METHODE ELECTRONICS, INC.

Global Supplier Performance Management Manual

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Global Supplier Performance Management Manual

1.0 Introduction

This Supplier Performance Management Manual applies to all Direct Material Suppliers who do business with Methode Electronics, Inc. and its fully and partially owned subsidiaries including, but not limited to, “Data Mate, “Power Solutions Group (PSG),” Grakon,” “Hamsar,” “BMAC,” “Pacific Insight,” “Procoplast,” “Hetronic,” “Touchsensor,” and “Dabir” (collectively, “Methode”). Where a section is only applicable to Automotive production, or by all, it will be noted.

The success of Methode is based on supplying high quality products at a competitive price to our customers. Our suppliers are a key element in achieving and maintaining this high standard of performance and are an important part of Methode. Methode strives to develop and maintain positive working relationships with all our suppliers.

This document establishes Methode’s expectations of our suppliers. As a supplier to Methode, you agree to conform to the quality guidelines in this document.

Exceptions to these guidelines are not binding on Methode unless they are agreed to in a writing signed by an authorized employee of Methode.

This Manual and Methode’s General Terms and Conditions of Purchase are available on the Methode website at http://supplier.methode.com . In this document, “you” or “your” relates to the supplier and “we” or “us” relates to Methode. You are responsible to check the website periodically for updates. Failure to object to an update within 30 days after an update has been posted to the website will constitute acceptance by supplier.

2.0 Quality Systems Requirements (All Suppliers)

2.1 For Suppliers of Automotive parts and services:

2.1.1 All Suppliers of products and services provided to Methode that affect customer requirements must develop, implement, and improve a quality management system at minimum ISO 9001certification with the objective of reaching IATF 16949 certification. For Automotive manufacture if the supplier is not certified to the minimum requirements, Methode will place the supplier on “No New Business” status and will replace the Supplier with a certified supplier that meets Methode’s requirements.

2.1.2 For suppliers, supplying parts or services related to other specialized industries, the expectation is to obtain certification or develop a QMS in compliance with their manufacturing specialty (e.g. ISO 13485 Medical; AS 9100 Aerospace).

2.1.3 Supplier's quality manuals and overall quality systems must conform to ISO 9001/IATF 16949 standards (Automotive) or the applicable standard for the other specialized industries (ISO 13485 Medical, AS 9100 Aerospace). Methode reserves the right to require more specific component requirements from its suppliers.

2.2 For Suppliers of Direct Material to Methode:

2.2.1 "Direct Material" is defined as: material and supplies that are consumed during the manufacture product, and which are directly identified with that product and stay with the material when received by the customer.

2.2.2 In addition to these requirements, it will be necessary for suppliers supplying Methode for Government/Defense contracts to be ITAR qualified.

2.2.3 Suppliers shall develop, implement, and maintain methods and processes appropriate to their products to minimize the risk of introducing counterfeit parts and materials into products deliverable to Methode. A method or process is considered effective when it (i) can detect counterfeit parts and materials, (ii) provide timely notification to recipients of counterfeit product(s) when warranted, and (iii) exclude counterfeit product(s) from the delivered product.

See the Addendums at the back of this manual for regional specific requirements.

3.0 Quality Performance (All Suppliers)

You must provide parts, materials and services that meet all applicable specifications and result in zero claims. Methode will rate its suppliers on PPM, number and severity of rejections, and on-time delivery. Your quality performance will be taken into consideration when we make sourcing decisions.

4.0 Gifts, Meals, and Entertainment (All Suppliers)

Methode prides itself on building mutually beneficial relationships with its suppliers. While we appreciate our supplier's generosity, corporate policy requires that gifts, meals, and entertainment be reasonable in value, compliant with laws, and not give rise to a conflict of interest or appearance of bad faith.

Please note that all Methode employees are strictly prohibited from giving or receiving gifts of cash or cash or convertible cash equivalents (e.g. gift cards or gift certificates). Offering, giving, soliciting or receiving any form of bribe or kickback is also strictly prohibited. Any offering, giving, soliciting or receiving of improper gifts, meals, or entertainment must be reported to Methode Compliance. The Methode

Compliance Helpline is available 24 hours a day, 7 days a week, in multiple languages: www.convercent.com/report.

5.0 Advanced Product Quality Planning
(Automotive Supplier Only)

You will utilize the planning procedures and techniques provided in the most current *AIAG Advanced Product Quality Planning and Control Plan* reference manual. You may be asked to supply data at regular intervals prior to PPAP in order to conform to Methode's APQP Gate Process.

