



Supplier Manual


COOPER

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1 • Introduction

The purpose of this manual is to define the requirements for doing business with Cooper Industries Ltd. (Cooper Industries Ltd, and its affiliates shall be referred to herein as “Cooper”), and to outline processes used to ensure that our supply base is continually improving to prevent quality and delivery disruptions, provide the lowest cost, and top level service. Implementation of the processes outlined in this manual will not only reduce risk of supply chain disruptions, but will also help Cooper and its suppliers to increase our competitive industry position and ensure our continued success.

Scope

The requirements of this manual apply to all suppliers of finished goods, production materials (raw or components), as well as outside processes where applicable. Products and processes not incorporated into finished goods sold by Cooper are typically not covered by this manual. Any questions regarding the applicability of the requirements contained in this manual should be directed to your Cooper contact(s) for resolution.

Responsibility

It is the responsibility of the supplier to review, understand, and satisfy the requirements of this manual and any other applicable requirements as part of the acceptance of purchase orders from Cooper. The supplier should obtain any referenced documents to ensure full compliance with all applicable requirements.

Cooper will maintain and document changes in the general quality requirements included in this manual. Revisions to the Cooper Supplier Manual will be available on line at www.cooperindustries.com/strategicsourcing, or can be obtained through Cooper’s purchasing departments.

1.1 About Cooper

Cooper Industries is a diversified global manufacturer of electrical components. The Company has seven operating divisions with leading market share positions and world-class products and brands including: Bussmann electrical and electronic fuses; Crouse-Hinds and CEAG explosion-proof electrical equipment; Halo and Metalux lighting fixtures; and Kyle and McGraw-Edison power systems products. In addition to offering a full suite of electrical and circuit protection products, Cooper also provides distribution switchgear and transformers, energy automation solutions and other power system components for use by utilities and in industrial and commercial applications.

With its broad range of products, Cooper is uniquely positioned for several long-term growth trends, including the current global infrastructure build-out, improvements to enhance the reliability and productivity of the electric grid, the increased demand for higher energy-efficient products and the need for improved electrical safety. Additional information about the various divisions of Cooper and its products and markets can be found at www.cooperindustries.com.

1.2 Cooper’s Values & Principles

Cooper works with suppliers who deliver the best quality, value and service while exhibiting a high commitment to ethical conduct and social accountability. Cooper selects business partners who follow workplace standards and business practices that are consistent with our company’s key values & principles consisting of:

Culture and Values

- Integrity
- People & Leadership
- Accountability
- Speed & Adaptability

Key Principles

- Passion for the Customer
- Innovation as our Lifeblood
- Leveraging Technologies
- Excel at Globalization
- Continuous Improvement Mindset in Everything We Do

1.3 Strategic Sourcing Mission & Vision

Cooper follows a Strategic Sourcing process to optimize our supply chain activities by coordinating and leveraging the purchasing and procurement of commodities from a select group of preferred suppliers. Cooper Strategic Sourcing provides a cohesive inbound supply chain that maximizes the value of all products and services procured by all of our worldwide locations, providing exceptional global operating efficiencies and innovation.

Through the creation of distinct commodity groupings, we can identify and manage pertinent market trends and economic drivers that affect cost and availability. This also allows us to better manage our purchasing processes to accommodate regional sourcing, capacity management and other variables. Cooper Strategic Sourcing utilizes technology solutions to consolidate material and service spending across the company into one database. The technology helps us consolidate and leverage our buying power, as well as giving us the visibility to ensure that sourced materials and services are being procured from our preferred suppliers.

Cooper Strategic Sourcing, in conjunction with Divisional Sourcing Leaders, Regional Sourcing Centers, and other functional groups, determines and implements the progressive supply chain strategies necessary for company competitiveness and growth

1.4 Corporate Quality Policy

Employees of Cooper Industries are committed and empowered to provide products and services that exceed our internal and external customers' expectations. We work together to achieve world-class quality with a relentless drive for continuous improvement.

2 • Doing Business with Cooper

2.1 Understanding Cooper

Established in 1833, Cooper has a long history of industry-leading businesses that maintain an intense focus on innovation; leading business practices and the customer across a diverse set of end markets. Cooper has unparalleled product breadth and well-established brands recognized around the world. Cooper's future depends on continued innovation, maintaining advanced business practices and satisfying our customers in an ethical and uncompromising manner. Working with suppliers that support these objectives are a critical element of our future success.

