

Tachi-S Automotive Seating USA -Supplier Handbook-

Section: 1 - Terms

TERM	DEFINITION/PURPOSE
Supplier	An organization that supplies product and/or services to Tachi-S, which impacts Tachi-S' customer product requirements.
TTR	Tachi-S Trouble Report. A document used to convey concern, non-conformance and/or countermeasure request.
QVV	Quality Verification Visit. A visit to the supplier's location for the purpose of verifying corrective actions, product and/or developing process(es).
FIFO	First In First Out. Refers to receiving, using and supplying product in the order in which they were produced.
RFC (F-00265)	Request For Change Used by a supplier to gain pre-approval from Tachi-S for a change to product or process.
IPP Tag (F-0252)	Initial Production Parts tag. Used to identify product supplied to Tachi-S Automotive Seating USA, which indicates the first incorporation of a change point, or other deviation from normal processing.
RFQ (F-xxx)	Request for Quote. This is the form that is supplied to a current/potential supplier in order to initiate a cost response for product.
MQR	Management Quality Review. A required presentation by supplier management to Tachi-S management if a quality issue is deemed critical and/or unresolved necessitating management oversight and intervention. <i>A MQR (Management Quality Review) requires supplier management to provide an onsite presentation at Tachi-S, and may be initiated due to but not limited to...</i> <ol style="list-style-type: none"><i>Failure by the supplier to provide immediate containment and response.</i><i>Failure by the supplier to provide containment and support to adequately protect Tachi-S from all potential for receiving and/or out-flowing suspect product.</i><i>Failure by the supplier to provide proper identification of certified and/or countermeasured shipments.</i><i>Failure by the supplier to obtain extension request or provide acceptable permanent countermeasure to Tachi-S on or before the due date as indicated on the TTR.</i>
RMA	Return Material Authorization. Provided by Tachi-S or to Tachi-S, authorizing product/material return prior to the return.
SSC (F-0363)	Supplier Score Card. Issued periodically by Tachi-S to communicate a supplier's performance to that supplier.
TAS-U	Tachi-S Automotive Seating USA. Manufacturing site located in Mt. Juliet Tennessee.
TSE	Tachi-S Engineering. Engineering site in located in Farmington Hills, Michigan
VNMR	Vendor Nonconforming Material Report. Issued periodically by Tachi-S to convey "charge back"/debits to suppliers.

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Section: 1 - Terms

Supplier Contact Directory:
(F-0426)

Form on which suppliers submit current company information to Tachi-S.

Logistics and Packaging Plan
(F-0453)

Form for agreeing upon the product packaging and delivery requirements.

Section: 2 - Quality Management System

2.1 QMS (Quality Management System) Requirements:

- 2.1.1 Suppliers that provide production materials and/or components to Tachi-S are required to maintain a quality system which is certified to the current revision of the ISO9001 or IATF 16949 Quality Management System standards.

- 2.1.2 Suppliers not currently certified to IATF 16949, shall be able to demonstrate their objective for becoming certified to IATF 16949.

Section: 3 - Lot Control

3.1 Lot Establishment

- 3.1.1 All supplied components, WIP, and/or finished product that are provided to Tachi-S ...
- A- are to be manufactured for Tachi-S in discrete and identifiable groups that have been produced under the same circumstances and engineering revision level, during a finite period (i.e. LOT).
 - B- shall have each lot identified with a unique lot number or code.
 - C- shall have lot identification clearly identified on the product and/or container as provided to Tachi-S, which provides traceability that allows the supplier to trace to the supply origin.

3.2 Traceability

3.2.1 General

- A- The manufacturing conditions, component part, and material lot numbers are to be traceable for each manufacturing lot.
- B- Lots must be traceable by the supplier from the lot number identification as delivered to Tachi-S, back through each process to and including the original raw material.
- C- The supplier shall maintain FIFO (First in, first out) usage of component parts and materials, work in process (WIP), and shipping of finished goods.
- D- Product removed from the normal process flow (e.g., rework or repair) must maintain traceability, including that of any abnormal and/or alternate processes.
- E- Traceability shall include the initial component parts and materials tracking as well as records of repair or rework performed and identification of any component parts used in the repair or rework.
- F- Suppliers are to ensure that provisions of these lot control and traceability requirements are required of all sub-suppliers.

3.2.2 Serialized

- A- Occupant Restraint System and Supplemental Restraint System components require additional traceability, to and including individual serialized identification. This additional traceability includes the "General" requirements as stipulated above (and/or additional components as specified by Tachi-S).

Section: 4 - Nonconformance

4.1 Notification

4.1.1 By supplier-

A- If the supplier detects an actual or potential nonconforming condition that may impact TAS-U, the supplier is required to notify TAS-U Supplier Quality Engineer immediately.

