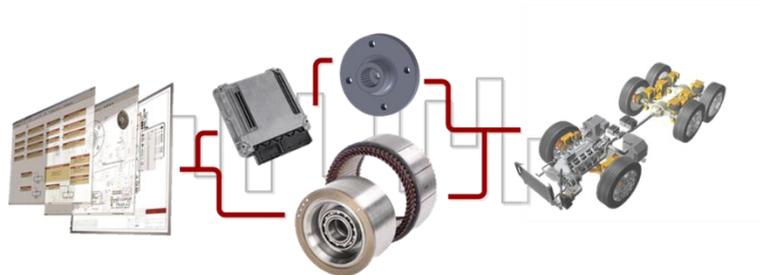


New Eagle Supplier Quality Assurance Manual

ISO 9001:2015 / IATF 16949:2016

Last Revised: October 22, 2025



Approval

The signatures below certify that this management system procedure has been reviewed and accepted and demonstrates that the signatories are aware of all the requirements contained herein and are committed to ensuring their provision.

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Amendment Record

This procedure is reviewed to ensure its continuing relevance to the systems and process that it describes. A record of contextual additions or omissions is given below:

Context	Revision	Date
Initial Release	001	08/08/2024
Updated Conflict Minerals, Code of Conduct Reference, added Section 14	002	10/22/2025

Company Proprietary Information

The electronic version of this Manual is the latest revision. It is the individual's responsibility to ensure that any paper material is the current revision. The printed version of this manual is uncontrolled, except when provided with a document reference number and revision in the field below:

Document Reference	
Document Reference	Update
Revision	002
Uncontrolled Copy (Y/N)	Y
Controlled Copy (Y/N)	N
Date	10/22/2025

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1.0 New Eagle Supplier Quality Assurance Manual

1.1 Introduction & Scope

The purpose of this Manual is to define New Eagle’s requirements for its valued Supplier Base in order to define and guide the effectiveness of the application of our quality management system and its compliance to ISO 9001:2015 and IATF 16949:2016. This manual also defines the responsibilities for planning, conducting, reporting results, and retaining associated records. This manual is not intended to replace the AIAG reference manuals or other customer specific requirements. Its purpose is to complement, provide and clearly communicate to all Suppliers, New eagle’s expectations with regard to quality system requirements, advanced quality planning, launch management activities, logistics/materials procedures and serial production product and process robustness.

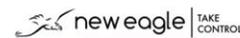
Suppliers consist of, but not limited to suppliers and sub-suppliers of a) production materials, b) production or service parts, c) Software or d) heat treating, plating, painting or other finishing services directly to, and used in the manufacture or provision of New Eagle products. The scope of this manual excludes New Eagle intercompany sales.

Note: All correspondences must be in English

1.2 New Eagle Guiding Principles, Our Quality Policy and Goals

Quality Strategy and Quality Policy

New Eagle Quality Policy



This

“Embedded Quality Takes Control at New Eagle: People, Product, Processes combine to meet and exceed customer expectations”

We strive to provide industry leading innovative Controls Systems for our customers as a partner, and for their customers

TDS16949 signifies we take control of your total New Eagle Quality Experience

Our promise foundation:

1. Customer Focus is the beginning and end of our process to deliver performance
2. Leadership is engaged at all levels to assure the unity of our purpose
3. Dedicated People underpin our organization and are competent, engage and empowered
4. Processes are streamlined to provide consistent, predictable results as our products are designed to do: Quickly, Efficiently, and Securely
5. We continually look for ways to improve all aspects of our business by utilizing factual evidenced based decision making; PDCA Control
6. And we value the mutual success of our partners, suppliers, and customers throughout our enterprise

Chris Baker: Chris Baker CEO New Eagle, LLC

New Eagle’s QMS is the foundation for our Safety Enabling Processes

1

Figure 1 - New Eagle Quality Policy

Quality Policy endorsed by the New Eagle Leadership team has been published, communicated, and made available to all parties: Best Quality, Best Technology, Lowest Cost, Customer First, Continually Improve



Figure 2 - New Eagle Policy Card

New Eagle Organization and its Context

New Eagle is a global company with headquarters at New Eagle Ann Arbor and manufacturing support at New Eagle Auburn Hills electronic assembly. Technical centers are located in Hyderabad India and Ho Chi Min City, Vietnam.

Dedicated People

Our team works with you to understand your specific needs, providing expert advice to help you move forward with creating and integrating a control system for your machine.

Fast Software Tools

With Raptor software tools, you'll cut out inefficiencies like having to rewrite software algorithms for each embedded device you add or exchange in your machine, all while working in an intuitive, embedded model-based development environment.

Secure Supply Chain

As your supply chain partner, we'll provide the production-ready hardware you need to sustain development from prototype through production. Our hardware cleanly integrates with the control software you build using Raptor tools for a faster path to market.

On-Demand Support

We offer a variety of support resources and services, from on-site training to an in-depth online knowledge base. We're committed to helping you take control, and will be as hands-on (or hands-off) as you'd like.

Our goal is to consistently provide products and services that meet customer and applicable statutory and regulatory requirements while building a better world. We are dedicated to our foundational values of teamwork, passion, excellence, charity, and integrity.

At New Eagle, customer focus coupled with risk-based thinking is essential to our organization's strategic and operating plans. These are based on market factors determined by industry trends and opportunities. We recognize bridging technology to the social, economic, environmental areas. Risk/Opportunities are addressed in our processes throughout the APQP overall product/process delivery framework

1.3 References

Standard	Title	Description
ISO 9000:2015	Quality Management Systems	Fundamentals and Vocabulary
ISO 9001:2015	Quality Management Systems	Requirements
IATF 16949:2016	Quality Management Systems	Requirements

1.4 Terms & Definitions

Term	Definition
PPQSR	Production Part Quality Submission Requirements
APQP Workbook	Advanced Product Quality Planning Excel Based Programs Workbook
LRR	Launch Readiness Review
SC Matrix "Supplement K"	Linkage document to control and report the consistency across affected APQP Documents

2.0 Supplier Basic Quality Requirements

In accepting New Eagle's Terms and Conditions of Purchase, suppliers agree to participate in supplier quality and improvement program(s), to comply with all quality requirements and procedures specified by New Eagle, as revised from time to time and those applicable to the supplier's third-party certified management system. In addition, New Eagle shall have the right to enter the supplier's facility at reasonable times to inspect the facility, goods, materials and any property of New Eagle covered "by" contract. New Eagle's inspection of goods whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-progress or finished goods.

All suppliers are expected to supply products to New Eagle with zero defects and in accordance to schedule and/or order requirements. Parts shall meet all engineering specification requirements and function with no abnormalities according to intent:

2.1 Quality Management System Requirements

All suppliers of a) production materials, b) production or service parts, c) Software or d) heat treating, plating, painting or other finishing services supplying directly to New Eagle shall be certified to ISO 9001:2015 as a minimum with the goal of conformity to IATF 16949:2016 requirements. If the supplier is not IATF 16949 certified, it is mandatory to demonstrate the compliance with Minimum Automotive Quality Management System Requirements [MAQMSR] or equivalent) through a second-party audit. This requirement shall cascade through the supply chain.

Suppliers not certified to ISO 9001 or IATF 16949:2016, or those suppliers constructing i.e. "green field," or purchasing facilities to manufacture the parts being quoted, must include an outline of their certification attainment plan with their quote for further consideration. Suppliers are actively encouraged to implement an environmental system in compliance with a current valid version of ISO 14001. ISO14001 certification may be required, depending upon regions and product supplied.