2.2 Code of Ethics & Business Conduct

The Cooper Code of Ethics & Business Conduct is located at www.cooperindustries.com or can be obtained through your purchasing department contact.

2.3 Social Accountability

Cooper selects business partners who comply with local law and internationally acceptable fair and safe labor practices. Suppliers shall comply with all applicable federal state and Local laws, and rules and regulations of any government authority which have the effect of law.

3 • Quality System Requirements

3.1 Quality Systems

All suppliers should be compliant with an industry recognized quality standard such as ISO9001, ISO/TS16949, or other Cooper business group specified management system. Certification by an accredited third party registrar is highly recommended, and will be a factor considered in the award or continuation of business. Cooper may elect to perform an on-site compliance assessment when third party certification does not exist. Any change in a third party approval/certification status must be communicated to Cooper within five business days of the occurrence.

3.2 Quality Planning

Suppliers must follow a New Product Development (NPD) process. Suppliers to Cooper shall be able to demonstrate a robust NPD system during a qualifying on-site audit which will include the five basic phases of NPD:

- Plan and define the program specific to the product and Cooper's needs and requirements.
- Product Design and Development Verification, where applicable.
- Process Design and Development Verification.
- Product and Process Verification.
- Product Launch, Feedback, Assessment and Corrective Action.

Additional requirements and provisions specific to individual Business Units of Cooper will be provided by the Sourcing Group or Purchasing Team of each Division.

3.3 Quality Records

Suppliers must retain all quality system records for a minimum of 3 years, unless otherwise specified. This includes records of process control and traceability which are vital to any required failure analysis.

3.4 Material Traceability

As applicable, the supplier is required to establish a lot traceability system that tracks raw material lot / batch numbers to the finished product lot / batch numbers including traceability to inspection records.

4 • Supplier Selection & Approval

4.1 Supplier Selection & Approval

Cooper will select key suppliers for development who present the best opportunity for improvement and who present the greatest potential impact to the organization. Once a supplier has been selected, a cross-functional team consisting of appropriate Cooper and supplier personnel will be formed to work together and have regular follow-up meeting to ensure that certain targets are achieved.

During the selection process, Cooper requires the following:

- Supplier Profile completed (form to be provided by Cooper)
- Signed Non-Disclosure Agreement (when applicable)
- Request for Quote (Quote based on Cooper's requirements)
- On-Site Assessment (form to be provided by Cooper)
- Financial Analysis – Cooper will determine financial viability based on the information provided in the Supplier Profile. Further analysis, including the use of Dunn & Bradstreet, may be used in the financial viability decision.

The decision to select a supplier can include many cross-functional team members. Final selection is based on the results of the aforementioned processes during the selection process. Some suppliers will be accepted with conditions that must be addressed before award of business. Upon approval, suppliers will be added to the Approved Supplier List (ASL).

4.2 Sub-contractor Management

Supplier may not engage any subcontractor without the prior written authorization of Cooper. It is the responsibility of the supplier to manage the quality of all sub-contractor operations. All requirements described in this quality manual are also to be applied for sub-contractors. All documents, registers and audit reports must be kept available by the supplier and/or submitted for Cooper evaluation when required.

5 • Requirements Communication

5.1 Requests for Quote (RFQ)

All RFQ's will typically contain all necessary documents for full quotation, including:

- Engineering drawings
- Technical specifications
- PPAP submission requirements
- Physical samples when available

The supplier must contact Cooper in the event the RFQ materials are illegible, unclear, or missing key information that is necessary for quotation. Later amendments or changes to supplier's commercial proposals, due to any reason, will not be accepted.

5.2 Supplier Manual

General supplier requirements are contained within the Cooper Supplier Manual. Supplier compliance with this manual is a requirement of doing business with Cooper. Performance of suppliers in meeting these requirements will be assessed on an ongoing basis, and will be a factor in supply strategy.

