



Supplier Quality Manual



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E	Added to Section 2.0, 3.11	J.Birg, D. Dooley	6/27/2017
F	Added revision history page, Added Section 4.3 Product Safety, Service Conformity, Ethical Behavior Added statement of printing makes this document uncontrolled	J.Birg, D. Dooley	6/12/2018
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H	Updated Sections 1.0, 1.1, 1.2, 2.0, 2.1, 2.2, 2.3, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9, 3.11, 4.0, 4.2	J. Birg, D. Dooley, T. Brill, A. Lenzen	6/15/2022



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Section I – Supplier (same as External Provider) Expectations

1.0 Introduction

This Supplier Quality Manual (SQM) has been created to assist our suppliers in understanding the purchasing expectations and quality requirements for products and/or services supplied to Monroe Engineering. This Supplier Quality Manual will communicate the operating principles, general expectations, and procedures of Monroe Engineering. Adherence to the guidelines described in this manual is required by all Monroe Engineering suppliers. Acceptance of any and/or all purchase orders constitutes acceptance and commitment on behalf of the recipient to comply with this manual’s content. These guidelines are provided as supplement to, and do not replace or alter, any purchase agreement terms and conditions which are included as requirements of applicable drawings, specifications and other contractual documents. This manual describes the minimum requirements for which the supplier has responsibility. It is important that the supplier reviews all Monroe Terms and Conditions set forth on the website www.monroeengineering.com , Purchase Order, and Quotation response to assure all quality requirements are met.

1.1 On-Time Delivery

Monroe Engineering requires all suppliers to meet their on-time delivery requirements. To further clarify this, the supplier shall inform Monroe of any shipments that will be delivered earlier than 10 business days from the requested date. If shipments will be delayed for any reason, the supplier shall inform Monroe of the delay and the updated timing of delivery. Failure to do so could result in delayed payment and could affect future business with the supplier. Any delivery date that exceeds the expected date by more than 5 business days of the confirmed date will be considered a late shipment. The quantity shipped per order or release cannot vary from specified quantity without prior written (or Email) consent.

1.2 Transportation Costs

Unless otherwise instructed, a supplier shall ship, as directed by Monroe Engineering. Any excess transportation costs, due to the supplier not meeting the shipping instruction requirements, or expedited shipments due to quality defects, will be deducted from the purchase price.

Section II - Supplier Selection and Performance



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2.0 Supplier Evaluation and Selection

Monroe Engineering's supply base will consist of organizations supportive of our business needs. Monroe Engineering will send any new potential suppliers a Supplier Survey which is to be returned within two weeks of receipt. After receipt of the Supplier Survey form from the supplier, the Quality Team and/or the Purchasing team will review the document and determine if the supplier has the minimum standards for Monroe Engineering to evaluate and accept the supplier as a proper supplier to be used by Rochester Hills as an ongoing supplier for product consideration. The Supplier Survey results will determine which suppliers need to be monitored more closely, or can be placed into the procurement process cycle. Monroe Engineering will make our recommendations based on the review of this survey. Risk review as determined by the Quality team will determine the acceptance level of the status the Supplier is awarded for first run business and successive added business in the future.

Monroe Engineering's Approved Supplier List is based on the suppliers' abilities to consistently deliver defect free products and/or services, meet our delivery requirements, be cost competitive and be responsive to Monroe Engineering's needs.

2.1 Supplier Evaluation

Suppliers to Monroe will be evaluated on an as needed basis. Supplier performance shall be measured by the Quality and Purchasing Team on their ability to uphold the delivery dates defined in the order conformation from Monroe Engineering. It will also be measured on the supplier's ability to meet or exceed customer quality requirements the specs and tolerances of any given part defined on customer specified drawings. Any instance where a supplier does not meet either of these items. That supplier may be required to submit a corrective action report for improvement.

2.2 Supplier Corrective Action Report Criteria

All suppliers to Monroe will be subject to provide Corrective action response when it is deemed necessary by the Quality Team at Monroe. Each vendor will supply a written detailed review in a timely response to a corrective action requirement. This detail shall require a root cause analysis and provide measures utilized by the supplier to prevent product failures now and in the future.

A supplier shall be on the Rochester Hills approved Supplier list in an active status in order to be awarded work or PO's for issuance for delivery to Rochester Hills. If the supplier fails to provide proper acceptable responses to the corrective action, possible removal of the supplier from the Approved Supplier list is possible. In the event that a supplier is deemed a Required source for a specific customer then the customer approval will be required for acceptance or dismissal of any rejection.



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2.3 Supplier/Vendor Status

Suppliers who are on the Approved Supplier list will be given the Status as Approved in our system. Suppliers who are on the Approved Vendor list which we have not done business with in over 24 months may have to submit a new supplier survey in order to continue to do business with Monroe. Suppliers who have a status of Removed/Not Active will be classified as such, they will also need to re-apply for approval if they wish to do any future business with Monroe. Suppliers who are classified as Quality Suspended are restricted to do business with Monroe until they have been taken out of that classification.