6.0 Methode Access to Supplier Facility **(All Suppliers)**

Upon 24 hours' notice, you must allow us and our customers to have an on-site review of all materials, processes, tools and equipment, quality systems, and any work in process. This review may include a review of the materials, processes, tools, equipment, quality systems and work in process of sub-suppliers and sub-contractors if specified in the notice.

7.0 Production Part Approval Process/Homologation Process
(Automotive Supplier only)

7.1 Direct Material

For all Direct Material supplied to any Methode facility Supplier must provide the following before the products are delivered:

1. Manufacturing Location Declaration (signed by the supplier)
2. Material test data and Certificate of Analysis.
3. Copies of key control documents as specified by Methode risk assessment documents, control plan, instructions etc.).

7.2 *AIAG PPAP Manual*

You will conform to all requirements defined in the *AIAG PPAP Manual, Latest Revision*, in addition to Methode's specific requirements. All PPAP's must be submitted electronically and utilize the Methode's PPAP checklist.

Prior to Production Launch, at a minimum any parts shipped to a Methode facility must have the following:

4. Warrant
5. Dimensional layout
6. Material test data and Material Certifications
7. Evidence of special consideration of any pass-through characteristics.

The PPAP level required will be determined by Methode's Supplier Performance Management and Purchasing. Level 3 is the default level unless specified otherwise in writing by Methode's Supplier Performance Management.

As a supplier of product and/or service that effects customer requirements, you will ensure that all of your sub-suppliers meet all requirements of the latest revision of the AIAG PPAP Manual. Methode reserves the right to request inclusion of the sub supplier's PPAP within the supplier's PPAP submission.

Change control for all Methode Subsidiaries

Any modifications after PPAP/Homologation to part, material, process or facility must be communicated in writing, notification is to be made 12 months in advance, but no less than 180 days prior to the intended start of the part/product change or facility location change, using the Methode Supplier Product Process Change form G-MB 35e located at https://supplier.methode.com/ and must be approved by Methode Strategic Sourcing and Operational Procurement as well as Methode Supplier Performance Management prior to commencement of activity. The activity must include resubmission of PPAP/Homologation documents.

Product with Embedded Software

If you provide product with embedded software, you must have a process for software quality assurance. You must demonstrate software capability self-assessment through the development of your FMEA and for all risks and failure modes identified. Your process control plans must demonstrate the proper quality controls to mitigate failures.

Bulk Material

Requirements for bulk material PPAPs/Homologations are as follows:

1. Bulk Materials include, but are not limited to the following:
    a. Adhesives and sealants – solders, elastomers
    b. Chemicals – resins, polishes, additives, treatments, colors
    c. Coating – topcoats, undercoats, primers, phosphates
    d. Film and film laminates
    e. Ferrous and non-ferrous metals – bulk steel, aluminum, copper, coils, ingots
    f. Monomers, pre-polymers and polymers – rubber, plastic, resin

2. PPAP/Homologation submission and approval is required for:
    a. Bulk material processing technologies that are new to suppliers and that have not been previously used for this application
    b. Suppliers that are selling a new product or a product for use in a new application

c. Any change that would reasonably be expected to have an effect on the part and material formulation

3. Requirements: PPAP/Homologation will be expected as outlined above the Bulk Materials Requirements Checklist must be utilized.

4. In addition to the above PPAP requirements, Methode requires its suppliers to provide the following data with every shipment:
   a. Material certifications tested per required specifications
   b. Color plaques or numeric color values, if applicable
   c. On-going SPC data, if specified

8.0 Revalidation and Certification *(Automotive Supplier Only)*

Annual Revalidation

Methode requires you to revalidate supplied parts and material annually.

Revalidation will consist of the following:

a. Dimensional layout (all characteristics on the current print)
b. Performance testing
c. Measurement system analysis
d. Update of any Methode specific requirements

The supplier will retain records of the annual revalidation, which will be made available to Methode within 24 hours upon request.

Material Certification

The supplier will provide evidence of material certification (conformance to specification) with each lot/batch or shipment to the receiving Methode facility. In some cases, the supplier may be asked to participate in “pre-certification” approval processes prior to actual shipment.

Material certifications that include a date of manufacture, expiration or use by date must have that same date of manufacture, expiration or use by date marked on the label of the material packaging. Material shipped to a Methode facility shall have no less than 75 percent of its useable shelf life remaining.

