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SUPPLIER QUALITY MANUAL

Standard Locknut, LLC
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-Table of Contents-

1.0 Purpose.....	3
1.1 Scope.....	3
1.2 Policy.....	3
2.0 Responsibility.....	3
3.0 Procedure.....	4
3.1 Introduction.....	4
3.2 Pre-Production Requirements.....	4
3.2.1 Automotive Provisions.....	4
3.2.2 Quality Planning.....	4
3.2.3 Quality Documents.....	5
3.3 Production Requirements.....	6
3.3.1 Process Capability.....	6
3.3.2 Control of purchased materials.....	6
3.3.3 Receiving Inspection.....	6
3.3.4 In-process inspection.....	6
3.3.5 Final Inspection.....	7
3.3.6 Product Packaging/ Labeling.....	7
3.3.7 Handling of non-conforming products.....	7
3.3.8 Tool and Gage Calibration.....	7
3.3.9 Process change/ Drawing control.....	8
3.3.10 Quality issues and Corrective Actions.....	8
3.3.11 Reporting Requirements.....	9
3.4 Preventative Requirements.....	9
3.4.1 Supplier Quality Audits.....	9
3.4.2 Training Requirements.....	10
3.5 Aerospace Provisions.....	10
3.5.1 Inspection, test and verification.....	10
3.5.2 Documentation Retention.....	11
3.5.3 Identification and Traceability.....	11
3.5.4 Change Approval.....	11
3.5.5 Right of Access.....	11
3.5.6 Flow down requirements	11
3.6 Troubleshooting.....	11

1.0 Purpose

1.0.1 This manual is presented in order to assist suppliers to deliver high quality products with “**ZERO**” defects. It is important that the supplier perform the tasks necessary to achieve this objective.

1.1 Scope

1.1.1 This Supplier Quality Manual applies to all manufacturers and suppliers of materials to Standard Locknut, LLC.

1.2 Policy

QUALITY POLICY

***“We will meet or exceed customer expectations
and continually improve everything we do”***

1.2.1 This policy shall be the basis of the company’s quality assurance activities, and all activities shall be enacted based on “Our Success Depends on Quality.”

1.2.2 The suppliers are fully responsible for the quality of products they deliver. They shall maintain an effective Quality System. This system shall assure the purchased material quality, the detection of in-process discrepancies; quick and effective corrective action and the prevention of nonconforming products.

2.0 Responsibility

2.1.1 An appointed individual will be responsible to insure quality assurance. This person shall be assigned the necessary authority to ensure that the desired quality will be achieved, and the products meet or exceed Standard Locknut, LLC requirements.

2.1.2 Standard Locknut, LLC require supplier’s to have, available upon request, their organizational chart showing the names and responsibilities of all authorized personnel.

3.0 Procedure

3.1 Introduction

3.1.1 Standard Locknut, LLC Supplier Quality Manual is the primary guideline for all suppliers of parts, materials, and accessories. This manual specifies the Quality Assurance / Quality Control elements, supporting activities, general rules and procedures for suppliers.

3.1.2 This manual had been developed so that all current and potential Standard Locknut, LLC suppliers will know what is expected from a Supplier's Quality Program. These expectations are defined as Quality System Requirements and are contained in this manual.

3.1.3 In order to be qualified, your company shall review the Quality System Requirements and make sure that your current program incorporates all Standard Locknut, LLC requirements.

3.1.4 All suppliers are expect to adhere fully to all applicable statutory and regulatory requirements.

3.2 Pre-production requirements (Planning / Development)

3.2.1 Automotive parts and materials, delivered to Standard Locknut, LLC, which fall under the following categories listed below, shall be subject to the pre-production evaluation. Upon request, the supplier shall submit the pre-production documents to Standard Locknut, LLC for evaluation and approval.

3.2.1.1 Newly Produced Products

3.2.1.2 Design change products

3.2.1.3 Process change products

3.2.1.4 Parts with PPAP requirements

3.2.2 Quality Planning

3.2.2.1 The supplier shall set a target for quality, develop a quality plan, and set a schedule from development to production. "When, Who, What, and Where" must be clearly defined as needed. The supplier shall submit this plan to Standard Locknut, LLC.

3.2.3 Documents included with Quality Plan

3.2.3.1 The supplier shall prepare a quality manual. The quality manual shall include the quality systems and how the requirements for quality will be met.

3.2.3.2 The supplier shall establish a time schedule in regards to the production equipment, tools, dies, jig / fixture, molds preparation of manuals, ISR / PPAP, parts deliveries, training, etc.

