



**Leggett & Platt, Inc.
Automotive Group**

**Global Supplier Quality and
Logistics Manual**



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

Effective "January 1, 2017" this release replaces all previous editions.

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

Supplier Name: _____ Signee: _____

Title / Position: _____ Date: _____ Signature: _____

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1. Revision Listing

Last Date Revised	Version	Section Revised	Description of Revision



2. Introduction

Leggett & Platt is a Fortune 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/>

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

The official language of business for LPAG 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.

3. Supplier Quality Policy

LPAG 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 9001:2008 or later version;
- (b) ISO/TS 16949:2009 /IATF 16949 or later version

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

The goals of LPAG 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 LPAG’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, LPAG 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.

LPAG 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.

4. Scope

This Manual applies to all LPAG suppliers. Compliance to the requirements within this Manual as well as to the LPAG 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 LPAG. It is the supplier's responsibility to check at regular intervals for updates to this Manual at:

<http://leggett-automotive.com/contact>

It is supplier's responsibility to contact its assigned LPAG buyer for a copy if it is unable to access the website.

This Manual describes and defines the requirements and expectations of LPAG. It is intended to provide LPAG suppliers with LPAG's requirements, policies and procedures so they can learn how to collaborate with LPAG to meet LPAG's business goals. LPAG desires to create a favorable business environment for both LPAG and LPAG 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 (LPAG sub-suppliers).

5. Supplier Quality Registration Requirements

LPAG is certified to ISO/TS 16949:2009/IATF 16949 or later version and applicable customer specific requirements as they apply to automotive production and relevant



service part organizations.

The LPAG certification requirement of all supplier manufacturing locations is a 3rd party Certification to ISO/TS 16949:2009/IATF 16949 (or later version) or ISO 9001-2008 (or later version).

IMPORTANT NOTE:

Registration to ISO 9001-2008 (or later version) is only acceptable for those suppliers that do not meet the applicability requirements of ISO/TS16949:2009/IATF16949 (or later version) as described below or as an interim step to achieve ISO/TS 16949/IATF 16949 certification.

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

Applicability Requirements:

ISO/TS 16949:2009/IATF16949 (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.

6. Advanced Product Quality Planning (APQP)

It is essential that the supplier engage in advanced product quality planning activities in order 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:

- Program Timeline Development
- Feasibility Reviews
- Special Product and Process Characteristics reviews
- Gauge / Fixture Requirements
- Statistical Process Control Methods
- Problem Prevention / Solving Activities
- Safe Launch Concept (Pre-Launch)

7. Supplier Visits to Leggett & Platt Facilities

LPAG 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 LPAG facility.

During a visit to LPAG 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 LPAG 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.

8. Prototype Requirements/Pre-Production/ECN changes

LPAG prefers to select suppliers that offer prototyping services and are able to implement and guarantee short delivery periods for sample and prototype orders. The number of pieces required are defined by LPAG 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 may be requested by LPAG 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 has to be identified with the appropriate label "QF-SQM-027" which is available at <http://leggett.com/SupplierDocuments/Automotive>

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

9. R&D Support

LPAG requires its suppliers to guarantee sufficient 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.

LPAG uses 3D CAD systems (Catia V4 + V5, UG, NX Ideas, Solid Works) for the design of LPAG 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. LPAG requires that the results of the analysis be provided to LPAG upon request. If external providers are to be used, their suitability must be demonstrated (e.g., by accreditation according to ISO 17025 for test labs)

10. 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 is able to meet program volumes at an acceptable first time pass through quality level.

LPAG's supplier development will coordinate the Run@Rate with the supplier in accordance with LPAG's Run@Rate forms which are available at <http://leggett.com/SupplierDocuments/Automotive>

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 LPAG upon request.

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

Suppliers to affix label "QF-SQM-027" 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 LPAG. Suppliers also shall affix labels for pass through parts and customer specified labels as required.