5.3 Purchase Orders (POs)

Product specific requirements may also be communicated on POs. Product drawings called out on PO's may specify characteristics that affect the fit, form, and function of the product. Each PO should be followed by an acknowledgement from the supplier confirming for each part number, the price agreed, quantity and delivery date. Product configuration will be specified by the prints, in addition to the configuration specified by the part number. Acceptance of the PO is an acceptance of the standard Terms and Conditions of the PO.

5.4 Packaging & Logistics Requirements

Packaging and Logistics requirements will be called out on Cooper specific requirement as referenced in product specifications, drawings, PO's and/or supply chain agreements. Supplier must comply with such requirements, according to the production needs of each Cooper site (e.g. MOQ, batch sizes, etc.).

5.5 Revisions

Any revisions to the product requirements will be communicated through the Cooper purchasing organization, or through revision levels called out on Purchase Orders. It is the supplier's responsibility to review Purchase Orders to ensure that up-to-date revisions of product requirements are utilized by their manufacturing. In case of non-compatibility, it is the supplier's responsibility to request from Cooper an updated specification. The supplier is not allowed to deliver previous revision level parts, except by written agreement with the pertinent Cooper plant quality team.

6 • Part Qualification

6.1 Production Part Approval Process (PPAP)

Cooper utilizes the Production Part Approval Process to qualify both new purchased parts and changes to existing parts. Cooper has specific requirements for completing and submitting PPAP that are covered in [Cooper's Production Part Approval Process Manual](#). The manual is available online at www.cooperindustries.com

How and when PPAP is applied is defined by each individual Cooper Division through a risk management process. PPAP is required for direct materials; the supplier will be informed by a representative from the Cooper Division that is sourcing the part. The supplier is responsible for ensuring that the sourced product meets all requirements identified both on the part print and all other referenced documentation. This includes applicable specifications, referenced specifications, assembly related prints, industry standard requirements for testing and performance and specific testing requirements identified by Cooper Engineering, Purchasing or Quality.

PPAP must be submitted on time prior to the PPAP due date that is assigned by the Cooper division. Cooper will not pay for material or shipping related costs associated with production product that is not PPAP approved in cases where PPAP is required. All product is considered unapproved until the PPAP submission is formally approved by the Cooper division sourcing the product.

Cooper has training material that is available to all suppliers as well as a [PPAP Forms Kit](#) containing many of the document formats required for PPAP submission. Cooper's PPAP resource material is located at www.cooperindustries.com

6.2 First Article Inspection (FAI)

Cooper requires First Article Inspection on many of our new parts and even changes to existing parts. First Article Inspection (FAI) is typically a dimensional or performance related inspection performed by Cooper on a production ready part to verify compliance with our specifications prior to mass production trials and orders. FAI is typically required on new design project parts and quite often on significant changes that can affect form, fit, function or performance that occur on existing production parts.

6.3 Material Compliance

Cooper requires suppliers to understand and verify the composition of their raw materials. At any time Cooper reserves the right to request raw material confirmation on any supplier purchased product. The supplier should be able to provide a Certificate of Analysis (CoA) report when required. Particularly with metal, cast or plastic parts, Cooper may ask for a material composition report to verify that the raw material contained within the purchased product meets known or specific industry standards.

If you are making a permanent change to any raw material or sub supplier providing your company with raw material you are required to submit a [Supplier Change Request](#) (SCR) to Cooper and receive approval prior to making the change.

If your company does not have in-house capability to test your materials you must secure an accredited external third party source that has the capability of material compliance analysis for your specific raw materials. All suppliers must have the ability to provide evidence of both material compliance and, when external testing is performed, third party accreditation if requested by any of Cooper's manufacturing facilities, engineering or quality representatives. In addition, Cooper can require ongoing material certification be provided on a routine basis for any purchased product at the supplier's expense during the life of the product.

Important: It is critical that you reference the Cooper Specification for material outlined in Cooper's Engineering documentation such as the part print or associated specifications. "Equivalent Specifications" for materials are not to be used for performing material analysis such as chemical composition. *For example:* If an ASTM specification is referenced on the print, then your material analysis results should be compared to the ASTM specification when judging conformance and not an "equivalent" material specification.