4.1.2 By Tachi-S

A- If a supplier provides actual or potential nonconforming product (fails to provide product in accordance with established requirements of delivery and quality) they will be notified via a “TTR” (Tachi-S Trouble Report).

NOTE: Initial communication may come in the form of more expeditious means prior to the supplier receiving the TTR.

B- The TTR provides the supplier with the following information:

- a) Product(s) involved.
- b) Vehicle platform (if applicable).
- c) Description of the problem.

4.2 Response

4.2.1 The supplier is responsible to notify Tachi-S immediately if they (supplier) have been notified by the National Highway Traffic Safety Administration (NHTSA), other governmental authority, or another motor vehicle manufacturer that the product they have supplied to a Tachi-S production facility or to another vehicle manufacturer that is identical to or substantially similar to the product that was supplied to a Tachi-S production facility, could reasonably impact motor vehicle safety or result in non-conformance with Federal Motor Vehicle Safety Standards (FMVSS)

4.2.2 When the supplier becomes aware of an actual and/or potential nonconforming product, the supplier is required to immediately...

A- Contain...

- a) All affected Tachi-S product should be prioritized and immediately contained and verified.
 - i. Product at TAS-U
 - ii. En-route to TAS-U.
- b) Supplier facility receiving dock, work-in-progress parts, finished goods (in supplier facility and in warehouse).
- c) At Tier-N supplier (if applicable).
- d) In-transit from Tier-N supplier (if applicable)
NOTE: Supplier to contact Tachi-S to make arrangements for replacement product if/as needed.
- e) All shipments of product prior to corrective action must be “certified”.

B- Countermeasure

- a) Supplier must utilize a problem-solving discipline commensurate with the problem such as 5why, Ishikawa, Is-Is Not etc. (or as specified by TAS-U SQE)
- b) Supplier must utilize a corrective action response such as 4 Panel or 8D (or as specified by TAS-U SQE and/or via the TTR.)

Section: 4- Nonconformance

C- Identification

a) “Certified” product

- i. Initial three (3) shipments of “certified” product must include, at minimum, application of IPP (Initial Production Parts) form (F-0252) referencing TTR # and clearly indicating “100 % “certified” product.
- ii. All “certified” product IPP tags must be printed on GREEN paper.

a) Countermeasured product


- i. Initial shipment of countermeasured product must include, at minimum, of IPP (Initial Production Parts) form (F-0252) referencing TTR # and clearly indicating “countermeasured product”.
- ii. All countermeasured product IPP tags must be printed on GREEN paper.

NOTE: In the event of a “split shipment” (shipment on which both “100% certified product” and countermeasure product are provided), the individual containers and/or parts must clearly indicate which product is “100% certified product” and which product is “Counter measured product”.

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SAMPLE ONLY of Tachi-S IPP (IPP # F-0252)

	Initial Production Parts <small>(CHANGE NOTICE)</small>	TACHI-S TROUBLE REPORT#ECN#D-NOTE# <small>(if applicable)</small>	
		ATTN:	
Supplier Name		Issue Date	
Part Numbers		QTY	
Part Name		Lot #	
<i>Please circle one or more of the Reasons for the IPP, and give Detail Below</i>			
1	Design Change-D/N#:	7	Jig/Tool Change
2	New Supplier	8	Die/Mold Change
3	Material Change	9	Inspection Method
4	Mfg. Method Change	10	Transport
5	Mfg. Process Order Change	11	SORT/REWORK
6	Machine Change	12	POST-COUNTERMEASURE PRODUCT/Other:
Supplier Signature / Date			

Section: 4 - Nonconformance

4.3 Responsibilities

- 4.3.1 The Supplier is responsible for arranging, instituting, administration, and on-site management of associates performing work on the supplier's behalf, whether on-site at TAS-U or at a remote supporting site.
- 4.3.2 The supplier is responsible to generate a work standard (as result of input from Tachi-S), which provides standardized instruction.
 - A- This document must be approved by Tachi-S prior to work.
 - B- This document must be utilized to govern the work performed.
- 4.3.3 The supplier is responsible for the dress and behavior of associates performing work on the supplier's behalf, whether on-site at TAS-U or at a remote supporting site.
 - A- All supplier associates or contracted temporary workers must wear PPE (Personal Protective Equipment) as specified by TAS-U at time of assignment. TAS-U reserves the right to refuse admittance if clothing is deemed to be unsafe and/or inappropriate (as specified by operation standard for inspection and/or sort etc).
 - B- The supplier is responsible for the care and return of any additional safety equipment which may be provided by TAS-U.