3.2.3.3 Upon request, the supplier shall establish a time schedule to submit the following pre-production documents:

3.2.3.3.1 Process flow chart

3.2.3.3.2 Traceability Plan

3.2.3.3.3 FMEA (Failure mode effect analysis)

3.2.3.3.4 Control Plan

3.2.3.3.5 Inspection Methods

3.2.3.3.6 Inspection Standards

3.2.3.3.7 Preventative Maintenance

3.2.3.3.8 Process Capability

3.2.3.3.9 Drawing and E/C Sheet

3.2.3.3.10 Material Test Data

3.2.3.3.11 Dimensional Test Data

3.2.3.3.12 Sample Parts

3.3 Production requirements (Process, Inspection, Shipping and Handling etc.)

3.3.1 Process Capability

3.3.1.1 The quality of production is greatly affected by method, material, machine, and man. Efforts to minimize fluctuations shall be studied before production begins, and checks must be made to insure the results.

3.3.2 Control of Purchased Materials

3.3.2.1 The supplier is responsible for assuring continuous Quality Improvement of materials, process supplies, and parts / services that are purchased for use in the supplier's product.

3.3.3 Receiving Inspection

3.3.3.1 The supplier shall document a procedure for receiving inspection.

3.3.3.2 Purchased products shall be inspected and or tested for conformance to specifications using the frequencies outlined in the Control Plan.

3.3.3.3 Provisions shall be made for segregating purchased goods not meeting specifications.

3.3.3.4 The supplier shall maintain a record of receiving inspection results.

3.3.4 In-Process Inspection

3.3.4.1 The supplier shall have an in process inspection procedure.

3.3.4.2 Defective material products found during in process inspection shall be dispositioned as follows:

3.3.4.2.1 Product may be scrapped.

3.3.4.2.2 Product may be marked for reworked with re-inspection

3.3.4.2.3 Product may be 100% inspected

3.3.4.3 In-Process inspection records shall be made available to Standard Locknut, LLC personnel upon request.

3.3.5 Final Inspection

3.3.5.1 The supplier shall have a final inspection procedure.

3.3.5.2 Written inspection standards for verifying characteristics, frequency, detailed procedures and conditions shall be established and used as a reference for inspection

3.3.6 Product Packaging / Labeling

3.3.6.1 The supplier shall develop packaging standards. These standards must ensure that the product reaches Standard Locknut, LLC. Identified and in good condition.

3.3.6.2 Standard Locknut, LLC has the right to change or modify the packaging labeling procedure as required.

3.3.6.3 Suppliers shall be aware of all products – packaging requirements outlined in the purchasing agreement.

3.3.6.4 Suppliers shall establish and maintain procedures for unique identification of individual products (Traceability), if required by Standard Locknut, LLC.

3.3.7 Handling of Non-Conforming Products

3.3.7.1 The supplier shall have a document for identifying the status of production material and the effective control through various stages of manufacturing. This procedure shall include instructions for identifying, segregation and disposition of nonconforming products.

3.3.7.2 The supplier shall notify Standard Locknut, LLC when suspected non-conforming products have been shipped.

3.3.7.3 Suppliers shall use a documented material review procedure.

3.3.8 Tool and Gage Calibration

3.3.8.1 The supplier shall have a calibration system for all measuring and testing instruments used to accept product quality.

3.3.8.2 The supplier shall maintain calibration records that include type of instrument, identification number, calibration intervals, calibration methods, and accuracy requirements for all instruments used on Standard Locknut, LLC products. These records must be available to Standard Locknut, LLC personnel as requested.

3.3.9 Engineering / Process Change and Drawing Control

3.3.9.1 The supplier shall maintain an approved set of drawings, which define each product, made for Standard Locknut, LLC.

3.3.9.2 Suppliers shall have procedures for implementing changes to products and updating drawings whenever changes are made by Standard Locknut, LLC.

3.3.9.3 Suppliers shall submit an engineering process change request to Standard Locknut, LLC prior to modifying a part or making a major process change

3.3.10 Quality Issues and Corrective Actions

3.3.10.1 The supplier shall have a corrective action system that responds to customer complaints, product / process deviations, and major scrap / rework issues.

3.3.10.2 When any abnormalities occur at Standard Locknut, LLC the supplier will be required to sort and or repair the subject lot and or replace them. In any case the supplier's prompt action is expected.

3.3.10.3 Standard Locknut, LLC will issue a SCAR (Supplier Corrective Action Request) to the supplier when quality problems are found. The supplier shall find the root cause, set temporary and permanent countermeasures. This shall be verified and signed by authorized personnel. After documenting these items the supplier must return the report to Standard Locknut, LLC purchasing department by the due date.