2.2 Process Based Quality System Requirements

Suppliers to New eagle shall self-audit each manufacturing process at least annually to determine its effectiveness per IATF16949:2016 clause 9.2.2.3. Records of these audits shall be maintained and made available upon request. Some OEM's/customers to New Eagle require these manufacturing process audits to be conducted using their specific criteria and reporting format, and for New Eagle to retain evidence of these audits. When this is the case, the criteria, requirements, and formats of these audits will be provided and/or communicated. Suppliers of certain products or processes, listed below, are required to comply with automotive industry specific requirements, guidelines, and assessments. New Eagle requires its suppliers to perform and provide these self-assessments. These assessments are manufacturing process audits in scope and are required to be performed annually. As such, annual assessments must be maintained within your supplier profile and be less than 1 year old. Note: These special processes requirements apply to the supplier and the sub-supplier of these processes regardless of where they reside in the supply chain. Special Process Annual CQI Audits/Assessments include:

CQI-9 Special Process: Heat Treat System Assessment Processes affected include: Sintering, Brazing, Normalizing (using heat), Stress Relieving, Annealing, Induction Heat Treatment, Carburizing, Carbon Correction, Neutral Hardening, Quench and Temper, Aus-tempering, Martempering, Tempering, Precipitation Hardening/Aging, Nitriding, Ferritic Nitro carburizing, Aluminum Treat Treatment.

CQI-11 Special Process: Plating System Assessment Processes affected include: Zinc Plating, Zinc Alloy Plating, Decorative Plating, Surface Conditioning of Metals for Decorative Plating, Surface Conditioning of Plastics for Decorative Plating, Mechanical Plating (all copper, silver, gold, aluminum, passivation) and any and all metal plating addition processes

CQI-12 Special Process: Coating System Assessment Processes affected include: Phosphating, Anodizing, Powder Coating, Electrocoat (E-Coat), Spray, Dip/Spin, Autophoretic, Convective Paint Cure, Aqueous Cleaning, Mechanical Cleaning.

CQI-15 Special Process: Welding System Assessment Processes affected include: Arc Welding, Resistance Welding. Laser Welding, Solid State Welding. Does not include plastics Ultrasonic welding.

CQI-17 Special Process: Soldering System Assessment Processes affected include: Any use of electrical soldering processes, including the processes of conformal coating or wiring gluing /staking of PCB's.

CQI-23 Special Process: Molding System Assessment Processes affected include the use of any thermoplastic, thermoset plastic or rubber and its derivatives that utilize the following: Injection Molding, Extrusion, Compression Molding, Vacuum Forming, Transfer Molding, or Blow Molding.

2.3 Sustainable Development

Suppliers to New Eagle shall conduct themselves, their operations, and their corporate activities in a manner consistent with New Eagle Terms and Conditions of Purchase regarding Sustainable Development, and their impact on society, to ensure a high quality of life, health, and prosperity with social justice and maintaining the earth's capacity to support life in all its diversity. In support of New Eagle's commitments, all suppliers are required to comply with the requirements contained in *New Eagle Supplier Code of Conduct*. New Eagle reserves the right to inspect the observance of the aforementioned requirements at the supplier's facilities at any time. New Eagle further expects suppliers to ensure that their sub-suppliers observe these requirements and those of local governing bodies, laws, and regulations in which they operate.

2.4 Materials Reporting

New Eagle supports its OEM and Tier-1 Customer requirements to comply with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the U.S. Securities and Exchange Commission ("SEC") rules and regulations. New Eagle has initiated a process to perform due diligence on, and make disclosures concerning, the use of conflict minerals originating in the Democratic Republic of the Congo and adjoining countries. New Eagle's process is based on guidelines and processes established by the OECD and the AIAG Conflict Minerals Workgroup. All New Eagle suppliers, regardless of location of the facility they supply, must comply with requirements to record material content, including any content of these minerals (tin, tungsten, tantalum and gold (or 3TG)) into the IMDS (International Material Data System.). If any conflict minerals are identified, then the supplier must submit a completed Conflict Minerals Report Template to New Eagle. See Figure 3-Determination of CMRT Required. Figure 4 - CMRT Initial Minimum Response shows data required to submit the CMRT to New Eagle. In addition, Suppliers must respond to information requests from New Eagle, and use the CMRT MS-Excel report format, to report the uses and smelting sources, contacts, and locations of these minerals (tin, tungsten, tantalum and gold) in products sold to New Eagle, including information about minerals that are sourced from recycled or scrap materials. In order to respond to New Eagle's information requests, suppliers will need to establish a similar process and perform similar inquiries of their suppliers as a means to investigate the source of materials in their products, and to provide New Eagle requested information based upon the results of such inquiries. When New Eagle is required, New Eagle will require its suppliers, to support Customer audit inquiries of the diligence process and reported data in accordance with SEC audit standards, including the "OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas." Finally, it is New Eagle's policy to avoid the use of conflict minerals originating in the Democratic Republic of the Congo and adjoining countries which fund illegal armed groups. New Eagle expects its suppliers to also avoid such use and to cooperate with resourcing of materials as determined by New Eagle and Its Customers.

New Eagle requires participation in required IMDS filings and REACH requirements to support our customer's needs for potential compliance information.

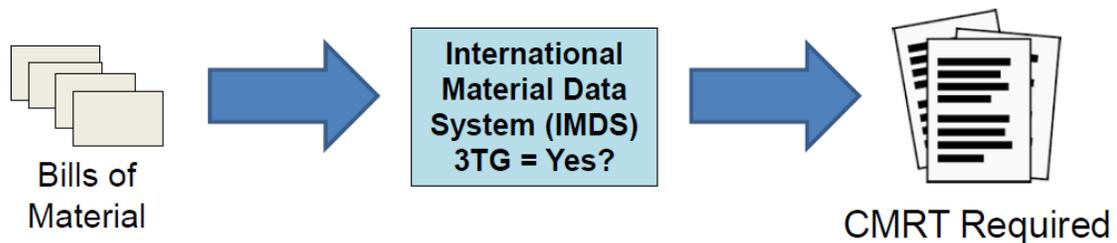


Figure 3-Determination of CMRT Required

1) Is any 3TG intentionally added or used in the product(s) or in the production process? (*)		Answer
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

2) Does any 3TG remain in the product(s)? (*)		Answer
Tantalum (*)		
Tin (*)		
Gold (*)		
Tungsten (*)		

Figure 4 - CMRT Initial Minimum Response

3.0 Supplier Sourcing On-Boarding

The New Eagle Purchasing / Supply Chain representative shall request information from all potential new suppliers. The New Eagle representative and onboarding team may visit the potential supplier to determine viability. The New Eagle Quality Manager or Second Party Audit or shall perform an on-site and or virtual Potential New Supplier Assessment (PNSA). Following a successful assessment rating the supplier is added to the New Eagle potential approved supplier list in the New Eagle Supplier Listing. New Eagle uses NetSuite as its ERP system and all communications with Suppliers will be via email to your Purchasing Representative. The supplier is responsible for completing their business profiles, consisting of general information, including plant manager and materials contact after hours telephone numbers, user profile(s), business and financial data, product commodities and third-party certification status, including the uploading of current valid certificates and product scope. Failure to comply with these basic requirements prevents the supplier from being awarded any new business. Emails are to be accepted for information transfers.