4.4 Costs

4.4.1 Costs (General)

- A- The supplier is responsible to provide the necessary tools and supplies for rework/sort, including 3rd party sort companies and/or other human resources.
- B- The supplier is responsible for all labor and material, costs of inspection, segregation, and/or repair for the repair of assemblies/components due to the supplier's (including sub-supplier's) non-conforming parts. This includes time spent by Tachi-S personnel containing and/or repairing parts/units.
- C- The supplier is responsible for the costs of any expendable items (e.g. gloves, sandpaper, sealer, etc.) used in the inspection, segregation, and/or correction of product.
- D- The supplier is responsible for the cost of any complete or partially complete vehicle or engine that cannot be offered for retail sale due to the supplier's non-conforming part.
- E- Tachi-S reserves the right to disposition nonconforming parts (rework, repair, scrap or return to supplier). The supplier is responsible for all cost of returning nonconforming product.
- F- At Tachi-S's discretion, suspect lot(s) of parts may be returned to the supplier for inspection, segregation, and/or rework. In this case, the entire lot(s) may be charged as rejects for financial and inventory reconciliation.
- G- The supplier shall be responsible for the cost of any non-conforming product provided by the supplier in addition to any collateral damaged parts as result of rework, inspection, or other activities that are a result of the supplier's non-conformity.
- H- The supplier shall be responsible for any cost related to administration of a problem caused by the supplier.
- I- Non-conforming condition (including non-product non-conformities such as but not limited to labeling, FIFO, delivery etc...

Section: 4 - Nonconformance

- J- The supplier shall be responsible for any assigned costs as result of line stoppages at Tachi-S and/or Tachi-S's customer as the result of the supplier providing a non-conforming condition.
- K- The supplier shall be responsible for any premium freight costs associated with a problem caused by the supplier.

4.4.2 Costs

A- Notification

- a) Costs deemed to be the supplier's responsibility will be communicated to the supplier via the VNMR document.
- b) Costs may include, but are not limited to:
 - i. **Admin Rate:** Flat fee
 - ii. **Parts:** Actual cost
 - iii. **Line Down (front):** \$ per hour
 - iv. **Line Down (rear):** \$ per hour
 - v. **Sort rate:** \$ per hour x # of team members
 - vi. **Warranty Admin:** Flat fee
 - vii. **Warranty Costs:** OEM applied charges

4.4.3 Disputes

- A- Suppliers are afforded thirty (30) days from notification to refute the costs identified. If, within the thirty (30) day provided period provides data driven evidence that
 - a) the cause was not the responsibility of the supplier
 - b) the amounts are inaccurate...then Tachi-S may adjust or remove the charges.

4.4.4 Payment

- A- If within thirty (30) days from notification the supplier does not provide sufficient evidentiary material to cause refutation or adjustment of the costs identified, then the full amount of associated costs will be debited from future payment(s).

Section: 5 - Change Point Control

5.1 Request for Change

5.1.1 The supplier must issue an RFC (Request For Change) form (*F-0265*) to the TAS-U SQE. Applicable changes include, but are not limited to, the following examples...

A- Design Change

- a) The part drawing changes, altering the physical structure of the part and/or the product part number
- b) New part design

B- Supplier Change

- a) A supplier or sub-supplier, who has never produced the part or component, begins manufacturing the part for Tachi-S.
 - i. Changing the supplier or sub-supplier
 - ii. Change in manufacturing location

C- Material Change

- a) The material(s) used to manufacture the part is changed.
 - i. Change of material supplier
 - ii. Material supplier changed from outside to self-supplied (or vice versa)
 - iii. Change in material composition (including anti-rust oil or lubrication oil)

D- Manufacturing Method Change

- a) A process method, setting or condition used in manufacturing the part is changed or modified. This includes any change that effects the way the parts are produced as reflected in the control plan.

NOTE: This applies when changes are made outside of the specified control range as stated on the control plan, not for routine adjustments.

E- Process Order Change

- a) The manufacturing process order is changed or deviates from the control plan.
 - i. Change to the order of the process, or adding or deleting process steps
 - ii. Change a temporary process to a permanent one (or vice versa)

F- Machine Change

- a) When the machine initially used to produce the parts during the approval process has been changed or replaced by another machine. (Machine examples: stamping press, assembly line, injection or blow molding, forge press, etc.)
 - i. Initial use of a new machine
 - ii. Modification of a machine
 - iii. Equipment relocation within or outside plant or building

G- Jig/Tool Change

- a) The primary or secondary tooling or jigs are changed, potentially affecting the quality, function, appearance, or reliability of the part. (Jig and tool examples: welding or assembly fixtures used in manufacturing process, cooling fixtures, sonic or heat welding, etc.)
 - i. New or modified jigs and tools

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H- Die/Mold Change

- a) A die or mold that is used in the manufacturing process is new or changed.
 - i. New or renewed die or mold
 - ii. Revision or repair of the die or mold

I- Inspection Method Change

- a) Change to the equipment (or control logic) that performs product evaluation

J- Pack – Load- Transportation Method Change.

