these objectives and train them accordingly to ensure active participation by all parties.

All products and processes must be developed with the goal of avoiding environmental and health hazards and conserving resources.

Suppliers must proactively look for solutions to ecological challenges.

The avoidance of waste and the adaptation of methods to valid environmental and safety regulations must be rooted in the general corporate goals of suppliers:

- All products must be optimized regarding the ability to be disassembled and recycled.
- All plastic components must be designed and labeled in accordance with ISO 11469.
- The packing concepts and suggestions of suppliers must seek to avoid, or at least reduce, the quantity of non-recyclable packaging and the quantity of dispensable packaging materials.

26. Social Justice and Ethics

To support sustainability in business, LPA requires Suppliers to be committed to several generally recognized social standards. We expect that they recognize and demand social rights such as:

- The freedom of association
- No discrimination
- Free choice of occupation
- No child labor
- Remuneration
- Working hours
- Occupational health and safety
- Anti-corruption legislation
- Fair competition and anti-trust
- Conflict of interest
- Whistleblowingand protection against retaliation

All LPA employees pledge not to accept any valuable gifts or inappropriate entertainment from suppliers.

27. Conflict Minerals Policy

The Leggett & Platt Incorporated Conflict Mineral Policy can be viewed through following link:

https://leggett.com/supplier-documents

Suppliers must report and confirm the amount of origin of conflict relevant materials. The actual version of the reporting form must be used.

28. Supplier Code of Conduct

To view our supplier code of conduct please follow link below:

https://leggett.com/supplier-documents

29. Supplier Diversity Policy (Only valid for North America)

To view our supplier diversity policy please follow link below:

https://leggett.com/supplier-documents

Please reach out your LPA contact if you are having problems with any website link above mentioned.

Global Logistic Manual

Contents

30. Labeling

LPA requires the use of AIAG automotive part identification and tracking. Compliance with labeling requirements will be continuously monitored by the receiving branch. Suppliers are responsible for ensuring that product and shipment is identified, and labels are properly attached to each container, box and skid used to ship products.

Two labels are required on each applicable container or box of product in adjacent corners. Only one part number can be packaged per container. It is the supplier's responsibility to remove old labels and debris from LPA returnable prior to reuse of container and applying new product identification label. Non-compliance will be communicated through C&PA procedures.

If there are multiple containers per skid a master label is required to identify total skid quantity.

Standard 4 x 6 labels shall have the following minimum information:

- Leggett & Platt Part Number
- Part description
- Container quantity
- Supplier Identification Name and Number
- Purchase Order Number
- Part ECN Level
- Manufacturing Date and Heat/Lot Number
- Dock Code

Refer to section 8.0 for label requirements for pre-production and ECN changes.

Delivery notes and packaging labels must list the supplier's production lot number to guarantee traceability of the raw material lot(s).

31. Handling, Storage, Packaging, Preservation

Suppliers have full responsibility for ensuring that appropriate measures are introduced and maintained to preserve product quality during process handling, packaging, preservation and subsequent delivery. Products must be delivered free from debris, rust and all other sort of contaminants. Returnable packaging shall be used as required, and suppliers shall maintain them, so they are clean, debris free, moisture free and rust free.

Packaging and the composition of packaging units shall be defined in a product-specific manner between the customer, supplier, and LPA, and shall be established no later than the PPAP.

Suppliers are responsible for the supply process to guarantee uninterrupted part flow. Packaging shall take into consideration transportation method and shelf–life criteria.

If reusable/returnable packing is made available by LPA and/or LPA's customer, the supplier shall provide handling and storage at the supplier's site.

Packaging instruction is to be approved by receiving branch plant.

Wood Packaging Import Restriction

Suppliers are required to ensure compliance with current US Regulations that are available at

www.aphis.usda.gov/import_export/index.shtml

International Plant Protection Convention (IPPC) Standards are available at

www.ippc.int

Logistics & Delivery

LPA requires 100% on time delivery to the correct location at the correct date and time as specified by the delivery date as shown on the Purchase Order or Material Release Schedule provided by the LPA branch specific. It is the supplier's responsibility to notify the LPA receiving plant Purchasing/Materials Manager if the Release Schedule cannot be met prior to the scheduled delivery date.

All North American Suppliers

It is the supplier's responsibility to schedule shipments from their facility using the approved LPA logistics carriers for the specified routes.

To request LPA Logistics assistance with your international shipments: Please reach out to your local LPA Logistics representative and they will guide you to the appropriate booking agent / or will execute your request for your organization.

LTL - The following website www.leggett.com/routingguide/ has been developed for LPA suppliers to use when routing LPA paid freight by LTL.

TL – For all TL scheduling or other questions please contact the Corp logistics team at email domestic.lpgscs@leggett.com or phone number 800-471-6737 for more info.