3.1 Requests for Quotations (RFQ)

The New Eagle Purchasing Representative communicates all requests for quotation via email. In all cases the New Eagle terms and conditions of purchase are applicable and can be made available upon request. The RFQ package shall include, but not be limited to, a valid drawing (with special characteristics identified, if applicable), associated engineering and technical specifications, general terms and conditions, volume, milestones and any other relevant information that allows the supplier to conduct a feasibility review and generate a quotation package. Funding is to be identified in the initial quote and subsequent quotes to reflect general tooling maintenance, error occurrence detection (poka-yoke, error proofing devices, etc.) and defect outflow prevention to New Eagle. Controls implemented at a later date are the financial responsibility of the supplier. If tooling replacement is required due to an increase in volume or product life extension then, funding of such tooling is to be negotiated with the purchasing representative. Supplier quotations, including Feasibility Study and relevant supporting data, shall be submitted to the purchasing representative via email and must comply with the stated technical specifications, standards, general terms and conditions and New Eagle and/or New Eagle's customers' specific requirements. Any exemptions must

be clearly identified and stated, including any changes needed to product and/or process requirements, when submitting a formal quotation.

3.2 New Business Award

A New Eagle sourcing committee reviews all supplier quotations based on technical competence, previous/current quality and logistic delivery performance and commercial viability to determine the optimum total cost supplier. Only a New Eagle Purchasing Representative is authorized to sign and issue a Purchase Order/contract.

4.0 APQP Timing Plan

Suppliers are required to generate an Advanced Product Quality Timing Plan (APQP) in accordance with the AIAG APQP reference manual for review by the New Eagle Purchasing Representative and Quality Engineering Representative. This plan shall include, but not be limited to the following phases: planning and definition, product design and development, process design and development, product and process validation, production launch, key supplier and New Eagle and/or New Eagle's customers' milestones. The New Eagle Excel based Supplier APQP format must be used as the communication tool for all APQP activities. The status of specific pre-defined program deliverables, timings and open issues must be maintained at all times, both by New Eagle and the supplier. Training in this application shall be requested directly through your New Eagle Purchasing Representative, Quality Engineering Representative. Simultaneous engineering performed by product/process engineering activities working concurrently drives defect prevention and therefore a timing plan is to be maintained at all times to ensure consistency of approach and readiness via an "Open Issues List" (OIL).

4.1 High Impact Suppliers and/or Parts and Components

Suppliers to New Eagle may be considered high impact (high risk) whenever: - A component or product is new technology or produced by new technology processes or whose function is otherwise determined by the project team to have significant impact on the product. A supplier is new to New Eagle or is a current supplier providing a component or product type not previously provided and/or using new technology to produce the product. A supplier is judged to have financial weakness that could disrupt supply over the life of the program. A supplier that is mandated by the customer (a "directed" source) may also be high impact. When a supplier, part or component is designated as High Impact, the New Eagle purchasing representative or SQE shall facilitate an APQP "kick-off" meeting to ensure that all drawings, specifications, standards and special characteristics are clearly communicated and understood by the supplier. Proposed product and process controls shall also be reviewed for their robustness. If required, New Eagle engineering prior to tool release shall approve tool design and definition. Attendees should include, but not be limited to: New Eagle program management / product engineering, purchasing, logistics/materials, supplier quality engineering and tooling engineering (if applicable), supplier engineering, manufacturing and quality.

4.2 Special Characteristics

Special characteristics (critical/significant/key) are product and/or process characteristics, which are identified, documented and communicated initially during the APQP planning and definition phase and reviewed in subsequent phases to ensure their continuing suitability.

Special characteristics shall, - comply with New Eagle specified definitions and symbols, and - be identified in process control documents including drawings, FMEAs, control plans and operator instructions.

Critical Characteristic (CC): Is a product characteristic for which reasonably anticipated variation could significantly affect the products safety or compliance with government regulations and/or safe vehicle/product function (such as: occupant protection, steering control, braking etc.....) and is ranked with a severity of 9 or 10 in FMEA (refer to AIAG FMEA manual ranking tables for further guidance). The use of statistical techniques is required to determine process stability/capability of product/process critical characteristics (Cmk / Ppk / Cpk – Index). Once stability/capability is established the use of 100% control and/or preventive Poka Yoke is required. – New Eagle symbol: CCn (where “n” represents the special characteristic number)

Significant Characteristic (SC): Is a product characteristic for which reasonably anticipated variation is likely to significantly affect customer satisfaction with a product (other than safety compliance) such as its fit, function, mounting, appearance and/or the ability to process or manufacture the product and is normally ranked with a severity of 5 to 8 and with an occurrence of 4 or above in P-FMEA. The use of statistical techniques is required to determine process stability/capability of product/process significant characteristics (Cmk / Ppk / Cpk – Index). Once stability/capability is established the use of preventive/detective Poka Yoke and/or ongoing statistical process control (SPC) is required. – New Eagle symbol SCn (where “n” represents the special characteristic number)

Key Characteristic (KC): Is a product or process characteristic (e.g. temperature, pressure, speed, etc..) which has been reduced from a significant characteristic following the P-FMEA analysis, but still requires special process controls e.g. if the severity is 5 to 8 and the occurrence is less than 4. As a minimum, key characteristics should be checked at the start of each shift or tool-run and/or tool change. New Eagle symbol KCn (where “n” represents the special characteristic number)

Note: Product Key Characteristics should be identified in process control documents including drawings, FMEAs, control plans and operator instructions. Process Key Characteristics are identified in process control documents including, FMEAs, control plans and operator instructions. Linkage of these characteristics is controlled and reported by the NE Special Characteristics Matrix “Supplement K”. In some cases, New Eagle’s customers may require use of their unique requirements that must be adopted as an alternative system and a cross-reference document (table) will be required.

4.3 Product/Processes Stability and Capability

Critical and significant characteristics must be both stable and capable and therefore all special or assignable causes must be identified and acted upon prior to production release. Common causes of part-to-part variation should also be addressed as an aspect of continuous improvement. In the absence of any design or process defined Critical or Significant characteristic, the supplier is required to select the most significant characteristic for criticality (S x O) as determined by the supplier’s PFMEA for an initial and annual stability & capability study/analysis. See section 4.4 for determination of this characteristic. Key process characteristics when required by Customer or New Eagle will also be requested in the initial process study and included on the PPAP. Once stability and capability of machine, process and part/component significant characteristics are demonstrated during a production trial run, the level of control shall be agreed and established in the production control plan, including frequency, method of check, sample size and method of record. If significant characteristics are not stable or capable, a 100% inspection or Poka Yoke must be installed until both stability and capability is recovered. As stated above, the application of 100% control and/or preventive Poka Yoke is required for Critical Characteristics.

Minimum capability index requirements are defined below:

- Critical Characteristics (CC) PpK \geq 2.00 CpK \geq 1.67
- Significant Characteristics (SC) PpK \geq 1.67 CpK \geq 1.33

Note 1: PpK must be calculated using a minimum of 50 consecutive parts from a production run. Parts must represent all the cavities, tools, cells etc. (as described in current version of the AIAG PPAP reference manual) Each cavity, tool, and/or cell must be studied separately. (valid for Note 2: as well)

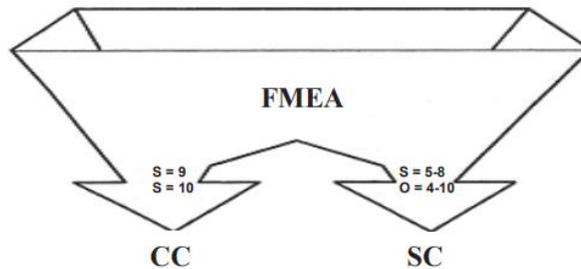
Note 2: CpK must be calculated using a minimum of 25 sub-groups of 4, monitored and recorded at an adequate frequency to ensure control.