6.4 Hazardous Substances Requirements

Cooper markets and sells product all over the world and many of our products must comply with various directives and legislation related to controlling, reducing or eliminating hazardous substances. Many of the latest initiatives originate from various European directives and apply to product sold in various European countries. However, due to the ever expanding global marketplace, most of these standards are being applied to US sold products in addition to product sold in Europe. Various industries such as automotive, medical and electrical have specific requirements that relate directly to these standards. Some of the most common referred to directives include:

REACH: An acronym for an EU Regulation entitled Registration, Evaluation and Authorization of Chemicals. REACH came into force in 2007 and replaced a patchwork of preexisting legislation. REACH aims to: (i) ensure a high level of protection for human health and the environment; (ii) make the people who place chemicals on the EU market responsible for understanding and managing the risks associated with their use; and (iii) promote the use of alternative, i.e. greener/safer chemicals. REACH applies to substances manufactured or imported into Europe in quantities of 1 ton per year or more.

WEEE: An acronym for EU legislation restricting the use of hazardous substances in electrical and electric equipment (Directive 2002/95/EC) and promoting the collection and recycling of such equipment. (Directive 2002/96/EC) has been in force since February 2003. The objective is to increase the recycling and/or re-use of such products. It also requires heavy metals such as lead, mercury, cadmium, and chromium and flame retardants such as polybrominated biphenyls (PBB) or polybrominated diphenyl ethers (PBDE) to be substituted by safer alternatives.

RoHS: An acronym for a European directive that stands for the “**R**estriction **O**n the use of certain **H**azardous **S**ubstances” in electrical and electronic equipment”. Its goal is to control the use of certain hazardous substances in the production of new electrical and electronic equipment (EEE) and it is a partner directive to the WEEE legislation. The RoHS regulations apply to those businesses defined as producers that manufacture or assemble electrical or electronic equipment in the EU or import electrical or electronic equipment from outside Europe. RoHS restricts the use of mercury, lead, hexavalent chromium, cadmium and a range of flame retardants notably polybrominated biphenyls and polybrominated diphenyl ethers.

Cooper may require compliance with one or more hazardous substance initiatives. Each Division of Cooper has different requirements and compliance guidelines. Contact your Cooper Purchasing or Quality representative for additional information.

7 • Packaging & Labeling

The supplier is expected to meet the shipping, packaging, and label requirements as specified by the applicable Cooper location. Country of origin needs to be labeled on the product in accordance with Cooper procedures and the laws of the shipping, in-transit, and receiving countries.

Unless otherwise agreed upon with Cooper, suppliers should ensure that the product packaging and pallet unit are capable of passing International Safe Transit Association (ISTA) requirements. Specifically, shipping packages should be tested to the specific ISTA requirement, depending on package type and weight.

Cooper Purchase Orders define required routing information. Non-compliance will result in refusal of transportation charges back to the shipper and a chargeback penalty fee as well.

8 • Supply Chain Protection and Security

Cooper Industries is committed to securing its supply chain and expects its Suppliers to accept responsibility for factory and cargo security up to the point of delivering freight to the appointed forwarder. To that end, Cooper Industries may assess its Suppliers' supply chain security procedures and practices. Supply chain security best practices are available on the U.S. Customs and Border Protection Customs-Trade Partnership Against Terrorism website: www.cbp.gov/xp/cgov/trade/cargo_security/ctpat.

9 • Management of Change

9.1 Management of Change

Cooper requires suppliers to inform us of all supplier related changes and in many cases get prior approval from Cooper to proceed with a change. The effect of many different types of changes that occur without prior approval can adversely affect our business. **As a supplier to Cooper you are required to notify us in writing via a Supplier Change Request (see below) no less than 90 days prior to any anticipated change.** The request must be made in writing to your Cooper purchasing contact. Unapproved changes made by the supplier are subject to chargebacks on costs incurred related to the change.

Managing any change correctly is critical and each event must be done to minimize any potential adverse effect. There are a number of different “**types of change**” that require approval from Cooper. The Supplier Change Request form indicates the change types that require approval before any significant planning or expense is undertaken. Cooper typically has specific requirements for each of these change types and as a supplier you are required to submit and provide evidence that the product impacted by the change is meeting requirements as directed by your Cooper Divisional representative.

9.2 Supplier Change Request (SCR)

Cooper provides a form called the **Supplier Change Request Form (SCR)**, which must be completely filled out and sent to your purchasing representative. An SCR cannot be used for a change occurring in less time than 90 days. An SCR is only to be used for Permanent changes; it does not apply to a temporary change. Temporary changes are handled through the receiving plant's temporary deviation process.