32. Delivery documents

Delivery documents must include the following:

- The complete LPA order number (PO number, master contract number and call-off/release number)
- The complete LPA product number (consisting of part code plus revision index)
- The complete LPA product description
- Supplier Manufacturing Plant/contact information
- The quantity delivered per LPA product number
- Lot numbers
- Quantity of packaging units delivered by type (pallets, cartons)
- LPA Receiving Branch
- Shipment date
- Freight Carrier
- Pro Number or Trailer Number
- Total number of Pallets/Skids
- Total number of Cartons
- Net Weight
- Gross Weight

Please ensure that a copy of the delivery note containing all the above information is attached to one of the pallets to be delivered or the consignment note.

Only one part number must be shipped per packaging unit. For pallet units, only one part number per pallet shall be shipped.

Multiple containers

In the case of multiple pallets or containers, there must be a clear reference on the individual containers to a delivery note.

Multiple orders

If multiple orders are combined into one delivery, the delivery documents must still include a clear reference for each individual order.

Packaging units with different items on one pallet must be marked by a special label indicating "Mixed Shipment."

Special cases

For the special cases listed below, combined deliveries are strictly prohibited, particularly in conjunction with a production delivery.

- Submission of PPAP parts
- Deliveries under special release
- Initial deliveries of new releases status
- Sample orders
- Submission of packaging proposals

In the event of deviations, LPA reserves the right to return the deliveries at the expense of the supplier and to issue a complaint about the incident.

Ocean shipments are subject to weight validation as per the SOLAS (Safety of Life at Sea) requirement. Suppliers must complete verified gross mass (VGM) information for containerized shipments and provide this verification to the freight forwarder for every ocean shipment.

33. Excess capacities

To satisfy unexpected customer release order fluctuation, suppliers must have the capacities to produce 20% more than the quoted volume using PPAP approved production tools, equipment and the actual manufacturing site and process.

34. Availability and emergency plans

Suppliers must always be able to deliver the contractually agreed volumes of goods and services. Emergency plans must be available for possible emergencies (absence of personnel, downtime of machinery, equipment and tools, accidents, catastrophes etc.) and presented upon request. The Supplier shall ensure inventory is availability even during Supplier plant shutdowns.

Emergency contacts (telephone numbers, designated persons) must be provided to LPA. These emergency contacts must always in fact be available, including holidays or during the supplier's plant shutdown and will make regular required shipments. If emergencies occur, the Supplier contact shall be authorized to make all necessary decisions to maintain or re-establish delivery.

All contact data shall be treated confidentially by LPA and shall only be used by authorized employees for the intended purpose.

35. Supplier Obligation to LPA

Listed below are LPA expectations that all suppliers shall meet or exceed the following requirements:

- Upon completion of a program, the supplier shall ensure tooling is properly stored to prevent damage and is readily available for service requirements for at least 15 years after EOP.
- Suppliers must acknowledge that achievement of ZERO DEFECTS is a fundamental objective for quality as well as a 100% on time delivery performance.
- Tools and gauges shall be identified as the property of LPA or the LPA customer, as per the LPA tool tagging procedure.

36. Materials Management Operations Guideline (MMOG)

The MMOG/LE Guideline is the recommended business practice for continued evaluation of the supply chain. This guideline is intended as a continuous improvement tool and consistency of materials definitions for our supply chain partners. Annual Supplier Self-Assessments are required to be submitted to LPA receiving branch by December 31st each year to meet scorecard expectations until an "A" or "B" rating is achieved.

Supplier can obtain current information and training information from AIAG.

www.aiag.org/Index.cfm

Supplier Packing Slips & Invoices

The supplier ASN is required to be clearly identified to the physical receipt/ASN/invoice match. The ASN must be transmitted within 10 minutes of the truck leaving the supplier's facility.

Packing slip/ASN number is required in the upper right-hand corner of printed shipping documents. It is the Supplier's responsibility to ensure this number is fully traceable to the Invoice sent to the Leggett & Platt, Inc. Receiving Branch Accounting Group.

The Supplier ASN & invoice must match the cost on the LPA purchase order.

Each line item on the invoice is required to contain the following information:

- Leggett & Platt Part Number
- Description
- Supplier Part Number
- PO Number
- Quantity shipped

Supplier Raw/Fab Authorization & Balance Out

It is the supplier's responsibility to be aware of default raw/fab authorizations and/or to obtain part specific raw/fab authorization variances from the respective LPA Receiving Plant materials manager prior to SOP.

Once a part has begun to balance out for EOP, the supplier is required to minimize lead time and minimum run quantities and produce only to the quantities authorized in the LPA General Terms and Conditions of Purchase of Production Parts, in writing in the Purchase Order, or in writing by the LPA Receiving Plant materials manager. It is the supplier's responsibility to obtain written approval from the LPA Receiving Plant prior to producing minimum run quantities or standard pack containers/skids.

In addition to the above requirements all unionized suppliers are required to build a three-month bank prior to their union contract renewal date. The supplier shall notify their respective LPA receiving plant of the contract expiry date three months prior to the end of the contract and confirm that a bank is in place to protect future releases in case the contract renewal is halted for any reason.