- a) The method of packing changes from the method used during the approval process. The method of packing (i.e. bundle, carton, dunnage bagging, carton, protection), and/or loading (i.e. order, arrangement, etc..) changes from the method used during the approval process.


K- Deviation Request.

- a) In order to request approval to temporarily deviate from product specifications (including color and performance) and/or the control plan.

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SAMPLE ONLY of Tachi-S Request For Change (RFC # F-0265)

		<h1 style="margin: 0;">RFC</h1>		<i>"Where there is a will, there is a way."</i>	
		(Request For Change)		TACHI-S CONTROL #	
SUPPLIER/PARTNER COMPLETE SHADED PORTIONS	SUPPLIER/PARTNER INFORMATION				
	Supplier/Partner Name:		Supplier/Partner Control Number		
	Supplier/Partner No./Location:		Requested Response Date		
	Supplier/Partner Fax Number:		Supplier/Partner E-mail Address		
	Supplier/Partner Issuer/Date:		Proposed MP Ship Date		
	Supplier/Partner Approval/Date:		Sample Size		
	PART INFORMATION				
	Component Part Number		Component Part Name		
	Complete Part Number		Complete Part Name		
	DESIGN CHANGE INFORMATION (Check all that apply)				
	New Drawing Revision #		Existing/Previous Drawing Revision #		
	1	Design Change	6	Machine Change	
	2	New Supplier	7	Jig/Tool Change	
	3	Material Change	8	Die/Mold Change	
	4	Manufacturing Method Change	9	Inspection Method Change	
5	Manufacturing Process Order Change	10	Transportation/Packaging Change		
TYPE OF CHANGE REQUEST (select one):		TEMPORARY: (DEVIATION)		PERMANENT:	
DETAILED EXPLANATION OF THE CHANGE: (Include WHY the request and any photos, sketches, data to support. Use additional pages if necessary and submit together.)					
TACHI-S QUALITY CONFIRMATION REQUIREMENTS: (Check all that apply)					
<input type="checkbox"/>	Revised Control Plan	<input type="checkbox"/>	Limit Sample	<input type="checkbox"/>	Gage Study
<input type="checkbox"/>	Revised PFMEA	<input type="checkbox"/>	Copy of Current Drawing	<input type="checkbox"/>	Process Capability Results
<input type="checkbox"/>	Sample Parts	<input type="checkbox"/>	Inspection Data	<input type="checkbox"/>	Production Trial Parts
COMMENTS:		OTHER:	MP Effective Date:		
RFC APPROVAL					
TACHI-S QUALITY		QUALITY REVIEWER	DATE	QUALITY APPROVAL	DATE
ACCEPT	REJECT				
TACHI-S PURCHASING		PURCHASING REVIEWER	DATE	PURCHASING APPROVAL	DATE
ACCEPT	REJECT				
TACHI-S TESTING Required Y/N		TESTING REVIEWER	DATE	TESTING APPROVAL	DATE
ACCEPT	REJECT				
TACHI-S ENGINEERING Required Y/N		ENGINEERING REVIEWER	DATE	ENGINEERING APPROVAL	DATE
ACCEPT	REJECT				
		ECR Required (Y/N)	Target ECR number	D-note Required?	Target D-note Number
IF TEMPORARY DEVIATION: (Maximum term applicable)		START DATE (Earliest) OR QTY of Parts		EXPIRATION DATE: (Latest)	
IF RFC IS REJECTED: (Must provide reason)					
TACHI-S use only					

Section: 5 - Change Point Control

5.2 Approval

5.2.1 Requirements for approval of change requests will be communicated to the supplier via return of the supplier's submitted Tachi-S RFC (Request for Change) form (*F-0265*). Typical requirements for approval may include but are not limited to...

A- A QVV (Quality Verification Visit) by Tachi-S to the supplier's location to verify the controls relative to the proposed change.

B- Supporting data including, but not limited to...

- a) "A-B" comparison data (previous condition vs proposed condition) capability study data.
- b) Updated control plans and FMEA reflecting the controls for the proposed changes.
- c) Functional and/or safety confirmation data.

NOTE: Any proposed change, which (as determined by Tachi-S) requires verification by Tachi-S and/or design/testing resources available to Tachi-S, is subject to testing fees, which will be the responsibility of the requesting supplier.

