

**PROGRAM SPECIFIC REQUIREMENTS**

**FOR SUPPLIERS TO MEANS INDUSTRIES, INC. (“MEANS”)**

These Program Specific Requirements together with Means’ Terms and Conditions (<https://www.meansindustries.com/terms>) Means’ Supplier Quality Manual (https://supplier.amstedauto.com/means-industries/supplier-quality-manual/), Means-issued purchase orders, and any other Means-approved contractual documents, as each may be amended from time to time (collectively, the “Contract Documents”), shall govern the terms of supply arrangements between Means, as buyer, and its suppliers (each a “Supplier” or “Seller”). Means will not accept and will reject, any Supplier terms and conditions that are in conflict with the Contract Documents. Means reserves all rights, protections, and privileges accorded to buyers under the Uniform Commercial Code.

Means’ Suppliers must meet the following general program requirements:

* Agreed terms shall remain in place for the life of the subject program.
* Seller must maintain a Rejected Parts Per Million (RPPM) rating of <5 RPPM.
* Seller must maintain competitive pricing and cost reduction efforts.
* Seller must meet all delivery requirements based on Material Release Planning Schedules (as set forth further below).
* Seller supports all of Means’ needs relative to the subject program.
* Seller supports all productivity requirements for the subject program.
* Seller is required to quote to all specifications and Contract Document requirements.
* Seller assumes, and shall indemnify Means for, any first or third-party liability or damages, including consequential damages, arising out of Seller’s manufacturing process, or breach of the Contract Documents.

**Pre-Production**

Pre-production orders (4500X series purchase order) are shipped at Seller’s expense.

Pre-production (4500X series purchase order) part shipments with quantities over or under purchase order requirements require written authorization from Means prior to shipment.

**Volumes**

Seller must have capacity to produce to LCR and MCR targets.

Seller is responsible to supply parts and maintain associated tooling for 15 years after End of Production (EOP).

**Pricing; Raw Material Adjustments**

Pricing is fixed for the life of the program.

Raw material adjustments will be allowed in accordance with Means’ customer’s terms and conditions and are not automatically granted. The raw material reference index must be provided by Seller as part of the quote and sourcing process. Changes to the raw material adjustment methodology will not be permitted after contract execution. Raw material adjustments, if granted, will be reflected in purchase order changes as established during the sourcing process.

**Payment**

Payment terms are net 90 days after receipt of Seller’s invoice and documentation sufficient to support all invoiced charges, including, but not limited to, raw material prices, and substantiation of any surcharges.

All invoices are subject to audit.

**Shipment and Delivery**

The following conditions must be met:

* All parts must be received free of foreign material or surface conditions that could be detrimental to assembly or performance of Means’ final assemblies.
* All parts must be clean and free of all contaminants.
* Seller must comply with all Means’ customer’s cleanliness specifications.
* Seller must provide lot traceability in a manner acceptable to Means.
* All parts must be treated with dry-to-touch rust inhibitor necessary to achieve 90-days’, rust-free shelf life.
* Seller must meet all prints conditions.

Seller will be charged $500/day for failure to communicate non-shipment or short shipment prior to the shipment.

Seller is required to support Electronic Data Interchange (EDI) and bar code requirements for scheduling and commercial invoicing.

Means will not pay or reimburse Seller for expedited freight costs due to Seller’s deviations from Material Release Planning Schedules.

**Material Authorizations**

Means’ Material Release Planning Schedules twelve-week releases reflect the following default authorization levels and commitments:

* First two (2) weeks are *finished* goods authorization.
* Next six (6) weeks are *raw material* authorization levels.
* Final four (4) weeks are to be used as a forecasting aid only.

Means is not responsible for commitments outside of the times frames committed to above.

**Tooling**

Means will reimburse Seller for tooling if and to the same proportionate extent that Means is reimbursed by its customer. Tooling costs in excess of customer reimbursable amounts will not be reimbursed and are the responsibility of Seller. Seller is responsible for maintaining adequate tooling to protect delivery schedules at all times.

All program specific tooling is the property of Means or Means’ customer. Seller is required to protect such tooling and to provide proper tool maintenance while tooling is in its possession. If requested by Means or Means’ Customer, Seller must provide all tooling drawings and tooling. Seller hereby grants Means or Means’ Customer an irrevocable, exclusive, paid-up, royalty-free, perpetual license to all program specific tooling and drawings whether protected by copyright, patent, or trade secrets.

Tooling payment will be made to Seller when all of the following preconditions have been met:

* Seller receives Production Part Approval Process (PPAP) approval from Means;
* Means has received tooling documentation from Seller in a form acceptable to Means’ customer;
* Tool identification according to Means’ customer requirements is complete and documented, along with any other documentation required by Means or Means’ customer to substantiate tooling costs and quality; and
* Seller has submitted to Means a copy of approved Production Sample Warrant with tooling invoice.

Means will not reimburse or pay for capital equipment unless agreed to by Means’ customer.

Means’ product engineering will approve tooling concept design prior to issuance of “ok-to-tool” drawings.

Supplier shall retain responsibility for tooling design issues.

**Quality**

Seller must comply with all terms of the Supplier Quality Manual, as same may be amended from time to time.

Seller may be subject to a full process audit at any time.

Once PPAP has been achieved, all prices will be at production levels.

Seller is encouraged to submit alternative methods of processing, product design modification, or other recommendations that will enhance manufacturability, improve quality, reduce scrap, improve efficiencies, reduce piece price, or improve product properties of the components.