

Supplier Quality Manual

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1. PURPOSE

The purpose of this manual is to communicate the specific quality requirements and expectations established by Impact CNC.

2. INTENT

Based on these basic principles:

- A. Establish quality guidelines in which all entities will be subject to as consideration of a new supplier to Impact CNC.
- B. Assure that quality measures are being recorded and improved upon.

3. SCOPE

To establish minimum criteria for suppliers to implement and maintain a quality system that allows them to produce and deliver exceptional quality products to Impact CNC. It will also provide a uniform method in which all suppliers will be communicated to in order to provide standardization.

4. CODE OF CONDUCT

Impact CNC values its suppliers who share the commitment to quality and delivery and who demonstrate a focus on integrity.

This code of conduct applies to all businesses that produce goods or provides services for Impact CNC and any of its subsidiaries or joint ventures.

5. PROHIBITED AND RESTRICTED MATERIALS

Any materials or minerals that are communicated to the supplier has been requested by a customer in order to prevent supply of these materials or minerals to any product. Any restricted material or mineral must be refrained from using during the production of partially or fully finished assemblies, components, packaging, chemicals and consumable process materials.

6. QUALITY MANAGMENT SYSTEM REQUIREMENTS

Suppliers with Impact CNC are expected to provide evidence of a successful quality program. This does not, however, guarantee quality products and processes. All current suppliers are required to have a Supplier Assessment Form completed and turned in to Impact CNC, in addition to being evaluated based on the following criteria:

Certifications:

- ISO9001:2015 will be required for all direct suppliers
- ISO/TS16949:2009 will be required based upon end user requirements

Exceptions:

Any supplier unable to provide evidence of a certification from either ISO 9001:2015 and/or ISO/TS/IATF 16949:2016 will be evaluated by the Quality Manager, Director of Quality, or COO prior to being approved as a supplier.

Note: *Any supplier who current is on the Approved Supplier List, will be “grandfathered” in with the understanding that certification will need to be provided to Impact CNC. If no certification is available, the supplier will need to have an audit conducted by a representative of Impact CNC before any product will be accepted.*

Potential suppliers may be asked to submit process/product audits to indicate capability.

All suppliers will have an audit conducted by a representative of Impact CNC even if certification exists.

7. APQP

Product awarded to any supplier will need to have a formal APQP (Advanced Product Quality Planning) completed. This APQP should include, any questions regarding specifications, requirements or issues brought to the attention of the Director of Quality. Other considerations within the scope of the APQP shall address, potential safety hazards, poka-yoke for any potential non-conforming issues based upon company history, timeline for products to be received.

8. PPAP

Impact CNC refers to AIAG PPAP Manual for PPAP requirements.

Any product in which is supplied to Impact CNC must at minimum have PPAP documentation on file at their facility. All products on first run will require the following for submission to Impact CNC for approval.

- PSW
- Ballooned Print
- 3 pieces Dimensional Layout
- Control Plan
- PFMEA (Process Failure Mode & Effects Analysis)
- Material Certification
- Initial Process Studies (Including CPK & PPK) – For Critical/Significant/Key characteristics.

9. NON-CONFORMING MATERIAL

In the event that a quality problem is experienced prior to shipment to Impact CNC, notification doesn't need to be communicated, unless the disposition was rework / repair. It is expected that the supplier maintains records of non-conforming product, able to be traced, in the event that a non-conforming product is found at Impact CNC, or at the customers of Impact CNC.

Impact CNC will hold all non-conforming supplier scrap at their facility until end of month, in which a report will be sent to the supplier with rejection information provided.

Communication may happen immediately once a defect is found. Examples of issues in which would make notification happen immediately include, but are not limited to: Senior Management request, high fallout quantities, potential late shipments to Impact CNC's customers. If an immediate notification is received, the supplier should treat this as a serious issue and respond to Impact CNC within twelve (12) hours.

If a Corrective Action is requested, the following must take place:

Immediate containment procedures shall be administered within 24 hours, to prevent Impact CNC from receiving further non-conforming product. The containment procedure should include all possible areas of potential defects, including but not limited to:

- Suppliers' manufacturing and warehouse location

- Any transportation links – including transit to Impact CNC.

- Any outside processing location (i.e. heat treat, paint)

Root Cause shall be identified within 48 hours, unless sample of defect is required. Timeliness will then begin once supplier has received defective sample.

- Short Term action is required within 5 business days.

- Long Term action plan is required within 10 business days, with implementation within 30 business days.

Any sorting or certification of product Impact CNC or at their customers will result in a charge back of sorting costs to the supplier.

10.OTHER

RECORD RETENTION:

1. The supplier shall maintain PPAP records for the life of the product plus one year.
2. The supplier shall maintain inspection, test and non-conforming records for three years minimum.

QUOTATION CRITERIA:

When submitting a quotation, the following criteria shall be addressed:

1. Clear understanding and agreement on the product specifications, requirements and applications.
2. Recommendations of any change that will prove advantageous to product quality, performance, price and delivery.
3. Notice of any exceptions to be included with quotation bid.

GENERAL:

Supplier shall notify Impact CNC of any changes within their management structure within two (2) weeks of changes taking effect. This includes ownership as well as any changes to contacts related to doing business with Impact CNC.