9.0 Statistical Process Control **(Automotive Supplier Only)**

If requested, the supplier will provide evidence of control and on-going capability as required for submittal at PPAP revalidation. SPC monitoring is required where applicable for prototype, preproduction trial runs, PPAP and continuous

improvement monitoring. Minimum capability values are Ppk/Cpk of 1.67 for the pre-production trial runs and Ppk/Cpk 1.33 for PPAP.

Evidence of control and on-going capability may be required for submittal on a regular basis.

10.0 Nonconforming Product (All Suppliers)

In the event that you supply product that Methode believes is nonconforming (for Automotive suppliers all products shipped past an interim date or without full PPAP approval are considered nonconforming), you will be responsible for the nonconforming product and subject to the following actions:

1. We can return the entire lot of product, or any portion thereof, to you at your sole cost. You will refund us for all product expense or replace it with conforming product free of charge at Methode's sole option. (This is only applicable if there is adequate stock to maintain production until certified product is available.)
2. At our request, you will sort the product at our facility within the timeframe specified by us to identify conforming product that we can consume to maintain production.
3. In the event you are unable or unwilling to sort product within twenty-four hours (unless specified otherwise), we will have the option to:
    i. Sort the product for a specified hourly rate. (See regional addendum for sort costs), or
    ii. Have the product sorted by an impartial third party approved by us. You will pay all of the third party sorting company fees.
    iii. Charge an administrative/manpower fee (a one-time fee applied to either of the above charges, see regional addendum for administrative fees).

In the event that the nonconforming product is found at a Methode's customer location, you will be responsible for any sorting costs in addition to any charge-backs incurred by Methode, our subsidiaries from its customer. In addition, we reserve the right to debit any warranty charges where applicable, incurred for defects caused by your nonconforming product. These charges may include, but are not limited to, transportation costs for return materials, evaluation costs incurred by Methode personnel, dealer markup, and any punitive costs incurred from Methode's customer. You will also be expected to support customer-designated meetings to resolve warranty issues related to your product.

The remedies listed in this document for nonconforming product are not meant to be non-exclusive and, in addition to those remedies or actions set forth in this

document, Methode shall have the right to seek all other remedies, either in law or by contract, available to it to address nonconforming product.

10.1 Containment and Corrective Action

You will take all necessary actions to contain and correct the nonconformity both in-house and at the Methode location. This may include, at a minimum, sorting and/or rework. Supplier is responsible for shipping costs for returned material and the cost of replacement of material. For suppliers to Methode, all products shipped past an interim date or without full PPAP approval are considered nonconforming.

10.2 Controlled Shipping

The standard guidelines for implementation of controlled shipping take into consideration one or more of the following:

- Inadequate containment and/or resolution of nonconformance via corrective actions.
- Untimely responsiveness for a nonconformance via corrective actions.
- Repeat corrective action requests from one or multiple Methode plants.
- Incapable processes.
- Methode customer quality rejection due to a supplier component.

Two levels of controlled shipping exist:

a. Level 1 controlled shipping is defined as an additional 100% inspection process after final inspection in a separate inspection area. Your employees at your location will complete the sort in order to make sure Methode does not receive nonconforming parts/material. You must communicate the containment results daily to us.

b. Level 2 controlled shipping is the same activity but the “person(s) performing the sort” must be employees of an impartial third party. We must approve the sort company that you select. You will pay all of the third-party sorting company fees. The Level 2 containment may take place anywhere throughout the supply chain as designated by Methode. Level 2 containment is in addition to the Level 1 requirements already put in place. Notification to supplier’s quality registrar will take place with request for re-audit of supplier’s systems. You must communicate the containment results daily to us.

We will notify you in writing of the controlled shipping level exit criteria.

If you are placed on a customer special status (e.g., GM CSII, Ford Q-1 revocation) for quality / delivery spills with product that is shipped to customers other than Methode, you are required to still notify Methode Supplier Performance Management of the customer special status.

See the Addendums at the back of this manual for regional specific requirements.

11.0 Supplier Corrective Action Requests (All Suppliers)

Methode suppliers are required to respond via email to all Supplier Corrective Action Requests

This report will be forwarded with supporting documentation to the requestor within 5 working days of the occurrence or as specified by Methode Supplier Performance Management. Initial response for containment must be within 24 hours.