3.3.10.4 The supplier shall maintain records of issued SCAR reports. These records shall be made available to Standard Locknut, LLC personnel upon request. Permanent countermeasures may be verified during an audit or as required by Standard Locknut, LLC.

3.3.11 Reporting Requirements

- 3.3.11.1 When conditions indicate the need for an improvement plan or review of supplier's data, Standard Locknut, LLC may request reports on these issues.
- 3.3.11.2 Standard Locknut, LLC will not dictate the format of the report, as long as the information requested is present in the supplier's report.
- 3.3.11.3 Most reporting programs will last for a specified time period. The supplier will be notified in writing that the report requirement has been terminated.
- 3.3.11.4 Standard Locknut, LLC. reports the results on a monthly basis for manufacturers and suppliers, evaluating quality and delivery performance. Based on these results the supplier may be requested to submit countermeasures and improvement plans.

3.4 Preventive requirement (Supplier Quality Audits & Training, etc.)

3.4.1 Standard Locknut, LLC Supplier Quality Audit

- 3.4.1.1 Standard Locknut, LLC shall conduct supplier quality audits on all suppliers not certified by an accredited body, whose products are critical to the integrity of the finished part.
- 3.4.1.2 Supplier quality audits will include process evaluation to monitor the supplier's quality assurance status and quality improvement activities. These audits shall be used to establish early countermeasures against both potential and existing problems.
 - 3.4.1.2.1 The supplier will be notified prior to an audit regarding the schedule and content of the audit
 - 3.4.1.2.2 All processes from acceptance of material, packaging, shipping, and workstations associated with assurance may be audited.
 - 3.4.1.2.3 Manuals, standards and procedures pertaining to quality assurance may be audited.

- 3.4.1.3 The supplier shall not decline an audit request by Standard Locknut, LLC unless there is a legitimate reason.
- 3.4.1.4 Standard Locknut, LLC shall notify the supplier of the audit results. The supplier shall submit the countermeasures if required.
- 3.4.1.5 Follow up audits may be scheduled to verify the countermeasures and improvement plans.

3.4.2 Training Requirements

- 3.4.2.1 The supplier shall establish and maintain documented procedures for identifying training needs. Training shall be provided to all personnel performing activities affecting quality.
- 3.4.2.2 Preferred training areas:
 - 3.4.2.2.1 Statistical Process Control
 - 3.4.2.2.2 Capability Study
 - 3.4.2.2.3 Problem Solving
 - 3.4.2.2.4 Mistake Proofing
 - 3.4.2.2.5 Advance Quality Planning (FMEA, Control Plan, etc.)
 - 3.4.2.2.6 PPAP (Production Part Approval Process)
 - 3.4.2.2.7 On the Job Training
 - 3.4.2.2.8 Other Training
- 3.4.2.3 Appropriate training records shall be maintained.

3.5 Supplier Quality Assurance Aerospace Provisions

- 3.5.1 Inspection , test and verification requirements
 - 3.5.1.1 Seller shall send material certifications for all aerospace material

3.5.2 Documentation Retention

3.5.2.1 The seller is required to maintain all documentation on file for a minimum period of seven years from date of last delivery, unless otherwise specified by the purchase order.

3.5.3 Identification and Traceability

3.5.3.1 The seller shall establish and maintain a system for identification and traceability of supplies to their source by lot, batch, heat, melt and part. Records of traceability shall be maintained by the supplier as part of objective evidence of quality control and acceptability, and such records shall be made available to Standard Locknut, LLC. see *3.3.7.4 for additional details*

3.5.4 Change Approval

3.5.4.1 Upon approval by Standard Locknut, LLC as a qualified source, the seller shall not make any changes in design, materials, or processes which may affect the acceptability of the items being delivered to Standard Locknut, LLC without prior notification and approval from Standard Locknut, LLC. For purposes of this clause, a process is defined as any procedure, system or practice used during the production of a deliverable item. (i.e. machining, de-burring, grinding, heat treating and finishing.) see *3.3.14 for additional details*.

3.5.5 Right of Access

3.5.5.1 Standard Locknut, LLC. And/or its customers and regulatory authorities reserve the right of access to all applicable areas of manufacturing, processes or documentation used to manufacturing of products on the purchase order.

3.5.6 Flow down requirements of customer

3.5.6.1 Compliance with Department of Defense FAR Supplement (DFARS) including:

- 3.5.6.1.1.1 Clause 252.225-7014
- 3.5.6.1.1.2 Clause 225.872-1
- 3.5.6.1.1.3 Clause 225.7002-3

3.6 Troubleshooting

3.6.1 If any issues arise that is are not covered in this manual, contact Standard Locknut, LLC for clarification.