37. Electronic Data Interchange Requirements (EDI)

All external suppliers supplying production parts, assemblies, components and production materials to LPA are required to have EDI capabilities. Suppliers need to be able to analyze product demand for weekly (830) and daily (862) shipping schedules to tool capacity. Accumulated shipment quantities are required to be reconciled weekly.

38. Customs Trade Partnership against Terrorism (CTPAT)

As a participant of C-TPAT, Leggett & Platt, Inc. is committed towards maintaining a secure global supply chain, which will ensure timely delivery of shipments to LPA facilities through U.S. border crossings and ports of entry. LPA Global Services is the party responsible for administering LPA's C-TPAT participation in this corporate-wide program.

The current contact information is: Leggett & Platt Global Services

Attn: John Wainwright 5950 West 51st Street Chicago, Illinois 60638
Phone 708.458.1800 • Fax 708.458.9373
john.wainwright@leggett.com

LPA expects that all of it suppliers outside of the USA are sufficiently educated and evaluated on the requirements for importing into the United States, Canada, and Mexico.

The LPA corporate customs compliance group drafts various guides and presentations to help our branches as well as our suppliers understand these requirements. They should be contacted for questions on C-TPAT as well as general importing requirements into the U.S, Canada and Mexico.

Import Documentation Requirements

Basic Invoice Requirements:

- Date of Shipment
- Name and address of Shipper
- Name and address of Consignee
- Consignee IRS# - this is mandatory for shipments arriving in the U.S.

Name and address of the 'sold to' party (i.e., the entity billed for the goods)

- Detailed description of the product in English including:
- LPA part numbers with description
- Enough description of each item (just "automotive parts" is not acceptable)
- Quantity
- Unit Price
- Total price per line
- Total cost and/or value of the shipment*
- Type of Currency
- LPA Purchase Order Number
- Country of Origin
- Terms of Delivery for the Shipment expressed in INCOTERMS (Ex-Works, FCA, CIF, etc.)
- Name of the customs broker responsible to LPA for the cargo

Important Note:

LPA shall not be the importer of record for any chemicals.

Please note that all items require proper valuation for customs purposes. Even if the shipment contains no-charge items, samples, returnable containers, or returned goods, etc. we MUST still declare a fair market value for customs. In this case the amount declared (or line value) should be also be marked with the phrase "Value for Customs Purposes Only".

NAFTA Guidelines

Before goods are claimed to qualify for NAFTA, their origin must be correctly determined as that of U.S., Canadian or Mexican origin. Goods for which NAFTA is being declared must be accompanied by a NAFTA Certificate of Origin or have a blanket NAFTA Certificate of Origin on file with the broker.

NAFTA Certificates should only be completed by someone with proper training including knowledge of tariff classification, tariff shifts, and bills of material analysis, regional value calculations and automotive tracing requirements.

Leggett & Platt, LPA Global Services can provide training as well as answer questions on NAFTA determining the NAFTA status of goods.

Country of Origin Marking

Section 304 of the Tariff Act of 1930, as amended (19 U.S.C. 1304) provides that, unless exempted, every article of foreign origin imported into the U.S. & Canada shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit, in such a manner as to indicate to the ultimate purchaser in the U.S. or Canada the English name of the country of origin of the article.

Training on marking or questions on the sufficiency of marking can be forwarded to Leggett & Platt Global Services.

39. LPA – Terms & Conditions

LPA General Terms & Conditions of Purchase of Production Parts apply to all purchases of production parts by LPA and may be reviewed by supplier using the following link:

https://leggett.com/supplier

40. References & Links

AIAG Measurement System Analysis (MSA) AIAG Production Part Approval Process (PPAP)

AIAG Advanced Product Quality Planning and Control Plan (APQP) AIAG Statistical Process Control (SPC)

AIAG Potential Failure Mode and Effect Analysis (FMEA) Copies of all AIAG and other related documents are available at www.aiag.org/Index.cfm or by phone (248) 358-3570.

Materials Management Operations Guideline Logistics Evaluation (MMOG/LE)

IMDS www.mdsystem.com/imdsnt/startpage/index.jsp

Global Automotive Declarable Substance List (GADSL) www.gadsl.org End of Life Vehicle

(ELV) Directive 200/53/EC http://ec.europa.eu/environment/waste/index.htm

Hazardous Substance (RoHs) Directive 2002/95/EC http://ec.europa.eu/environment/waste/rohs_eee/

Leggett & Platt Inc. www.leggett.com www.leggett.com/SupplierDocuments/Corporate

LPA www.lpautomotive.com

Please reach out your LPA contact if you are having problems with any website link above mentioned.

Supplier Acknowledgement

This LPA Global Supplier Quality & Logistic manual is intended to communicate the Leggett and Platt Automotive (LPA) Supplier Quality & Logistics requirements to all suppliers.

Effective "May 24, 2021" this release replaces all previous editions.

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1395 Wheaton Drive, Suite 600,
Troy, Michigan, USA

https://leggett.com/supplier

We herewith acknowledge to have read & understood the LPA Global Supplier Quality & Logistics Manual and agree to its content as described.

Supplier Name:_____ Signee: _____

Title / Position: _____ Date: _____