If we do not find the report acceptable, you will address all issues identified by the requestor and resubmit by the original deadline provided. Lack of proper response will affect your quality rating and sourcing of new business with us.

Upon successful implementation of irreversible corrective action (which will be supported by data), Methode will summarize and provide details of all costs associated with the rejection with the expectation that the supplier issue a credit note or other instrument (which must be agreed to by MEI) within 72 hours. Failure to do so will result in Methode setting aside the damages from invoices scheduled for future payment. Once cost recovery is confirmed, then and only then will the supplier corrective action be considered closed.

12.0 Delivery (All Suppliers)

12.1 Releases

We will communicate quantity and delivery requirements to suppliers using procurement releases or Supplier Relationship Management (SRM). Releases will only be issued under Blanket Purchase Orders (BPOs) unless exceptionally provisioned by Methode Procurement and Materials Management teams. Supplier will deliver to Methode's premises or carrier (depending on PO Incoterms and location) to ensure on-time arrival at Methode's production.

In the event of a change in release, you will request and receive a copy of the updated release from the appropriate Methode facility. Failure to comply may result in a negative impact to delivery performance.

12.2 Quantities

You will ship purchased components and services to the exact quantity per the release. Bulk material quantities will be within 5% of the requirement indicated per the release (provided the variance will not disrupt buyer operations and buyer shall not be responsible to pay for more than the actual quantity received).

You must immediately contact the receiving Methode plant in the event that a required quantity cannot be met. Supplier will advise an expedited recovery plan, for review by Methode Material Planner, who will advise if the recovery plan is acceptable or whether an improved recovery plan is required.

12.3 On-Time Delivery

The expectation for delivery is 100% on-time and in full quantity.

12.4 Advance Shipping Notice

If required by Methode the supplier will forward an Advance Shipping Notice (ASN) to the receiving Methode facility - this may be in the form of an EDI transmission, emailed copy (excel/pdf) or through a designated supplier portal. In all cases, an ASN MUST be issued immediately at time of dispatch.

12.5 Excess Freight Charges

If we incur excess freight charges due to the fault of the supplier, the supplier will be responsible for excess charges associated.

You are responsible for the freight when multiple shipments are required due to your inability to meet our production schedule.

12.6 Hazardous Material

The supplier will annually provide a Material Safety Data Sheet (MSDS) to the Methode facility receiving any Hazardous Material or parts/components containing Hazardous Materials. All material classified as hazardous by local, state or central government regulations will be identified, documented, handled, packaged, and shipped as required by applicable laws, rules and regulations.

12.7 Packaging and Labeling

All Parts and materials shall be properly packaged, labeled, and marked at your expense in accordance with Methode requirements.

Unless Methode specifies otherwise, such requirements shall be in accordance with good industry practices and in such a manner that will not only protect the parts and materials against hazards of shipment, storage, and exposure, but will permit the securing of the lowest transportation rates.

You will obtain packaging and labeling requirements and approvals from the receiving Methode facility. These requirements shall be included in the PPAP/Homologation package using for G-MW 133a located at http://supplier.methode.com/ where applicable and include photos as examples documented prior to PPAP/Homologation approval. You are responsible for making

sure that all shipments of Hazardous Materials or parts/components containing Hazardous Materials comply with all Local, State, Federal and Regional Government Hazardous Material laws, rules and regulations.

Each packing slip, bill of lading, shipping notice and invoice shall bear Methode's applicable part number, Release number, Purchase Order number, date of shipment, quantity shipped, address of Methode facility, forwarding information and any other information requested by Methode.

Any deviation from Methode shipping and billing instructions shall be at your risk.

12.8 Import Requirements

See the Addendums at the back of this manual for regional specific requirements.

12.9 Contingency Planning

You will conduct a risk assessment of your operations that support Methode production facilities, quality requirements, and delivery schedules. Each assessment should consider, at a minimum, the impact arising from:

-Natural disasters
-Utility disruptions
-Geo-political hazards
-Supply chain disruptions
-Facility or system issues
-Information loss – including data breech
-Fire
-Intellectual property claims
-Personnel concerns
-Equipment problems

You will prepare contingency plans to ensure continued operations at Methode. In case of a risk to Methode you must communicate your action plan within 24 hours to us. You will provide the contingency plans to Methode when requested.

13.0 Material Identification and Traceability (All Suppliers)

You must be able to identify a specific lot or batch through all states of production, packaging and delivery. This must include any out-sourced operation(s). Injection molded product must have cavity identification.