Capability Index	Spread	% Defect	PPM
0.33	$\pm 1\sigma$	31.74	317,400
0.67	$\pm 2\sigma$	4.56	45,600
1.00	$\pm 3\sigma$	0.27	2,700
1.33	$\pm 4\sigma$	0.006	60
1.67	$\pm 5\sigma$	0.0025	25
2.00	$\pm 6\sigma$	0.0001	1

4.4 Potential Failure Mode and Effects Analysis (FMEA)

FMEA's shall be prepared and maintained by the supplier and must comply with the guidelines set forth in the AIAG Potential Failure Mode and Effects Analysis reference manual. The Design FMEA or D-FMEA: If a D-FMEA is to be generated by a supplier then, a design and/or several design alternatives should be objectively analyzed with regard to their specific design targets (i.e. reliability, design for manufacture, recyclability etc.) to prevent or avoid product-related potential failures prior to drawing release / design "freeze" and subsequent serial production. Following "design freeze" and during the entire "life" of the product, design change modifications should be analyzed and documented in the D-FMEA. These experiences gained should be taken into account when developing future products. New Eagle reserves the right to participate in supplier D-FMEA's.

The Process FMEA or P-FMEA: A structured approach used to deduce potential failure modes at each process step/function of a manufacturing process, allowing prevention and detection controls to be designed into the manufacturing process and thus, avoiding unnecessary defects and failure costs in production. As such, each process step shown in the Process Flow should be detailed in the PFMEA and Control plan, detailing the potential failure modes and controls applied, with each of these process steps being linked. Following the commencement of serial production and during the entire "life" of the product, process related changes are analyzed and documented in the PFMEA. The experiences gained are taken into account when developing future processes. New Eagle reserves the right to participate in supplier P-FMEA's



FMEA Corrective Action: During the development of an FMEA potential corrective actions should be actioned, wherever feasible: - for CC if detection (D) is > 1 - for SC if occurrence (O) is ≥ 4 Following an FMEA review, all potential failure modes should be rated in the following order: - Severity(S) - Occurrence (O) - Detection (D) - Action Priority (AP) for FMEA - RPN (S x O x D) (Still accepted in a transition phase) PFMEA's are to detail both those special characteristics shown on the New Eagle applicable print / specification AND those identified by the supplier in the above "Derivation of Special Characteristics" model. Failure mode causes should be prioritized and actioned, with an aim to reducing the occurrence (O) and detection (D) to 1, as failure mode severities can be rarely reduced. When, at a given time, there are either no further design/process changes or preventive/detective controls available and/or economic improvement actions to be made, the FMEA, in agreement with the relevant New Eagle supplier quality engineer (SQE) or advanced supplier quality engineer (SQE), can be considered as complete. As part of a continual improvement process, the supplier is to review the FMEA at least annually for potential occurrence and detection improvements. PFMEA's shall be reviewed at each corrective action taken on the process detailed, and updated any time there is a corrective action taken that provides further information regarding failure modes, occurrence, or detection. Each step of the PFMEA, Flow Diagram, and Control Plan shall be numbered / annotated consistently for each process step taken to ensure all steps have been considered.

4.5 Control Plans

Control Plans are formal documented descriptions of the systems installed to control both products and processes. They form an integral part of product quality planning and shall be used by the supplier to communicate special product and process characteristic controls; gauge controls and reaction plans as a minimum. Control Plans are generated in three distinct phases:

- **Prototype:** A description of the special characteristic s(CC/SC/KC), dimensional, material, functional and performance testing that will occur during prototype build
- **Pre-launch:** A description of the special characteristics, dimensional, material, functional, and performance testing that will occur during production trial runs, prior to start-of-production, and 90 days or 3,000 pieces after the start of serial production following the early product containment processing section 6. Note, the pre-launch control plan normally details larger sample sizes and increased frequency of check to ensure that all potential nonconformities are identified and acted upon prior to production release. This shall include 100% inspection for all visual attributes and Special Characteristics unless otherwise specified by the Supplier Quality Engineer (SQE).
- **Production:** A comprehensive description of special characteristics, product and process controls, gauge controls and reaction plans that will occur during serial production.

4.6 Supplier Equipment, Tools, and Gages

Supplier equipment and tooling (i.e. dies, patterns, molds, special tooling etc.) shall be permanently identified per the applicable customer requirement as defined by New Eagle. The supplier shall establish and document a preventive and predictive maintenance process for all equipment, tooling and gauging. Preventive and predictive maintenance schedules and records shall be maintained and made available upon request. Supplier equipment, tools and gauges used in the manufacture of New Eagle products shall not be sold or consigned to another entity without adequate notification and written consent from New Eagle. Mergers, acquisitions or affiliations also require adequate notification to enable New Eagle to verify both the continuity of supply of product and the supplier's quality management system and its effectiveness. In such cases, or in the case of relocation to an alternative supplier location or facility, it is the supplier's responsibility to contact New Eagle regarding potential Production Part Approval Process (PPAP) requirements.

4.7 Supplier Launch Readiness Review (LRR)

A New Eagle Supplier Quality Representative or other New Eagle appointed representative, may conduct a supplier readiness review at the supplier's facility prior to PPAP to confirm production readiness. Areas of focus during a supplier readiness review are, but not limited to, capacity analysis and confirmation, product and process controls and supporting documentation, sub-supplier status, training, maintenance and logistic readiness. Following a supplier readiness review a formal report is issued from New Eagle to the supplier, including any corrective actions required before PPAP submission. Confirmation audits may also be conducted at a later date to verify the supplier's corrective actions. The LRR report form is available for review and may be used by the supplier in regular pre-view meetings.

4.8 Sub-Supplier Control

Where specified by contract (e.g. drawing, specification etc.), the supplier shall purchase products, materials or services from approved sources. The use of NE and/or NE's customers' designated sources, including equipment, tool and gauging sub-suppliers, does not relieve the supplier of the responsibility for ensuring the quality of purchased products. The supplier shall establish the inspection or other activities necessary for ensuring that the purchased product meets specified purchase requirements, including regulatory requirements. Suppliers shall promote and include sub-supplier monitoring of the performance of their manufacturing processes, including applicable annual CQI requirements, and providing evidence or these assessments in your NE Supplier profile. NE reserves the right to visit Tier 2 sub-suppliers in coordination with the Tier 1 supplier.

5.0 PPAP Basic Requirements

PPAP submissions and requirements shall apply to all suppliers supplying production parts (including catalogue COTS parts), service parts, or production materials. All production part sample submissions shall be in accordance with the AIAG Production Part Approval Process (PPAP) manual – latest revision. New Eagle and/or New Eagle's customers' specific requirements may also be required, see section 5.4 for clarification. Level III PPAP, is the default submission level unless otherwise specified in writing from the relevant NE supplier quality engineer (SQE). Additional VDA-PPAP requirements will be supplemental and in addition to PPAP requirements depending upon New Eagle's customers' specific requirements.

Supplier PPAP submissions shall include declarations stating that all material, part, component, heat treatment and surface finish meets specified purchase requirements. Individual sub-supplier Part

Submission Warrant (PSW) and/or additional PPAP documentation may be requested as appropriate by the relevant NE Supplier Quality Representative or other New Eagle appointed representative.