The SCR should be filled in completely and sent to the Cooper divisional purchasing representative you work with. You should include part numbers and a timing plan to outline your organization's change preparation in addition to any quality planning that you are doing to minimize the risk. It is possible that you will be asked to submit PPAP for the change depending on the type of change you are requesting. Cooper considers some types of change, such as change in bulk or raw material (change number 9) to be significant and, therefore, will likely request a PPAP submission to ensure product conformance.

To the right is the Cooper Supplier Change Request (SCR) Form that must be submitted for approval prior to proceeding with any significant planning for your company's change. The Supplier Change Request (SCR) is located within the PPAP Toolkit which may be found at: www.cooperindustries.com

The image shows a screenshot of the Supplier Change Request (SCR) form. The form is titled "Supplier Change Request" and includes a note: "This approved form must accompany your PPAP submission". It is divided into several sections: "Supplier Information" (with fields for Supplier Name, Number, Location, Date of Request, Cooper Purchasing Contact, Supplier Contact Name, Phone, and Email), "Date of Proposed FUTURE Change", "Description of Change (Please describe in detail the nature of the change)", "CES Product?" (Yes/No), "Name of CES SDE", "Customer Information" (with tables for Customer Part Number(s) Affected and Customer Location(s) Affected (City/State)), and "Type of Change" (with a list of 12 change types and checkboxes). A reference note at the bottom states: "Reference: Section 3 Table 3.1 on Page 13 of AAG PPAP 4th edition (May 2006)".

10 • Corrective Action

10.1 Methodology – 8D

Cooper suppliers must maintain and apply an effective closed loop corrective and preventative action system, when process or product non-conformances are identified to have occurred or have the potential to occur.

When supplier non-conformances are identified within a Cooper Manufacturing Site or Business unit, a supplier corrective action request (8D) may be initiated. Determination of when a corrective action will be issued is the responsibility of the Cooper Manufacturing Site or Business Unit. Feedback from the supplier shall be within the Cooper provided 8D format.

It is expected that the supplier be responsive with regard to status and information requests. The Cooper Corrective Action Request process is as follows:

- a. Nonconformance identified by Cooper or a customer of Cooper.
- b. The Cooper receiving location will issue a request for corrective action to the supplier.
- c. Supplier will provide a containment response to Cooper within 24 hours.
- d. Supplier will provide a root cause and corrective action plan response within the timeframe described on the 8D form.
- e. Supplier will provide evidence of effectiveness of corrective actions within the timeframe described on the 8D form.

10.2 Chargeback

Non-conformances on product supplied to Cooper can have a large effect on deliveries and product performance. In the case of a nonconformance, it is the responsibility of the Supplier to insure adequate conforming parts or material is delivered in time to prevent any line stoppage situations. This can be accomplished in the following ways:

1. Expedite shipping of conforming and certified parts so they arrive before line stoppages occur; or
2. Provide sorting, repair or rework resources to the appropriate Cooper facility in a timely fashion to prevent any line shortages.
3. If 1 and/or 2 cannot be accomplished within a timely fashion to prevent line stoppage, Cooper reserves the right to sort, repair or rework the non-conforming material at Supplier's expense in order to ensure acceptable parts or material is utilized and production requirements are met. All sorting will be coordinated with the Cooper production facilities by the appropriate plant personnel.

In the event that non-conforming parts or material results in costs to Cooper (costs may include, but are not limited to, charges related to sort, rework, repair, product scrap, production downtime, customer imposed charges, warranty or recall costs, shipping, Engineering effort, etc.), Cooper reserves the right to charge the supplier costs associated with the non-conformance.

11 • Monitoring and Improvement

11.1 Supplier Scorecard / Performance Evaluation

Cooper continually monitors and ranks its suppliers using a supplier scorecard. The output of the supplier scorecard is used by the Cooper Sourcing and Quality teams to determine opportunities to grow business and to determine opportunities for supplier improvement. The Cooper supplier scorecard is comprised of 5 major elements: Quality, Delivery, Payment Terms, Lead Time, and Productivity. Scoring is based on a 100 point scale and is tallied monthly and divided into 2 distinct categories: Service and Total. The Service score consists of Quality, Delivery, Payment Terms, and Lead Time for a total possible 75 points. The Total score is the Service score plus Productivity for a total of 100 points.