Definitions of Terms for Vendor Status are as follows:

Approved__ This status indicates that the supplier can be used to purchase product without quality intervention prior to placing the order. For individual purchase orders, however, quality intervention may be needed based on customer requirements

Probationary__ This status indicates that the Purchasing Department cannot place an order without Quality intervention for that specific order prior to be placed. Possible additional requirements may be needed with this supplier for each order placed to our customer base. This supplier may need additional supplier development which may include added quality submissions or additional restrictions incurred and may also result in the supplier being disqualified from specific parts being produced or limited in scope of delivery. Each order placed with this supplier must have written consent from the Supplier Quality engineer or the Quality manager or the General Manager prior to issuance.

Grandfathered__ This status is for older suppliers who were added prior to the conversion of a supplier to the current TBE system and may require review of business type prior to placement of any added new orders prior to order placement. Due to some business acquisitions from the outside, these suppliers would be added as this status and may require further vetting at a future date. Grandfathered status allows purchasing to procure product from this supplier unless advised by Quality Manager.

Customer Specified__ This status is for a Supplier which a Monroe Customer requires as part of the terms and conditions of the customer. Monroe would start the supplier vetting process and determine business type as time allows for the vendor to respond to the supplier Survey results and Quality team review of the supplier until the supplier could be added as a vetted Supplier of Monroe for future business. If the Supplier cannot perform to Monroe Quality standards for performance of delivery or part compliance, they may be left in this status and may possibly be limited to limited purchase of component delivery for a specific customer only.

Evaluation__ This status is used to allow the onboarding of new suppliers into Monroe to “test” the actual supplier with specific customer requirements which may include added quality requirements for launch of purchase orders. All PO’s must have authorization of consent from the Supplier Quality engineer or the Quality manager or the General Manager prior to issuance of each order with that supplier in this status prior to order placement. Special terms and conditions may be required for each order placed during this Evaluation period.

Removed/Not active__ This status is for suppliers which are no longer on Rochester Hills active roster and would need a new supplier survey to be reinstated

Quality Suspended__ This status indicates that no purchase orders can be placed for inventory items with this supplier without direct consent of the General Manager of Rochester Hills prior to order placement. This



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supplier status indicates that the supplier has been disqualified from shipping product to any of Monroe customers due to quality failures and should be not allowed for new production

Section III - Supplier Quality Requirements

- 3.0 Monroe Engineering must approve the product, any procedures and processes associated, and the equipment used. If any changes occur after the initial approval the supplier shall notify Monroe Engineering of such changes.
- 3.1 Suppliers are expected to have the resources necessary (personnel, property, facilities, equipment, and materials) to supply the products and/or services required to accommodate Monroe Engineering's production schedule and/or PO requirements. The supplier should provide for fluctuations in requirements due to scheduling changes.
- 3.2 Suppliers of Monroe Engineering are requested to be compliant to the ISO 9001:2015 international quality standard. In addition, we encourage our suppliers to seek a third-party accreditation. Supplier quality systems shall be formally documented, implemented, and maintained to ensure suppliers' products and/or services conform to the identified purchase specifications, engineering, or material specifications and/or contract requirements. The suppliers' quality documentation shall be made available to Monroe Engineering upon request.
- 3.3 Each article must have a proper packing list and each box must have proper labeling identifying the box with the part number, Purchase Order numbers shipped to Rochester Hills and Quantity of each box contained in a shipment. All purchased materials and services are subject to inspection for compliance to the purchase order and all applicable quality requirements. No material or process substitutions, quantity variations or splits from the purchase order may be made without prior written authorization from Monroe Engineering. Required Quality Documentation shall also accompany shipments as well as C of C and Certifications as stipulated in the Purchase order details should accompany the packing list. Failure to do so could cause Rochester Hills to refuse the shipment and fail to accept the shipment until such paperwork is made available by the supplier and may be grounds for return to the supplier at their expense
- 3.4 Suppliers to Monroe Engineering may be required to provide full traceability on their Product or Processes based on the stipulations defined on the purchase order.

If further information on the clarification of this section is needed, please contact Monroe Engineering Quality Department directly.

- 3.5 If any tests are required the purchase order and/or supplementary documents would state that



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information to the supplier. Monroe Engineering will evaluate the data in the test reports to confirm product meets requirements. Test results, such as Material Certifications, Coating Certifications, Traceability, or any other testing required on the purchase order must be legible and in English. Certifications or Test results in any other language will not be accepted.

3.6 Products and/or services provided by suppliers must be at the highest level of quality.

If the Purchase Order includes a QAR Document (Quality Assurance Requirements), any aspects of the QAR document such as, key or significant characteristic requirements, material or process certifications, the Supplier shall reference the Quality Assurance Requirement Form (QAR) to ensure compliance to the stated purchase order.

