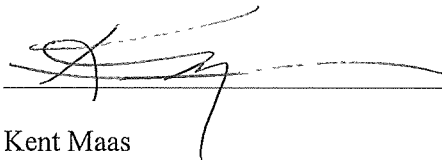


Lear Leather Division
CONTRACTED CRUST SERVICE SUPPLIER REQUIREMENTS
SUPPLEMENT TO CRUST SUPPLIER REQUIREMENTS MANUAL

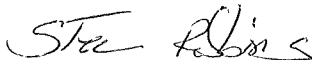
This manual has been created to communicate to the contracted crust service suppliers of Lear Leather Division the terms and conditions for the quality and services to be provided to Lear Leather Division. This manual is a supplement to the Lear Corporation Supplier Code of Conduct, AND the Lear Leather Division Crust Supplier Manual.




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As a supplement manual, below overrides certain actions stated in the Lear Leather Division Requirements for Crust Suppliers.

Supply Chain

Lear Leather Division defines a contracted crust service supplier as a contracted partner that provides and sells the final crust product, per Lear Leather Division design. The final crust product will be named by Lear Leather Division, or in conjunction with the supplier. Initial processing until the final crust process is managed by the supplier. Any quality issues during that process are the responsibility of the supplier. If any process is using a third-party supplier, the third-party supplier must be on the “Approved Supplier List” defined by Lear Leather Division, and Lear Leather Division has the right to audit that facility.

Designated Authority

Lear Leather Division expects the involvement of Top Management in all interactions. If top management of the supplier is unavailable for any reason, supplier must designate and communicate who is managing all aspects of the business. The designated personnel must also have the authority to make decisions regarding Lear Leather Division material. This includes but not limited to claims, production increases/decreases, expediting material, etc. Supplier must provide updated organization charts as changes are made in the organization. This includes yearly updates per the required “Approved Supplier Profile” update.

Operating Hour Changes / Capacity Changes

Any changes to production operating hours because of, but not limited to, holidays, interruption of supply, lack of resources, must be communicated in email to Lear Leather Division Supplier Quality, Crust Product Development, Materials, and Purchasing. Email communicating change in operating hours to include specific impacts to production processes: soaking, tanning, retanning, drying, etc. Any changes in capacity must include time and resources for preventative maintenance.

Preventive and Predictive Maintenance

Lear Leather Division expects that there are preventive and predictive maintenance plans in place that will ensure the safety of all personnel.

In addition to ensuring the safety of all personnel, Lear Leather Division expects the following:

- a) Identification of process equipment necessary to produce conforming product at the required volume.
- b) Availability of replacement parts for the equipment identified in item a).
- c) Provision of resource for machine, equipment, and facility maintenance.
- d) Packaging and preservation of equipment, tooling, and gaging.
- e) Applicable customer-specific requirements.
- f) Documented maintenance objective, for example: OEE (Overall Equipment Effectiveness), MTBF (Mean Time Between Failure), and MTTR (Mean Time to Repair), and Preventive Maintenance compliance metrics. Performance to the maintenance objectives shall form an input into management review.
- g) Regular review of maintenance objectives and a documented action plan to address corrective actions where objectives are not achieved.
- h) Use of preventive maintenance methods.
- i) Use of predictive maintenance methods, as applicable.

j) Periodic overhaul.

Traceability of Raw Material / Raw Hides

Please reference EO Cooperative Designated Tannery Traceability and Stamping Process, and Eagle Ottawa Physical Attribute Standard 100-21.

Incoming Raw Hide Inspection

It is the supplier's responsibility to provide proper resources and space for incoming hide inspection: space for receiving trucks, space for hide inspection and palletization, scales for weighing material, and storage space. This includes raw hides, wet blue, wet white, or crust. Supplier will assign a tracking number to each load/lot received that is traceable throughout the crust process.

Incoming / Outgoing Reports

Reports required but not limited to incoming inspection report of the raw material (quantity, weight, temperature, salt content, findings of different breeds, etc.), lime/blue split report (full lime weight, grain and split weight, potential pre-trimmed weight, wet blue/wet white report (shave weights before and after trimming, size after sammying, grades), Crust report (size, grade, break) through outgoing inspection, final lab report. All information will be stored electronically for the life of the crust article, and readily available for Lear Leather Division personnel review. Physical storage of data and documents related to the process will be held for a minimum of 2 years.

Lear Leather Division Cost Recovery

In addition to the Lear Leather Division Crust Supplier Requirements manual:

Quality alerts, interim actions, and containment actions for all reported issues from Lear Leather Division plants are to be initiated within 24 business hours. Response must come from top management of the supplier. Top management must be named during this process. Top management will contact the local Lear Division Operation Supplier Quality representative as the first point of contact. In a case of lack of resolution from the supplier, Leather Lear Division has the right to move business, volume, etc. to another supplier.

Disposition of Unusable Material

If material is deemed unusable, supplier will contact local Lear Leather Division Quality and start problem solving activities. Material in any stage of the process, raw, wet blue, crust, etc. can be deemed unusable by the supplier. Supplier will provide space and resources for hides that are deemed unusable and are on hold status. Disposition of unusable material, quality notification, cost recovery, or other, will be communicated by Lear Leather Division.

Business Status / Special Status

Suppliers with poor performance that risk Lear Leather Division customer delivery and/or quality can be placed on new business hold status / special status. Suppliers on new business hold status / special status may not be selected for prototype and/or early product development activities.

Certificate of Analysis (COA)

Certificate of Analysis is required before crust is shipped per the crust specification.

Sustainability Projects

Please reference the Lear Corporation Supplier Code of Conduct manual regarding environmental, health, safety, sustainability, responsible sourcing, deforestation, and other environmental/social governance.

Suppliers must develop yearly sustainability projects. These projects must be communicated to Lear Leather Division Purchasing, including but not limited to timelines of activities, expected results, previous test results, etc.