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Scored Metrics

Category	Metric	Definition	Total Points								
Quality	PPM	Units Rejected / Units Received	25	Performance Criteria	<100	101-250	251-500	501-1000	1001-2000	>2000	
				Points	25	16	10	5	2	0	
Delivery	S-OTD %	Lines in full within (Stat Date+Goods Receipt)/ Total Lines Due	25	Performance Criteria	100-95%	<95-90%	<90-80%	<80-70%	<70-60%	<60%	
				Points	25	16	10	5	2	0	
Payment Terms	Actual Days or Discount %	Terms in Cooper System (Weighted Ave. by Price) OR Discount Percentage	15	Performance (Days)	>90	90-75	75-60	60-45	45-30	<30	
				Performance (Discount)	2%	<2 to 1.5%	<1.5 to 1%	<1%	<1%	<1%	
Lead Time	PIR LT (Days)	Lead Time in Cooper System-PIR (Weighted Average by Quantity Received)	10	Performance Criteria	<5	>5-10	>10-20	>20-30	>30-50	>50	
				Points	15	10	7	5	1	0	
Service Score			75								
Material Economics	MCER Metric (%)	Difference in Price (current YTD to previous year ave price) @ Current Year Quantity / Total Spend @ Current Year Quantity	25	Performance Criteria	>-5%	-5 to -3%	<-3 to -2%	<-2 to -1%	<-1 to 0%	>0%	
				Points	25	16	10	5	2	0	
Total Score (Service + MCER)			100								

11.2 Continuous Improvement

Cooper Suppliers are expected to create and maintain continuous improvement plans focused on bettering Quality, Delivery, Cost, and Service performance. Regular reviews will be scheduled to address progress and results of improvement plans. Supplier continuous improvement activity is taken into account in scorecard performance and in supply strategy, and is indicated by the Segmentation Level. The segmentation level is a value (1-4) based on the monthly and year to date values on the Scorecard. Cooper's desire is to partner with suppliers that meet the criteria of a Level 1 or 2 performers. Any supplier that consistently performs at the Level 3 or 4 will be considered for removal on the Approved Supplier List and a candidate for resourcing.

Segmentation				
Min Performance	Additional Criteria	Segmentation	Supplier Benefits	Action for Commodity Team
Level 1	Commodity Specific Technology, Specific certifications (IPC etc), Process capabilities, Consignment etc	Strategic	Recommend for new business	Involve in NPD efforts, other Supplier Integration efforts
Level 2		Preferred	Potential for additional business	Work to raise to Level 1 performance
Level 3		Maintain	No additional new business	Work to raise to Level 2 or 1 performance
Level 4		Non-Performing	None	3 consecutive months of Level 4 - Implement improvement plan, or present detailed plan to qualify alternate source

The supplier's management should take a lead role in continuous improvement by embracing the concept and by adopting continuous improvement as a key element of their business plan.

11.3 Supplier Development

Supplier development activities within the supply base allow Cooper and our suppliers to drive continuous improvement efforts. It is expected that the supplier is capable of providing an improvement plan with detailed actions to support site level score. Supplier development initiatives within a supplier should focus on the following:

Improving process control

- Improving quality systems
- Improving product quality
- Improving supplier delivery
- Reducing costs
- Improving Supply Chain effectiveness
- Reducing lead time
- Improving productivity
- Increasing capacity and Training

Cooper will select key suppliers for development who present the best opportunity for improvement and who present the greatest potential impact to the organization. Once a supplier has been selected, a cross-functional team consisting of appropriate Cooper and supplier personnel will be formed to work together and have regular follow-up meeting to ensure that certain targets are achieved. Cooper may choose to provide training to suppliers on techniques for operational and process improvement.



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SUPPLIER AGREEMENT CONFIRMATION

(Supplier Name) _____, (Vendor ID) _____ agrees to fully comply with the requirements set forth in the Cooper Industries Supplier Manual (Revision 02).

Supplier Authorized Representative _____ Date _____

Title _____

Received by:

Cooper Representative _____ Date _____

Division _____

Title _____