PPAP samples shall be clearly identified with a New Eagle defined label on each container. Suppliers to North America shall provide evidence of conformance to NAFTA requirements with each PPAP submission. Full or interim PPAP approval must be established prior to shipping parts/components to any New Eagle facility for production. Any production shipments received by a New Eagle facility prior to obtaining such approval will result in rejection and scorecard demerits.

For reference, the New Eagle Production Part Quality Submission Process (PPQSR) provides of the following requirements:

5.1 Annual Re-Qualifications

Unless waived in writing by New Eagle, the supplier shall conduct annual layout inspection (i.e. dimensional, capability analysis, material and functional testing) for each active product supplied to New Eagle to assure conformance to New Eagle and/or New Eagle's customers' standards and specifications as specified. Annual Layout inspection requirements shall be detailed in the suppliers control plan or Internal Audit plan. A qualified laboratory shall conduct material testing with the laboratory's third-party certificate and scope being available upon request. Annual layout inspection results shall be held on file at the supplier and made readily available to New Eagle request. If any nonconformity is identified during annual layout inspection, the supplier shall notify the quality department in each New Eagle manufacturing-receiving location immediately to enable remedial action to be determined and executed. If New Eagle is required to submit PPAP to a customer, suppliers affected, with PPAP submissions older than twelve months may be requested to re-submit a new PPAP to New Eagle. Note: New Eagle does not accept charges for initial, annual re-qualification or re-submission of any PPAP documentation and samples.

5.2 Certificate of Conformance (COC)

A certificate of conformance shall be maintained on file at the supplier and made readily available to New Eagle upon request. Certificates of conformity may be required to be submitted with each delivery of material/parts/components from the supplier as specified by the New Eagle Quality Representative, See PPQSR. The certificate of conformance must contain the actual physical test results and/or material analysis of the product being supplied. A minimum of 2 samples is required, 3 preferred. The COC must be approved by New Eagle Quality Representative before delivery acceptance. All Suppliers to New Eagle are to confirm, in writing, the product being manufactured has been tested and passes the set criteria within applicable specifications and meets both technical, safety and applicable regulatory requirements, as per PPAP (Forms available).

5.3 European ELV Directive and IMDS, REACH and Requirements of Machine Directive

The European End-of-Life-Vehicle (ELV) Directive 2000/53EC that entered into force on 21st October 2000, imposes specific rules and guidelines for materials used in motor vehicles. Suppliers to New Eagle are responsible to ensure that the ELV Directives (latest Directive and amendments) are fulfilled, and that New Eagle is informed through the International Material Data System (IMDS) for Automotive or MDS for Commercial 1752 or other Systems approved by the SQE of the material and substance composition of all

products supplied. In order to ensure regulatory compliance with the ELV-Directive and any other applicable substance regulations over time, it is necessary to document the material and substance composition of the entire vehicle. The IMDS or other Systems allow the OEM's and suppliers to collect and manage this information. Suppliers are required to report their material and substance composition of all products supplied to New Eagle in the IMDS or other Systems. Individual New Eagle facility IMDS identification numbers can be obtained from the relevant supplier quality engineer (SQE). Note: Threshold Limits for substance reporting of Conflict Minerals shall be 0, no use of "wildcards", nor use of miscellaneous descriptions. See section 2.4 of this manual for more detail regarding Conflict Minerals. New Eagle holds the supplier solely liable in the event product supplied to New Eagle does not conform to regulatory requirements and therefore all costs incurred in such instances shall be borne by the supplier.

The European Directive EC 1907/2006 (REACH) imposes specific rules for producers and dealers to provide material safety data sheet in REACH format and language according customer country origin. Safety data sheet must be provided for all applicable parts and materials for PPAP approval process and in time of serial production or spare parts production period. All Substances delivered to New Eagle must be preregistered and then registered within timeframe by the European Chemistry Agency (ECHA). Suppliers from outside EU must deliver registered substances so that New Eagle will not switch to the role of an importer.

All Machines delivered to New Eagle in Europe must be supplied with a CE Mark and a declaration of conformity regarding EU Machine directive EC 2006/42. If New Eagle constructs the Machine and different suppliers are involved, one of the suppliers must be chosen to declare the conformity and the CE Marking of the whole machine.

New Eagle's complies with the Customer Specified requirements relative to these requirements as defined in the APQP process implementation.

5.4 PPAP Master Document Retention/Submission Matrix

S = Submit Document

A = Submit document for New Eagle approval signature

R = Retain document, and make readily available to New Eagle upon request

***** = Retain document and submit to New Eagle upon request

No.	Requirement	PPAP Level					Comments
		1	2	3	4	5	
1	Design Records of Saleable Product - for proprietary components/details - for all other components/details	R	S	S	*	R	
		R	R	R	*	R	
		R	S	S	*	R	
2	Engineering Change Documents, if any	R	S	S	*	R	History of technical changes.
3	New Eagle Engineering Approval, if Required	R	R	S	*	R	
4	Design FMEA	R	R	S	*	R	
5	Process Flow Diagrams	R	R	S	*	R	
6	Process FMEA	R	R	S	*	R	
7	Dimensional Results	R	S	S	*	R	Include drawing with numbered features corresponding to dimensional report. Record actual measurement results (the use of OK/NOK should be avoided).
8	Material, Performance Test Results	R	S	S	*	R	
9	Initial Process Study	R	R	S	*	R	
10	Measurement Systems Analysis Studies	R	R	S	*	R	Refer to AIAG Measurements System Analysis manual for methodology and acceptance criteria.
11	Qualified Laboratory Documentation	R	S	S	*	R	Third-party certification, including scope.
12	Control Plan	R	R	S	*	R	
13	Part Submission Warrant (PSW)	A	A	A	A	R	Approval required prior to tooling payment.
14	Appearance Approval Report (AAR), if applicable	S	S	S	*	R	
15	Bulk Material Requirements Checklist (for bulk material PPAP only)	R	R	R	*	R	
16	Sample product	R	S	S	*	R	Quantity to be agreed with New Eagle purchasing representative.
17	Master Sample	R	R	R	*	R	
18	Checking Aids – Gauge Specification	R	R	S	*	R	
19	Records of Compliance with New Eagle and/or New Eagle CSR's	R	R	S	*	R	
20	Sub-supplier PPAP	*	*	*	*	R	Submit sub-suppliers PSW.
21	Capacity (OEE) Results	*	*	S	*	R	From production trial run.
22	IMDS Declaration	R	R	S	*	R	
23	NAFTA Declaration	R	R	*	*	R	Applicable to North American suppliers only.

5.4.1 PPAP Submission Levels

Level 1 - Warrant only, and for designated appearance items, an Appearance Approval Report.

Level 2 - Warrant with product samples and limited supporting documents.

Level 3 - Warrant with product samples and complete supporting documents.

Level 4 - Warrant and other requirements as defined by New Eagle.

Level 5 - Warrant with product samples and complete supporting data available for review at the suppliers' manufacturing location.

Note 1: These detail SUBMISSION levels. Actual required PPAP documentation must exist for each applicable requirement for each product supplied, regardless of whether it is required to be submitted or retained.

Note 2: Bulk Material is a substance, (e.g., non-dimensional solid, liquid, gas) such as adhesives, sealants, chemicals, coatings, fabrics, lubricants, etc. The quantity and type of resins and steels that New Eagle purchases are NOT considered bulk materials as New Eagle is not buying the precursors of resins (polymers) nor Bulk (continuous furnace foundry) steel.