You must also record the raw material/component lot/batch number assigned by the sub-supplier that is used to produce each specific lot/batch of final product.

The specific lot/batch number will be recorded on all documentation pertaining to the delivered product. This documentation will include, at a minimum:

-Raw material lot number
-Production log
-Control charts
-Job set-up sheet
-Inspection/testing methods
-Traveler tags

14.0 Purchased Products and Services (Sub-suppliers) (All Suppliers)

All applicable statutory and regulatory requirements including special product and process characteristics must be cascaded down your supply chain to the point of manufacture or provision of services.

The use of customer designated subcontractors does not relieve the supplier of the responsibility of ensuring the quality of subcontracted parts, materials and services. This may include:

-Product Containment Levels 1 and 2
-Designation of Registration Requirements
-Increased inspection methods

15.0 Tooling and Gauges (All Suppliers)

You shall maintain all tooling and gauges provided or owned by Methode and our customers, in good condition so that the manufacture of the parts are not interrupted. Tooling and Equipment maintenance records must be maintained and be available upon request from Methode. You shall maintain and calibrate all gauges provided or owned by Methode and our customers.

You shall properly house, care for, repair or, if necessary, replace all Vendor Tooling and shall bear the risk of loss or damage thereto including normal wear and tear at your expense for the life of the program. The Vendor Tooling is lent by Methode to the supplier.

You shall only use the Vendor Tooling for manufacturing parts for Methode. You shall, immediately upon Methode's request, deliver the Vendor Tooling to Methode or its nominee in accordance with Methode's instructions. You shall not modify, lease, transfer or dispose of any Vendor Tooling unless Supplier obtains Methode's prior written consent. Suppliers are not allowed to relocate tools or subcontract Methode's business after award without a prior written approval from our Purchasing department.

You shall use best efforts to produce the Vendor Tooling at the lowest possible cost consistent with Methode's production part quality requirements. Methode reserves the right to audit Vendor Tooling costs.

Detailed tooling and equipment drawings, including processing parameters and list of perishable tooling, must be provided for all Methode funded investments.

In order to receive tooling payment from Methode, the following documentation must be provided on or before submitting your invoice:

1. Methode's purchase order
2. Detail tooling drawings / pictures

3. Approved sample submission paperwork, complete with our full approval signature.

The following statement must appear on your invoice: "The tools included in this invoice have been stamped or stenciled with a tool number and our part number & are clearly labeled; "Property of Methode Electronics, Inc."

Production tooling must permanently be identified and readily visible with ownership information as indicated on the purchase order. All PPAP's must include digital photos as evidence of the above requirements.

All Tools considered "Production Tools" are required to meet the quoted run rate at 100% efficiency. The right, title and interest to all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, gages, specifications, spare parts, trial parts, ancillary products, or items owned by Methode (or by its customer) and other items furnished by Methode (or by its customer) ("Bailed Tools") to supplier for use in manufacturing the goods, or for which supplier is reimbursed by Methode (or its customer), shall be and remain the property of Methode (or its customer). In the event that Methode issues a Tooling Purchase Order, all right, title, and interest in and to any part of the Tooling, including any and all supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, designs, drawings, specifications, spare parts, trial parts and ancillary products, shall pass to Methode as soon as it is acquired or fabricated in accordance with a Tooling Purchase Order or other written documentation issued by Methode ("Methode Electronics, Inc.-owned Tooling", together with Bailed Tools are collectively referred to herein as "Tools"). During the term of a Purchase Order, all Tools in the possession of supplier shall be deemed to be bailed property and shall not be deemed to be a fixture or a part of supplier's real property. Supplier shall bear the risk of loss of and damage to Methode property, including but not limited to any Tools.

16.0 Service Parts (Automotive Supplier Only)

Unless otherwise agreed in writing between the Parties, Supplier agrees to continue to supply service and replacement parts, as required by Methode ("Service Parts"), as provided in the applicable terms and conditions.