11. Launch Support

During any program launch at a LPAG production facility, the selected supplier may need to provide on-site representation for a period of time 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 LPAG 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 LPAG'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.

12. 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 LPAG quality team.

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 LPAG 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 LPAG.

a) When to Submit PPAP

A level 3 PPAP is required unless specifically waived.

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 LPAG 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 LPAG Quality confirming PPAP approval.

b) 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

c) 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 LPAG.

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  

Remark: Old designs/drawing (prior January 2017) requirements for SC/CC stay valid.

d) Annual validation

Annual (yearly on the date from initial PPAP approval) validation is required on each component delivered to LPAG at suppliers cost. The content includes:



- Measurement and dimensional reports
- The capability study of SC's and CC's.
- Confirmation of testing requirements (example of flammability report).
- Actual material reports.

13. 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.

Suppliers must use only the latest templates of the AIAG core tools manuals.

14. Statistical Process Control (SPC)

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

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

- 1) SPC
- 2) Mistake-proof/Poke-Yoke
- 3) Implement 100% inspection by device

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

15. MSA Studies

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



16. Corrective & Preventative Action (C&PA)

Suppliers to LPAG 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 against the supplier. If a PRR is issued against a supplier, the following are the response time requirements:

Within 24 hours of the complaint, LPAG 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 LPAG facility
- Material Authorization to ship to supplier address
- Immediate containment actions in place (including identification and procedure)

Within the 3rd day of the complaint, LPAG 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 7th day of the complaint, LPAG requires:

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

If above information is provided on the 7th 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 LPAG plant and ask for new timing.

After the 7th day, any open PRR updates are to be made in the portal on a weekly basis until it is accepted and closed.

All corrective & preventive actions have to be reported and documented through the PRR module (BOS). Further Plant specific procedures are to be followed, see supplier portal.

<https://supportal.leggett.com>

Prototype and pre-production parts are also subject to corrective and preventative action process as required by LPAG’s customers. Default for problem reports during



prototype and pre-production will be to follow the C&PA requirements unless agreed to with LPAG to use an alternate method to track corrections and actions that result from the failure.

17. Material certificates and test reports

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

18. 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.

19. 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 LPAG on sorted quantity and defect quantity until clean point is established. Supplier shall remain on CSL I until corrective action has been verified and exit approval has been granted.

All defective product identified in 3rd party containment (controlled shipping) will be reflected in the supplier's scorecard.

In case of:

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

LPAG may require CSL II sorting.



20. Supplier Performance Rating

Supplier Performance rating is utilized by LPAG 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 LPAG management to determine the future potential of the supplier for an ongoing relationship.

Suppliers shall monitor their performances and achieve highest possible rating. Minimum requirements must be met or an action plan shall be developed to identify improvements.

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

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.

21. Supplier Assessment

LPAG 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 LPAG.

LPAG follows VDA 6.3 for supplier approval and assessment (potential analysis and process audit).

22. Cost Recovery Policy

External Production Suppliers are liable for all costs incurred by LPAG 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 as a result 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 LPAG plant or regional fee applied

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

23. 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 LPAG prior to shipping. Note: For every LPAG plant which will be supplied an approval of deviation for each has to be obtained.

In order to obtain deviation approval, a written request must be submitted to an LPAG supplier quality representative. The form (F-CQA-009) is available on the supplier portal.

24. Labeling

LPAG 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 LPAG 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).

25. 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 LPAG, 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.

In the event that reusable/returnable packing is made available by LPAG and/or LPAG's customer, the supplier shall provide handling and storage at the supplier's site.

Packaging instruction is to be approved by receiving branch plant.

a) Wood Packaging Import Restrictions



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

b) Logistics & Delivery

LPAG 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 LPAG branch specific. It is the supplier's responsibility to notify the LPAG receiving plant Purchasing/Materials Manager if the Release Schedule cannot be met prior to the scheduled delivery date.