6.0 Launch Management

To support and ensure flawless launches at both New Eagle and our customers', the supplier may be required to install new product containment, (Safe Launch Control Plan -SLCP 6.1) during the pre-production phases and continuing through the first 90 days or 3000 pieces/units, whichever is the greatest, following start-of-production (SOP). The objective of new product containment is to ensure that any quality issues that may arise are quickly identified, contained, and corrected at the supplier's location and not at a New Eagle receiving location. It also serves to increase the involvement and visibility of the supplier's top management of any issues, not anticipated in the APQP process

6.1 New Product Safe Launch Plan

New Product Containment requires a pre-launch Safe Launch control plan that is a significant enhancement to the supplier's production control plan and, which raises the confidence level to ensure that all products shipped meet New Eagle's specification expectations. The pre-launch control plan also serves to validate the production control plan. The pre-launch control plan should take into consideration all known special characteristics of the product as well as potential areas of concern identified during the Production Part Approval Process and, should include additional controls, inspection audits, and testing to identify non-conformances during the production process.

Depending on the dominant factor of the production process (set-up, machinery, fixture, tooling, operator, material/parts/components, preventive maintenance, environment) additional controls should include but, not be limited to:

- Off-line, separate and independent check from the normal production process, whenever possible
- 100% inspection for all pre-production and pilot parts shipped for all special characteristics and Visual attributes.
- Increased frequency/sample size of receiving, process and or shipping inspections - Increased verification of label accuracy
- Error proofing validation through introduction of known defects, “challenge parts”. The use of variable or attribute control charts, scatter diagrams or an approved alternative, shall be used to document and record the results of new product containment.

Records of the Safe Launch Control Plan (SLCP) shall be maintained / retained (6.2) for New Eagle review as required. For the period of the Safe Launch Plan (SLP) the delivery packaging shall note the inspection status of the parts /components under the SLP program.

6.2 New Product Safe Launch Plan Exit Criteria

Suppliers may exit containment through New Eagle approval after supplying 90 days of material with no non-conformances with associated inspection reports.

Records of the containment activity shall be maintained for two years. If the supplier is unable to meet the exit criteria or the supplier’s plan continues to identify non-conformances the supplier shall continue the necessary containment measures to insulate New Eagle up to the time when the quality concerns have been resolved to the satisfaction of both the Supplier and New Eagle, and the Supplier’s Production Control Plan is validated.

7.0 Packaging

Packaging shall be included in any quotation to New Eagle via email unless otherwise approved by the Purchasing representative. Approval of packaging shall either be conducted in pre-production trial runs or during the PPAP approval process. Packaging instructions shall be developed and consistently applied for each product supplied.

7.1 Returnable Containers

Customer owned returnable containers shall be treated as customer owned property. As such, specific handling and preservation procedures shall be applied. For relevant information please contact your Purchasing representative.

7.2 Labelling

Supplier labelling shall be in accordance with the latest valid version of the New Eagle print requirement for size, color, and content including bar coding for Product. Container, packaging, and shipping labels are subject to New Eagle content and approval.

7.3 Identification and Traceability

Identification and traceability for product shall be maintained throughout the supplier's production and handling processes, from raw materials to finished goods. At minimum (unless otherwise specified on the New Eagle print or specification), the supplier shall be able to trace material for in-process and raw material inspection and test records based upon the New Eagle's identification label applied to New Eagle products and/or containers. Products that are Safety Designated in the APQP planning process are subject to New Eagle and/or New Eagle's customers defined traceability requirements, including ISO/IATF.

Software traceability and release notes are special requirements per APQP process and supplier / New Eagle representatives.

7.4 Delivery Schedules

Logistics requirements are subject to review and agreement between the supplier and the New Eagle purchasing representatives during the Supplier on-boarding process and the specifics of each product / program.

7.5 Freight Documentation / Delivery Notes / Transport / EDI / Discrepancies

Delivery notes must be in duplicate, detail the suppliers name, New Eagle assigned supplier number, date, have an assigned delivery note number and contain the following information for each product delivered: New Eagle part number, description, purchase order number, quantity per container, number of containers and type, total quantity, Net and gross weight and lot numbers.

Deliveries of multiple products (e.g. a single palette with several product references) will only be accepted if: - Prior written permission is given by a relevant New Eagle logistics/materials representative

- Each container on the palette is clearly labelled - Each product type is packaged in a separate container
- The delivery note clearly states contents of the palette

Note: If the supplier does not comply with the above, the delivery will be rejected.

Transport – Refer to New Eagle's T&Cs and relevant New Eagle logistics/materials representative for requirements for: 1. Insurance, 2. EDI, 3. Other requirements not anticipated in this manual.

All deliveries must be made in accordance with a New Eagle schedule or order, and the requirements of this manual. Any deviation from a schedule/order must be agreed in writing with the relevant logistics/materials representative prior to a delivery being made within 1 business day of receipt of the release or order. Failure to obtain written approval prior to delivery will result in rejection. Shipping routing requirements are detailed on a New Eagle issued Purchase Order.

8.0 Supplier Performance Monitoring

Suppliers of a) production materials, b) production or service parts, c) Software or d) coating, plating, painting or other finishing services supplying directly to New Eagle are required to monitor their performance quarterly based on New Eagle provided Scorecards.

8.1 Supplier Performance Scorecards

The supplier scorecard is updated each Quarter. A notification email is sent to all approved, contracted suppliers the following month after quarter end. The Supplier Scorecard will provide New Eagle’s updated assessment, will be available for review, and will identify if corrective action is needed. Shown is the scorecard form for reference (subject to change). New Eagle will conduct annual supplier performance and information sharing reviews.

 new eagle TAKE CONTROL					
Supplier Name:		Overall Rating		80% or Greater	
Date Range:				70-79%	
Buying Category:				69% or Less	
New Eagle Contact:					
Area	Scorecard Criteria	Comments	Area Weight	Area Rating	Wtd. Rating
On Time Delivery	Vendor meets or exceeds on-time delivery. "On-Time Delivery" is calculated by (Expected Delivery Date - Date of Receipt). Provided Lead Time of associated product will be used as the benchmark and variance above or below said LT will determine rating. Did supplier cause any line down events or require express freight to meet demand?		30%		0%
Pricing & Cost	Pricing is reflective of market cost & value. Vendor provides transparency into cost makeup and associated PPV charges if applicable/provides clarity to price increases with sufficient time for customer to account and adjust for price adjustments.		30%		0%
Quality	Quality to be calculated by number of RMAs/Number of Products Ordered. Root cause of RMAs must be quality related/damage.		25%		0%
Communication	Supplier provides clear and consistent communication regarding product updates, pricing, lead times, order status.		15%		0%

The scoring system criteria and weighting is shown below:

	Criteria Scorecard	Comments	Area Weight
1.	On Time Delivery	Meets Schedule	30%
2.	Commercial Pricing/Cost	Market/Clarity	30%
3.	Quality Warranty/Non-Conformances	# RMA Instances/NCTs	25%
4.	Communication	Consistent/Clear	15%

Trend analysis and corrective actions are expectations for Supplier Performance by Supplier and New Eagle. Instances of non-Conforming Product are subject to the following Section 9.0.