5.2.2 Formal approval of the proposed change is identified by the supplier's receipt of the previously submitted Tachi-S RFC (Request For Change) form (*F-0265*), which contains a Tachi-S judgment of "accept" as indicated by the "accept" field being checked and Tachi-S approval signatures within the "RFC Approval" section of the RFC form.

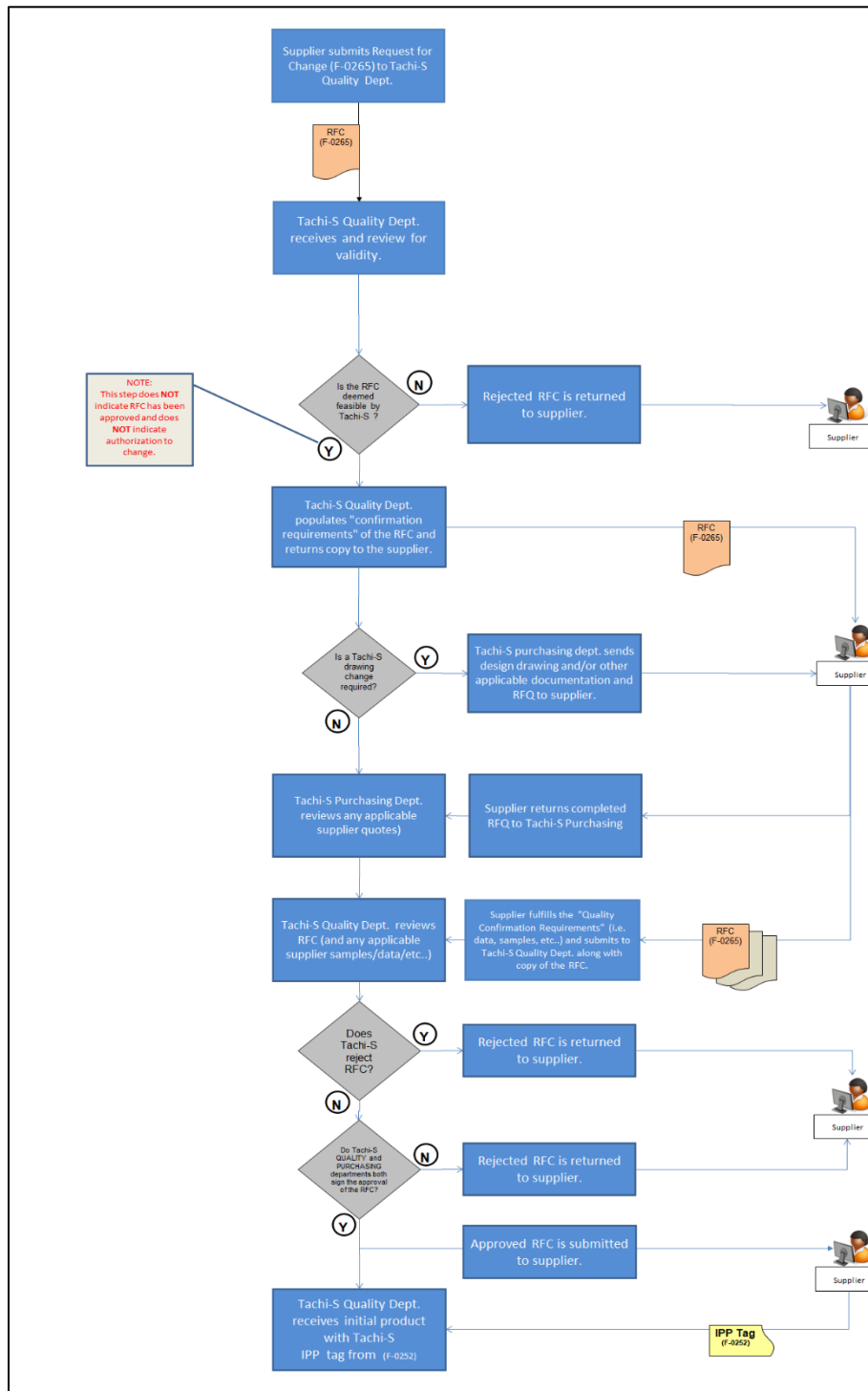
5.2.3 Failure to gain approval prior to delivery.

A- If changed parts that require advance approval are shipped without that approval, those parts may be rejected, and customer may receive TTR (Tachi-S Trouble Report) requesting corrective action.

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Section: 5- Change Point Control

Typical flow of change point control...



Section: 5 - Change Point Control

5.3 Delivery


- 5.3.1 Initial shipments of the change point product must be sent consistent with FIFO methodology, wherein, all products produced prior to the approved and implemented change point is delivered (and/or arranged with Tachi-S otherwise) prior to delivery of the initial product affected by the change.
- 5.3.2 The initial lot of change point affected product must be identified via an IPP (Initial Production Parts) tag (Tachi-S form F-0252) referencing the RFC #.
 - a) Initial shipment of all approved RFC changes must be accompanied by an IPP tag printed on WHITE paper.