17.0 Corporate Social Responsibility (All Suppliers)

As a supplier to Methode you must operate consistent with Methode's Supplier Code of Conduct https://supplier.methode.com/ . You must comply with all national and local laws applicable to your work for Methode. This includes but is not limited to:

a. Labor laws – the use of child labor or forced involuntary work is prohibited for any supplier producing product for Methode.
b. Fair wage and work practice – suppliers' compensation, overtime practices, benefits, work schedules and approach to collective bargaining will comply with all applicable laws. Suppliers will allow freedom of movement and freedom of association, including the right to join unions and bargain collectively.
c. Discrimination – Supplier will not engage in any form of discrimination for any reason (race, gender, color, religion, military affiliation, national origin, sexual orientation, etc.). The supplier should foster an environment that allows easy flow of communication from the work force to management without fear of reprisal or retaliation.
d. Environmental Responsibility – Supplier will comply with all applicable environmental laws and regulations and will provide information requested by Methode to respond to reporting regulations and requirements. Suppliers will implement measures to reduce direct and indirect greenhouse gas emissions, minimize waste generation, and ensure responsible handling of resources and waste disposal.
e. Suppliers will maintain safe and healthy work environments that support accident prevention and minimize exposure to risks. Violence and threatening behavior will not be tolerated. Compliance is required with all applicable workplace safety regulation including but not limited to, proper protective equipment, training and equipment safeguards.
f. Conflict Minerals, Fair Trade, and Social Responsibility – Supplier will comply with all reasonable requests or requirements related to Methode or its customers ongoing compliance with the SEC Conflict Mineral Rules and other efforts to end illicit trade, human trafficking, forced labor, or any other abuses or acts against humanity.
g. Anti-Corruption and Trade Obligations – Supplier will not offer, pay or accept bribes, kickbacks or other improper payments in connection with Methode business. Supplier will comply will all applicable laws including those related to anti-bribery/anti-corruption, anti-money laundering, sanctions and export restrictions. Any subcontracting to third parties of Methode work will be subject to Methode's consent and applicable procurement processes.

If you believe a violation of Methode policy or applicable law may have occurred in connection with work for Methode, report the situation to Methode Procurement,

Compliance or the Methode Compliance Helpline (available 24 hours a day, 7 days a week, in multiple languages: www.convercent.com/report).

If you are found to be in violation of any applicable law, Methode reserves the right to take swift and immediate action to remove current business from you. You will also lose the ability to compete and secure future business awards.

The intent of Methode is to partner with only those suppliers that not only demonstrate the desired combination of quality, commercial competitiveness and innovation, but more importantly those suppliers that do so while maintaining strict adherence to all applicable laws, fostering a positive, safe, and ethical work environment.

17.1 Product Safety Compliance Representative (PSCR) Requirements (Automotive Supplier Only)

You must select a Product Safety Compliance Representative. The duties and responsibilities of the PSCR are as follows:

- Have knowledge of the product manufactured: its mode of operation, a detailed understanding of the onsite production process, and its intended purpose for customers.
- Assist to define, develop and set priorities for the elimination and/or prevention of defects related to product safety during the product development phase (fault prevention).
- Assure that Process FMEA’s are developed for safety related issues.
- Assure the launch of new products are part of “lessons learned” in order to prevent safety-related faults from occurring during the production, assembly and testing processes.
- Formulating “lessons learned” check lists for the qualified inspection of designs and processes with regard to product safety.
- Independently implementing and/or arranging regular production and product checks of current production in order to validate the product’s safety for the use (including foreseeable misuse).
- Introduction and subsequent monitoring of (immediate) measures in case of relevant deviations.
- Verifying the rapid implementation and sustainable effectiveness of planned corrective measures in the event of a complaint.
- Ability to suspend components for the current production, e.g. in case of safety related complaints.

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Regional Specific Addendums

In addition to the requirements outlined in the previous sections of the Methode **Supplier Performance Management Manual, each Region (North America, Europe, EMEA, Asia etc.) may have additional or specific requirements. The following addendums outline those requirements. These are in addition to the requirements listed above, not in lieu of.** When supplying Methode Plants in multiple regions, the shipment and expectations are governed by the Supplier Performance Management Manual and the applicable addendum for that region.

Addendum "A" North America Specific Requirements

2.0 Quality Systems Requirements

Suppliers providing Methode with heat treated, plated or coated product / material shall meet the requirements of the AIAG CQI- 9, 11,12,15 Heat Treat, Plating, Coating and Welding System Assessments. Records of these assessments including any corrective actions required for compliance shall be maintained and made available upon request by Methode.

10.0 Nonconforming Product

In the event any of the Methode North American Plants have to sort product due to the supplier's inability or unwillingness to do so, a rate of $150 per person, per hour will apply.

Administrative/Manpower fees shall be a one-time charge per incident of $500.