The following website www.leggett.com/routingguide/ has been developed for LPAG suppliers to use when routing LPAG paid freight. It is the supplier's responsibility to schedule shipments from their facility using the approved LPAG logistics carriers for the specified routes.

26. Delivery documents

Delivery documents must include the following:

- The complete LPAG order number (PO number, master contract number and call-off/release number)
- The complete LPAG product number (consisting of part code plus revision index)
- The complete LPAG product description
- Supplier Manufacturing Plant/contact information
- The quantity delivered per LPAG product number
- Lot numbers
- Quantity of packaging units delivered by type (pallets, cartons)
- LPAG 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 of 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, LPAG 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.

27. Excess capacities

To satisfy unexpected customer release order fluctuation, suppliers must have the capacities to produce 120% in excess of the quoted volume using PPAP approved production tools, equipment and the actual manufacturing site and process.

28. Availability and emergency plans

Suppliers must be able to deliver the contractually agreed volumes of goods and services at all times. 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 LPAG. These emergency contacts must in fact be available at all times, 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 LPAG and shall only be used by authorized employees for the intended purpose.

29. Supplier Obligation to LPAG

Listed below are LPAG 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 LPAG or the LPAG customer, as per the LPAG tool tagging procedure.

30. 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 LPAG 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

a) 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 LPAG 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

b) 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 LPAG 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 LPAG General Terms and Conditions of Purchase of Production Parts, in writing in the Purchase Order, or in writing by the LPAG Receiving Plant materials manager. It is the supplier's responsibility to obtain written approval from the LPAG 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 LPAG 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.

31. Electronic Data Interchange Requirements (EDI)

All external suppliers supplying production parts, assemblies, components and production materials to LPAG 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.

32. 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 LPAG facilities through U.S. border crossings and ports of entry. LPAG Global Services is the party responsible for administering LPAG'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

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

The LPAG 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.

a) 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:
 - LPAG part numbers with description
 - Sufficient 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
- LPAG 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 LPAG for the cargo

Important Note:

LPAG 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".

b) 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 LPAG Global Services can provide training as well as answer questions on NAFTA determining the NAFTA status of goods.

c) 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.

33. Product Safety & Regulations

Suppliers to LPAG 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.



34. Environment, Health and Safety

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

During visits to LPAG locations or when performing work on the premises of LPAG, the safety regulations of the respective LPAG 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 (PMCR-IMDS), REACH and ROHS.

35. 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.

In particular, 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 LPAG.

36. Sustainability and protection of environment

LPAG 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.

37. Social Justice and Ethics

To support sustainability in business, LPAG requires Suppliers to be committed to several generally recognized social standards. In particular, 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

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

38. Conflict Minerals Policy

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

www.leggett.com/content/documents/supplier/conflict-minerals-policy.pdf

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

39. Supplier Code of Conduct

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

<http://leggett.com/Content/documents/Supplier-Code-of-Conduct.pdf>



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

To view our supplier diversity policy please follow link below:

<http://leggett.com/Content/documents/supplier/supplier-diversity-statement.pdf>

41. LPAG – Terms & Conditions

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

<http://leggett.com/content/documents/supplier/LP-Automotive-NA-Terms-Conditions.pdf>



42. 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.mdssystem.com/imdsnt/startpage/index.jsp
Global Automotive Declarable Substance List (GADSL) www.gadsl.org
End of Life Vehicle (ELV) Directive 2000/53/EC
<http://ec.europa.eu/environment/waste/index.htm>
REACH – Registration, Evaluation, Authorization & Restriction of Chemicals
http://ec.europa.eu/enterprise/sectors/chemicals/reach/index_en.htm
Restriction of Hazardous Substance (RoHS) Directive 2002/95/EC
http://ec.europa.eu/environment/waste/rohs_eee/

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www.leggett.com/SupplierDocuments/Corporate
LPAG www.lpautomotive.com