NOTE: It is preferred that the initial shipment of affected product is unique to the affected product and not a "split" (both "old" and "new" product), however, in the event of a split shipment, then each item and/or container of NEW product must be grouped together and clearly identified as "NEW STYLE" clearly distinguishable from the "OLD STYLE" parts.

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Section: 5 - Change Point Control

SAMPLE ONLY of Tachi-S IPP tag:

		Initial Production Parts (CHANGE NOTICE)		TACHI-S TROUBLE REPORT#ECN#D-NOTE# <i>(if applicable)</i>	
		ATTN:			
Supplier Name				Issue Date	
Part Numbers				QTY	
Part Name				Lot #	
<i>Please circle one or more of the Reasons for the IPP, and give Detail Below</i>					
1	Design Change-D/N#:	7	Jig/Tool Change		
2	New Supplier	8	Die/Mold Change		
3	Material Change	9	Inspection Method		
4	Mfg. Method Change	10	Transport		
5	Mfg. Process Order Change	11	SORT/REWORK		
6	Machine Change	12	POST-COUNTERMEASURE PRODUCT/Other:		
Supplier Signature / Date					

Section: 6 - Delivery

6.1 Packaging

6.1.1 Pallets

- A- All wooden pallets must be able to support a minimum of 2000 lbs. (or as specified)

6.1.2 Packaging specification and approval.

- A- Prior to provision of newly established packaging, supplier must complete and submit a Logistics and Packaging Plan for approval.
(form # F-0453)

NOTE: Submit form to assigned Tachi-S Production Control contact

6.2 Labeling

6.2.1 Format

- A- All received shipments shall be labeled with labeling conformant to AIAG bar-coded format.
(Reference applicable AIAG B-10 or B-17 for labeling specifications.)

6.2.2 Content

- A- All labels must include at minimum the following information....
 - a) Tachi-S part number as indicated on the P.O.
 - b) Ship from (supplier) information
 - c) Quantity
 - d) Product serial number (when applicable)
 - e) Manufacture's lot number
 - f) Color (when applicable)
 - g) Customer part number (when directed by Tachi-S).
 - h) Product Description.
 - i) International Build Statement (i.e. Made in Mexico) (Mandatory for Parts Crossing Borders)

NOTE: *The International Build Statement must include country of origin for EACH individual product number.*

- j) Manufacturing Address (Actual address of supplier final assembly plant - name should Mirror Tachi-S scorecard plant location description to the fullest extent possible)

Section: 6 - Delivery

6.3.2 Placement

- A- Labels must be placed on adjacent sides/corners.

6.3.3 Quantity

- A- Two labels per container

6.3.4 Master pallet

- A- When multiple containers of the same part number are placed on a single pallet a master label is required for the pallet.
- B- The master label must contain the words “Master Label” and be placed on the outside of any applied shrink wrap.
- C- Individual container labels must be scanned to create the Master Label.
- D- The quantity on the master label must reflect the sum of the quantities of all of the individual container labels.

6.3.5 Mixed pallet

- E- When release quantities require mixed material on one pallet, a special "Mixed Load" label and a “Master Label” for each part number are both required for the pallet.
- A- Both the Master Label and the Mixed Load labels must be placed on the outside of any applied shrink wrap.

6.3 Special actions identification

(In addition to standard required labeling, the following special actions identification is required)

6.3.1 **New Model Build Trial Event**

A- **Identification**

- a) All New Model Build Trial Event product must be identified via an IPP (Initial Production Parts) tag (Tachi-S form F-0252) referencing the associated P.O. number.
- b) All new model “Event” product IPP tags must be printed on PINK paper.

6.3.2 **Service Parts**

A- **Identification**

- b) All service part orders must be identified via an IPP (Initial Production Parts) tag (Tachi-S form F-0252) referencing the associated P.O. number
- c) All service part IPP tags must be printed on BLUE paper.

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6.3.3 Nonconformance

A- Identification

- a) For identification of product or conditions related to an actual or potential nonconformance, refer to section “4- Nonconformance”, of this handbook.

6.3.4 Change point control


B- Identification

- a) For identification of product reflecting an approved change, refer to section “5- Change point control”, of this handbook.

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SAMPLE ONLY of Tachi-S IPP tag...