3.7 The supplier shall ensure that nonconforming product is identified and controlled to prevent unintended use or delivery. The supplier shall not ship nonconforming materials without prior authorization by Monroe Engineering. The supplier shall tag this material to note its deviations and note it as such if authorized to be delivered to Rochester Hills

The supplier is responsible to notify Monroe Engineering of any changes in product and/or process, any changes of manufacturing facility location and receive approval of such change.

Suppliers of Monroe Engineering are required to communicate all information related to the job to any supplier they use to produce Monroe Engineering's products.

The supplier shall retain evidence of these authorization(s) per record retention see 3.9 below.

3.8 Suppliers are fully responsible for the quality of their products/services including their sub-tier suppliers. Both are responsible that the quality of their products/services meet all Monroe Engineering's requirements, specifications and drawings as identified on the purchase order. Zero defects are expected from our suppliers.

3.9 Record Retention

Suppliers and sub-tier suppliers shall establish and maintain records to provide evidence of conformity to requirements. Records shall remain legible, readily identifiable, and retrievable. Product history records shall be maintained for a minimum of 10 years or as required by the purchase order.

3.10 Right of Entry



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Monroe Engineering and its customers or any applicable regulatory authority shall have the right to enter the suppliers' facility to perform inspections or surveillance audits to verify the quality of work, records and to ensure compliance to the contract. When applicable, the access requirement shall be flowed-down by the supplier to the suppliers' sub-tier sources.

3.11 Purchased Parts

In the event that the purchase order has a QAR identified to the order or is a AS9100 identified order, there may be additional requirements of the supplier as well as any sub-tier suppliers.

- The supplier must conduct a review of all the purchase order requirements to ensure their product or service conforms to those requirements and ensure feasibility at the time of award
- The supplier's Quality Management System must address the requirements laid out in the PO and QAR to assure compliance contained in this document.
- Suppliers are required to flow down information & other requirements to sub-tier suppliers.
- The supplier must maintain and calibrate precision measuring and test equipment with a method that is traceable to a recognized standard.
- The supplier must establish document control and maintain a change process appropriate to the product.
- The supplier must preserve the product during internal processing and delivery to Monroe Engineering, maintaining conformity requirements. The supplier must provide packaging that protects the component from mechanical and environmental damage during transport and storage including effects of temperature, humidity, weather, vibration, and shock. This also includes cleaning, removal of foreign objects, special handling for sensitive products, appropriate labeling, shelf-life control, stock rotation and other special handling.
- If the supplied products are life-limited, the supplier is required to furnish either the expiration date or the material cure date.
- Product subject to special processing must be accompanied by certification documents that specify that process and the supplier's conformance to the requirements of that process. Suppliers must maintain records at their facility for 10 years, after which time they may dispose of them or delete them from their systems.
- A First Article Inspection (FAI) or a PPAP may be required using AS9102 forms or AIAG forms as well as a number of additional documents such as: material certifications for raw materials,



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calibration records for gages used, process flow, process FMEA, SPC studies, traveler or routing sheets, control plans, inspection sheets, test records for special processes, appearance samples, functional test results as specified in print and/or specifications, Part Submission Warrants, capability studies, run at rate documentation and certificate of conformance (C of C) documentation. See the current AS9100D Aerospace Standard or ISO 9001:2015 for a better understanding of other possible requirements.

Section IV - Special Requirements

- 4.0 A First Article Inspection report must show evidence of acceptance by the supplier's quality assurance representative. A first article(s) shall be produced on production equipment and using processes which will be utilized on production runs.

When prototypes are requested, a first article(s) may be performed using a prototype process to determine conformance status to available data.

Additionally, the supplier shall perform subsequent first articles per the requirements of the customer (i.e. following every major tooling or design change, and subsequent to any evident quality degradation for a specified part or article).

Records of all first article activity will be documented as required by customer flow down requirements or dictated by the PO terms and conditions, treated as quality / acceptance records, and made available to Monroe Engineering.

- 4.1 The supplier shall label the exterior of the container to ensure adequate identification needed to ensure the identity of the product being shipped. The supplier must ensure the handling and shipping methods for a proper and on-time delivery without damage to the product. The supplier shall ensure that any special labeling requirements shall also be listed in the appropriate shipping documents and on each package.
- 4.2 When applicable the supplier is responsible for developing and implementing an anti-counterfeit education and training program for their employees responsible for purchasing and receiving. It is the supplier's responsibility to prevent counterfeit or suspect counterfeit part use and the inclusion in products delivered to Monroe Engineering.
- 4.3 The supplier personnel must be made aware of their contribution to product safety, product, or service conformity, and understand the importance of ethical behavior.