Also, per the PPQSR overall process requirements the Supplier New Eagle Annual Review will include the PPQSR Review Scorecard including:

1. Quality Management System (QMS) and other relevant certification status
2. APQP/PPAP Performance
3. Change in Requirements
4. Quarterly Delivery, Cost, Quality, and Communication (DCQC)
5. Certificate of Conformance (COC)
6. Policy Conformance

9.0 Non-Conforming Product

All handling, packaging, labelling, delivery and technical rejections are transmitted to the supplier via New Eagle's Supplier Non-Conformance Report / Ticket which signals the potential request for Containment, Root Cause and Corrective actions, Interim and permanent, per AIAG 8D guidelines. Email notifications are used by New Eagle Quality and/or Purchasing SQE representatives.

9.1 Emergency Response Action

Following the receipt of an automatic email informing the supplier of a rejection at a New Eagle facility/site, the supplier must review the details of the rejection (NCT and/or 8D). The supplier shall notify New Eagle within 24hrs with the details of the first 100% certified delivery, including, but not limited to, the delivery note number, quantity, method of identification (product and packaging), means of transport (premium freight) and estimated time of arrival. Such notifications must be provided to the New Eagle receiving facility(s) prior to the receipt of a replacement and/or new delivery.

9.2 Containment Level I (One)

Suppliers shall implement Containment Level I (CLI) immediately upon receiving notification from New Eagle of a rejection. The goal of CLI is to cleanse the entire supply system of any non-conforming material and shield New Eagle from receiving any additional defective product. The supplier is required to quarantine and sort all potential non-conforming products within their facility, at their sub-suppliers, in transit and notify and work with New Eagle on sorting non-conforming product.

Containment Level I Guidelines:

- Containment areas must be off-line and have a well-defined process flow, including clearly identified areas for incoming and outgoing material.
- Containment areas must be clean, equipped and well illuminated. - Acceptance standards and containment instructions must be clearly documented with Boundary samples available, if required.
- Personnel performing containment must be trained.

- Results of the containment shall be recorded and reviewed for necessary corrective actions daily. Records of containment shall be maintained for two years and made available upon New Eagle request. - The identification method of material passing through containment shall be agreed with the relevant New Eagle Supplier Quality Engineer (SQE).

Exit criteria for CL I shall be agreed with the relevant New Eagle supplier quality engineer (SQE) and shall include as a minimum, an agreed pre-determined quality level for the next three consecutive production runs and/or deliveries following a rejection. Containment must not be removed before a permanent corrective action has been validated.

9.3 Containment Level II (Two)

Containment Level II (CLII) is defined as the implementation of additional controls by an impartial third-party selected or approved by New Eagle at the expense of the supplier. CL II is enacted when a supplier's CL I activity fails to shield New Eagle from receipt of non-conforming material. The NE supplier quality engineer (SQE) determines if CL II is required. The New Eagle Quality Manager and Purchasing Representative will initiate CL II activities by selecting the third-party who is to conduct the CL II activity and by sending a letter to the supplier's plant manager and quality manager informing them of the decision.

The CL II letter shall detail the specific non-conformance and required supplier actions, including inspection and exit criteria. The supplier is responsible for confirming receipt of the CL II letter by signing and returning a copy of the letter to the New Eagle Quality Manager. The New Eagle Quality Manager assigns or approves a sorting agency (third-party) to perform the CL II activities. The supplier's input on the company used will be considered in the decision-making process. The New Eagle Quality Manager will define the required checks and facilitate the definition of the exit criteria. The third-party agency is responsible for performing the containment activity in accordance with the pre-defined inspection criteria and recording methods. Records of the containment shall be provided by the third-party agency to both the supplier and the New Eagle Quality Manager. The supplier is responsible for issuing the purchase order to the third-party agency and is liable for payment of all costs associated. Initiation of CL II does not relieve the supplier of any relevant CL I activities following the before mentioned CL I guidelines and responsibilities. CL II shall not be removed until a review of the data indicates that all significant issues show evidence of closure and are evidenced in both the CL II records and the records from the CL I activity upstream in the process. If applicable, a CL II exit meeting will be held at the supplier's facility to review both the CL I and II containment records and validation results of the permanent corrective actions. Following this review, the New Eagle Quality Manager will evaluate the findings and if found to be acceptable, will communicate in writing that the supplier has been removed from CL II

9.4 Corrective Action

The supplier shall use a team-based approach to problem solving following the 8D methodology and should utilize wherever possible the following quality tools when determining root cause; Ishikawa diagram (fishbone), 5 Why's, Design of Experiments (DOE). The method of root cause verification shall also be determined. Chosen permanent corrective actions shall be communicated within 14 days from the original rejection date. Implemented corrective actions shall be validated by either the supplier or a relevant New Eagle Supplier Quality Engineer (SQE).

9.5 Preventive Action

Any action, directed at the supplier's system, intended to prevent recurrence of a specific 8D problem by directing analysis and action toward correcting the system. The relevant supporting process documentation e.g. FMEA's, control plans, procedures, work instructions, maintenance plans etc. must be uploaded by the supplier to the 8D for review and approval by a relevant NE quality engineer (SQE).

9.6 Supplier Performance Escalation Process

New Eagle utilizes a four-level supplier performance escalation process to resolve systemic supplier performance issues.

Supplier Escalation 1

New Eagle Manufacturing plant / site, New Eagle SQE or any other entity can escalate supplier quality incident to the New Eagle Quality group.

Escalation Trigger

1. New Eagle site/plant has not received the initial containment actions report in 48 hours, after several attempts by the 8D issuer, and having been internally escalated to the Plant Quality Manager.
2. Customer complaint involving third party certification of production parts and high risk to disrupt the production at customer site.
3. Customer complaint with re-occurrence for the same failure mode from supply base.
4. Impact to daily production disruption (Line Stop) at New Eagle assembly line with responsibility of supply base.

Level 1 exit criteria: Supplier cooperation and timely delivery of the requested information? - Yes - Closure of incident. - No – Start Escalation level 2.

Supplier Escalation 2

Escalation of supplier following performance scorecard or any New Eagle initiative for supplier base development.

Escalation Trigger:

1. Supplier Performance scorecard resulting in Supplier Performance scorecard resulting in Supplier Performance scorecard resulting in < 70-79% score for 2 consecutive quarters with no improvement in the initial Supplier Development activities.

Level 2 exist criteria: Supplier Scorecard improvement >70-79% score for 2 consecutive Quarters or before and "List of Open Points" LOP completion? Yes – Quality Manager report to Quality Director. No – Set the supplier to New Business Hold and start Escalation Level 3.

Supplier Escalation 3

Supplier escalated for support to New Eagle Purchasing Group. (Supplier Escalation level 1 & 2 failed)
Escalation Trigger:

1. Escalation resulted in supplier lack of response and cooperation. Supplier not meeting New Eagle and/or Customer specific requirements.
2. Failure to meet target dates and/or actions agreed in the Escalation Levels 1 & 2.
3. No Scorecard improvement on 2 consecutive quarters after approaching to supplier and LOP activities on Escalation 2.

Level 3 exit criteria: Supplier cooperation and timely delivery of the requested information?

Yes – New Eagle Quality and Purchasing release supplier from New Business Hold

No – Start Escalation Level 4

Supplier Escalation 4

Initiate a CQR ‘Critical Quality Review’ (Supplier Escalation 3 failed).