 TACHI-S		Initial Production Parts (CHANGE NOTICE)		TACHI-S TROUBLE REPORT#ECN#D-NOTE# <i>(if applicable)</i>	
		ATTN:			
Supplier Name		Issue Date			
Part Numbers		QTY			
Part Name		Lot #			
<i>Please circle one or more of the Reasons for the IPP, and give Detail Below</i>					
1	Design Change-D/N#:	7	Jig/Tool Change		
2	New Supplier	8	Die/Mold Change		
3	Material Change	9	Inspection Method		
4	Mfg. Method Change	10	Transport		
5	Mfg. Process Order Change	11	SORT/REWORK		
6	Machine Change	12	POST-COUNTERMEASURE PRODUCT/Other:		
Supplier Signature / Date					

Section: 6 - Delivery

6.4 Electronic Commerce

6.4.1 EDI (Electronic Data Interchange)

- A- Tachi-S and our automotive customers require EDI (Electronic Data Interchange) to be utilized by all suppliers throughout the Supply Chain.

6.4.2 Advanced Shipping Notice (ASN)

- A- An ASN must be created upon finalization of the shipment and be received by Tachi-S within one hour from the time the shipment leaves the supplier's shipping location, or prior to its arrival at the Tachi-S plant, whichever is earliest.

6.5 International Deliveries

6.5.1 Invoicing

- A- A Commercial or Pro Forma Invoice shall accompany each export to a Tachi-S facility.

6.5.2 Inco Terms

- A- Tachi-S uses one of two INCO terms for international shipments...
 - a) FCA (free carrier), where the named place is the shipping location or export port. The seller / supplier will be responsible for:
 - i. loading material onto transport vehicle
 - ii. providing all necessary paperwork such as export licenses, documentation,
 - iii. authorizations
 - iv. check that the quantity and quality of the goods are in conformance with the submitted documentation
 - v. provide appropriate packaging and markings
 - b) DDP (delivered duty paid), where the named place is the Tachi-S receiving location. The seller / supplier will be responsible for all items listed in #1 above, inclusive of inland freight and any duties/fees payable for import until it reaches the destination. If your shipments will be utilizing a different INCO term, you will be notified by the buyer, materials manager or logistics analyst. (Not applicable South America)

6.6 Premium Freight

- A- Any premium freight which results from a supplier event will be managed and paid for by the supplier.
- B- It is the supplier responsibility to ensure Tachi-S receives notification and record of all premium freight occurrences.

Section: 7 - Content Reporting

7.1 IMDS (International Material Data System)

- 7.1.1 Suppliers that provide production materials and/or components to Tachi-s Automotive Seating are required to enter their part numbers into IMDS and propose their entries to Tachi-s Automotive Seating per the IMDS protocol.
- 7.1.2 PPAP submissions will not be approved until proper IMDS submissions are made and accepted by Tachi-s Automotive Seating.
- 7.1.3 All IMDS submissions must use Tachi-s Automotive Seating / Tachi-S part numbers.
- 7.1.4 IMDS submission is required for each of the following:
 - A- New program launches
 - B- All mass production and service parts
 - C- Any of the following engineering changes...
 - a) Weight
 - b) Part number
 - c) Supplier
 - d) Material
- 7.1.5 Suppliers submitting IMDS Data to Tachi-s Automotive Seating use the following:
 - A- Tachi-s Automotive Seating IMDS ID#91245

7.2 Conflict Minerals Reporting

- 7.2.1 Suppliers that provide production materials and/or components to Tachi-s Automotive Seating are required to report any Conflict Minerals as defined by section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. There are numerous training seminars and documents available to suppliers to learn about the details.
- 7.2.2 This requirement, like IMDS, must be cascaded through the supply chain.

Section: 8 - Performance Reporting

8.1 Performance Reporting

8.1.1 Approach

A- Supplier performance scoring begins with a score of 100% and then any reductions are made based on less than expected performance results in one or more of the defined categories.

8.1.2 Categories

A- Supplier performance categories and score weighting...

- **Customer impact-Warranty Claims- 3-MIS** (initial three months in service):
Weighting=20%

- **Product quality** (# of incidents):
Weighting= 20%

- **Supplier PPM:**
Weighting= 25%

- **Problem response time:**
Weighting= 25%

- **Delivery performance:**
Weighting= 10%

8.1.3 Levels (performance)

A- Supplier performance category results are aggregated into a single score, resulting in one of four different performance levels as follows...