Return material authorization and any credit note associated should be issued in 24 hours of the agreement to return/scrap the material. If the supplier fails to do so, a follow up reminder will be sent, and an additional 24 hours will be given to provide the documentation. If the supplier fails to respond on the follow up request the amount of the RMA will be withheld from the next invoice to be paid, the supplier will receive this detail in writing from MEI.

12.0 Delivery

12.8 Import Requirements

All suppliers must be in compliance with US Customs regulations and the import and export laws and regulations of the United States and those of any other jurisdiction or country as may be applicable. Requirements include completion of annual USMCA (or other applicable free trade agreement) Certificate of Origin for all parts supplied, C-TPAT (Customs-Trade Partnership Against Terrorism) questionnaire, TSCA (Toxic Substance Control Act) certification and any other applicable laws or regulations.

The United States government requires that Methode and our suppliers utilize packing/packaging/crating/pallets that have been certified as having been constructed from wood that has been treated/fumigated. The packing/packaging/crating/pallets need to bear a seal, showing certification. The US requirement affects all inbound shipments into the United States. For more information visit the following web site http://www.aphis.usda.gov/ppq/wpm/.

Addendum "B" Europe Specific Requirements

2.0 Quality Systems Requirements

Suppliers providing Methode with heat treated, plated or coated product / material shall meet the requirements of the AIAG CQI- 9, 11,12,15 Heat Treat, Plating, Coating and Welding System Assessments. Records of these assessments including any corrective actions required for compliance shall be maintained and made available upon request by Methode.

Only for suppliers of components and materials for VW Group:

- The minimum certification requirement is IATF16949
- Supplier must send to Methode an annual self-assessment according to VDA 6.3

10.0 Nonconforming Product

In the event any of the Methode Europe Plants have to sort product due to the supplier's inability or unwillingness to do so, a rate of 130 euros per person, per hour will apply.

Administrative/Manpower fees shall be a one-time charge per incident of 450 euros.

12.0 Delivery

12.6 Hazardous Material

REACH (Registration, Evaluation and Authorization of Chemicals)

Suppliers must comply with European Union Regulation **R**egistration **E**valuation **A**uthorization and **R**estriction of **CH**emicals (REACH) and any/all amendments. This applies to suppliers that provide substances on their own, in preparations or in articles. For information about how to comply with this requirement and you can also obtain information from the following web site: http://www.echa.europa.eu.

RoHS Compliance

Unless a written deviation is received from Methode, suppliers shall be responsible for ensuring that all Restriction of Hazardous Substances ("RoHS") requirements are met for the product/s supplied. The RoHS directive (2011/65/EU) restricts the use of certain hazardous substances, in the manufacturing of electrical and electronic equipment. Suppliers shall ensure that the presence of these substances do not

exceed the permitted concentration in non-exempt products. This directive restricts the presence of lead, mercury, cadmium, hexavalent chromium, poly-brominated biphenyls, and poly-brominated diphenyl ether, with a maximum concentration of 0.1% (except for cadmium, limited to 0.01%) by weight.

12.8 Import Requirements

All suppliers must be in compliance with EU Customs regulations and the import and export laws and regulations of the European Union and those of any other jurisdiction or country as may be applicable. This regulation (Council Regulation (EC) No 260/2009 of 26 February 2009 on the common rules for imports) aims to establish common rules for imports into the European Union (EU) based on the principle of the freedom of import and to define the procedures enabling the EU to implement, where necessary, the surveillance and safeguard measures required to protect its interests.

Addendum “C” EMEA Specific Requirements

2.0 Quality Systems Requirements

Suppliers providing Methode with heat treated, plated or coated product / material shall meet the requirements of the AIAG CQI- 9, 11,12,15 Heat Treat, Plating, Coating and Welding System Assessments. Records of these assessments including any corrective actions required for compliance shall be maintained and made available upon request by Methode.

10.0 Nonconforming Product

In the event Methode has to sort product due to the supplier’s inability or unwillingness to do so, a rate of 130 Euro per person, per hour will apply.

Administrative/Manpower fees shall be a one-time charge per incident of 450 Euro.

Addendum “D” Asia Specific Requirements

10.0 Nonconforming Product

In the event Methode has to sort product due to the supplier’s inability or unwillingness to do so, a rate of 200 RMB per person, per hour will apply.

Administrative/Manpower fees shall be a one-time charge per incident of 500 RMB.