Escalation Trigger:

1. Escalation Trigger: Lack of Supplier cooperation and timely delivery of New Eagle and/or New Eagle Customer requirements and expectations on Escalation-4

CQR is New Eagle corporate led activity involving the executive management of both New Eagle and the supplier to address issues not resolved in a timely fashion in Level 3. Start de-sourcing activities.

9.7 Supplier Non-Conformance Chargeback

Costs incurred and which are directly attributable to a supplier’s non-conforming product and/or logistics/materials performance shall be detailed in the relevant 8D and invoiced to the supplier. Costs may include, but not be limited to, administration costs, sorting or rework, premium freight, loss of productivity, scrap and any other costs incurred by New Eagle and/or by New Eagle’s customers that are directly attributable to the supplier. It is New Eagle’s full intend to avoid Non-conformances and the associated cost implications to promote customer satisfaction via proven APQP processes.

Note: failure to close 8D’s in a timely manner may result in the supplier being placed in Level 1 of the Supplier Performance Escalation Process.

9.8 Warranty Management Process

Suppliers to New Eagle are required to implement a warranty management process. The process shall include a method for warranty part analysis, including NTF (no trouble found). When requested by New Eagle and/or New Eagle’s Customers, Suppliers shall use a process that complies with industry practices requirements for Field Failure Analysis (FFA), or the Automotive Industry Action Group (AIAG) CQI 14 or similar which includes an NTF process.

10.0 Supplier Change Requests (SCRs)

Suppliers and/or sub-suppliers shall not make any unauthorized changes to products (e.g. material, parts, components etc.) and/or processes used to produce a product supplied to New Eagle, and that has previously been PPAP approved by New Eagle. This includes any changes to production control plans.

The supplier shall notify the New Eagle facilities / sites affected plant (s) quality manager(s) of intentions to change a product or process using the New Eagle or approved Supplier Change Request form, accompanied by a suitable timing plan and quality plan.

Suppliers shall gain approval prior to making any such changes. For assistance in making this Quality Manager contact, liaise with your Purchasing or Quality contact. The affected facility / site plant (s) will review and determine the effects of the potential change (s) and approve or reject the supplier's change request and supporting quality plans within fifteen working days from receipt. However, if the potential change effects New Eagle's customers' requirements, then the period for approval/rejection may be subject to extension.

All approved SCRs require a Level III PPAP submission, unless otherwise specified in writing from the relevant New Eagle supplier quality engineer (SQE). A copy of the approved SCR shall form part of the PPAP submission. The supplier, prior to releasing or shipping changed products to New Eagle obtain written PPAP approval and have received schedules/orders determining the introduction date. Each container supplied in the first shipment/delivery made by the supplier following a change must be identified with a New Eagle "1st Shipment" label referencing the applicable PCR number specified on the Supplier Change Request form.

10.1 New Eagle Notification Requirements

Supplier change requests shall be submitted to New Eagle for changes including, but not limited to:

- Changes of sub-suppliers
- Changes in heat treating, plating, coating, soldering
- Changes to supplier designated components
- Relocation of product/tooling to an alternative manufacturing location
- Use of alternative material or components
- Changes in process sequence
- Changes and or addition of equipment
- Tool movement within the same plant
- Replacement of New Eagle or Supplier's owned gauges

Any such change made without prior written approval by New Eagle constitutes not only a breach of purchase order terms and conditions, but also a serious breach of both standard automotive practice and the supplier's third-party certification. Suppliers who fail to comply with these fundamental requirements shall be placed on new business hold and shall be liable for all damages, losses and liabilities associated with such a change. A change to perishable tooling is considered to be part of normal maintenance practice, and therefore, does not require SCR approval. If in any doubt, the supplier should contact the New Eagle supplier quality engineer (SQE) for guidance.

10.2 Product and/or Process Deviations (Concessions)

It is the policy of New Eagle to not to accept any product that does not meet New Eagle /or New Eagle's customers' requirements. However, under extenuating circumstances, requests for any such deviations shall be submitted to the New Eagle receiving facility site plant (s) Quality Team who will in turn review the request with New Eagle Engineering.

Deviation requests shall include, but not be limited to; the reason for the deviation, quantity of parts or time period the deviation is requested to extend to, and part and packaging identification proposals to ensure traceability. If a deviation is approved it shall only extend to the quantity of parts or time period stipulated, any shipments received outside of the deviation that do not conform to specifications shall be rejected. New Eagle requires Supplier to submit a Deviation Request Form. New Eagle's template is available upon request.

Note: Deviations must apply to any rework or out-of-process product, or service and such activities require prior approvals.

11.0 Continual Improvement

Suppliers shall continually improve the effectiveness of their quality management systems and manufacturing processes. Actions taken to regain previous levels of performance are corrective actions and not continuous improvement. Improvements based on scope and content may require requalification PPAPs. New Eagle encourages that an Annual Value Analysis/Value Engineering (VA/VE) CIP plan be submitted for joint review and approval.

11.1 Quality Management System Improvement

Suppliers shall define quality objectives and targets in their business plans. These objectives and targets shall be continuously monitored, prioritized and acted upon, ensuring continuous improvement and the fulfillment of New Eagle's expectations. New Eagle scorecards reviews shall form a part of these objectives on a Quarterly basis at minimum.

11.2 Manufacturing Process Improvement

Manufacturing process improvement shall continually focus upon control, and reduction in variation and waste in product characteristics and manufacturing process parameters. Continuous improvement can only be implemented once manufacturing processes are stable and capable, or product characteristics are predictable and meet New Eagle's requirements.

11.3 Performance Reviews and Workshops

New Eagle reserves the right to visit the supplier's manufacturing facilities to assess continuous improvement programs and lean manufacturing techniques, including making recommendations for improvement. In addition, New Eagle in agreement with the Supplier may facilitate a continuous improvement and/or lean manufacturing workshop to aid the supplier in its continuous improvement process. Savings generated from such a workshop shall be shared between New Eagle and the Supplier.

12.0 Forms & Records

All documentation and records generated by the Requirements are retained and managed in accordance with the Control of Documented Information ISO/IATF procedures.

Suppliers are required to maintain purchase orders and amendments, PPAP submission packages, requalification and validation records, tooling, maintenance, traceability, engineering and inspection records providing evidence of conformity to requirements for the active life of the product (production and service) plus one calendar year or a minimum of fifteen years, whichever is the longer, unless otherwise specified by New Eagle. In case of critical characteristics, the period for record retention is 15 years after active life of the product. Corrective/preventive actions (8D's) and supporting data shall be maintained for three years. All records shall be stored, protected & retrievable upon request.

It is New Eagles' intent to provide such records in compliance with Statutory and/or Regulatory requirements.

13.0 Summary

The PPQSR process requires our valued suppliers to cooperate within the ISO 9001, IATF 16949 standards. This Supplier Quality Assurance Manual / PPQSR package includes documentation of various multiple cross-functional AIAG tools and documents to assure the ability of the supplier to meet all New Eagle and our customer's requirements.

PPQSR provides customers with adequate information to validate that all areas of the design and production processes have been reviewed thoroughly to ensure that only high-quality products will be allowed to ship to the end customer.

Getting quality parts done right first time and taking preventive measures as part of our APQP / PPAP processes early in the lifecycle is both effective and efficient.

Our Promise, our Policy...

Our joint responsibility in a Valued Supplier relationship.

14.0 Relevant Documents

- New Eagle Supplier Code of Conduct S3.01.08
- Supplier Evaluation Form S3.01.02.1
- Conflict Minerals Reporting Template (CMRT)
- New Eagle Supplier Audit Checklist S3.07.01