L1 = GOAL [best]

L2 = ACCEPTABLE

L3 = NEEDS IMPROVEMENT

L4 = UNACCEPTABLE (at risk of recovery plan requirements and/or QMR)

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Section: 8 - Performance Reporting

SAMPLE ONLY of Tachi-S Supplier Performance Report (RFC # F-0363)

Supplier Name

ACME supplier



1. Total Score

75.0%

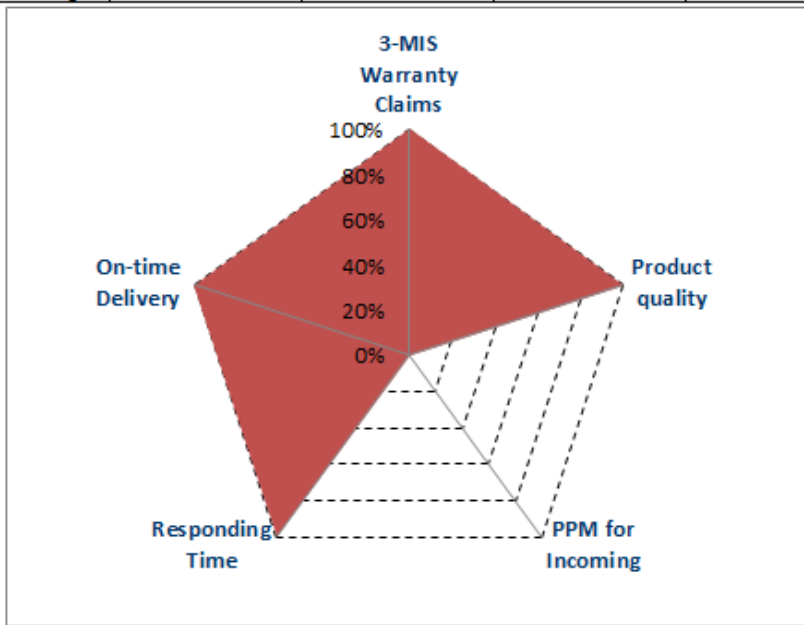
L3

Level is defined by the following table:

Level 1	Total score >=90	Level 3	80>total score>=60
Level 2	90>total score>=80	Level 4	60> total score

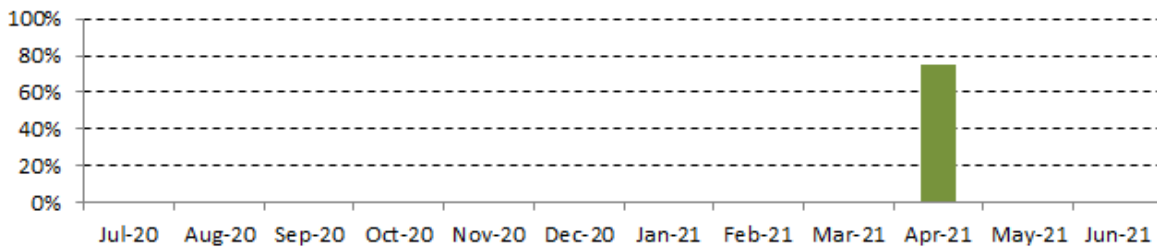
2. Each Quality Section Performance

	3-MIS Warranty (20%)	Product Quality (20%)	Incoming PPM (25%)	Quality Responding (25%)	On-time Delivery (10%)
Performance	20.0%	20.0%	0.0%	25.0%	10.0%
Score target	20%	20%	25%	25%	10%



*: Please note if your score is below 60/L4 for 3 consecutive months, then your organization shall need to submit contingency plan within 2 weeks for improvement and make your score come back to 60 or above in 3 months

12 Months Rolling Scores



Section: 9 - Product Approval

9.1 Product approval

9.1.1 Approval

- A- Prior to mass production start and delivery, new model and design change product must be approved by Tachi-S.
- B- Approval requirements include but are not limited to:
 - d) AIAG Level 3 PPAP (or as determined by Tachi-S)
 - e) Submission and confirmation of applicable Appearance Approval Report.
 - f) IMDS completion and submission.
NOTE: Any new model and/or design change product, which (as determined by Tachi-S) requires verification by Tachi-S and/or design/testing resources available to Tachi-S, is subject to testing fees, which will be the responsibility of the product supplier.
- C- Additional approval requirements may include but are not limited to:
 - a) A QVV (Quality Verification Visit) by Tachi-S to the supplier's location to verify the controls relative to the proposed change.
 - i. Formal approval of the new model product is identified by the supplier's receipt of the previously submitted Warrant as level 3 PPAP "Warrant", which contains a Tachi-S judgment of "APPROVED" and corresponding Tachi-S approval signature.

9.1.2 Identification

- B- All New Model Build Trial Event product must be identified uniquely as defined in section "6- Delivery" of this handbook.

Disclaimer

- All applicable portions of this document must be applied as written unless other arrangements are agreed and approved in writing with TAS-U SQE or Management.
- Tachi-S reserves the right to make changes to these requirements at any time and without prior notice.
- Contact your SQE for any/all forms and/or other inquires as referenced in this document.

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Revision History

Date	Description	Revision
2021-7-16	Initial Release	0