

Document Title: Supplier Quality Assurance Manual	Description: General Quality Requirements for B.A.I. Suppliers
Prepared By: John Morin / Ron Wnuk	
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BRAININ ADVANCE INDUSTRIES

SUPPLIER QUALITY ASSURANCE REQUIREMENTS MANUAL

"Partners in Excellence"

Document Title: SUPPLIER MANUAL	Description: General Quality Requirements for B.A.I. Suppliers
Prepared By: ISO Committee	
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1.0 Purpose:

- 1.1 To provide basic information about Brainin (Attleboro) to its Suppliers and to outline the Supplier Quality Assurance process as it is communicated through the Supplier Quality Assurance Manual

2.0 Scope:

- 2.1 This Supplier Quality Assurance Manual applies to all Suppliers of raw material, components and outside services to Brainin.

3.0 Expectation of Suppliers:

- 3.1 Brainin's expectations for our suppliers are high and it reflects the demand our customers place on us. We expect our suppliers to meet or exceed the requirements in the following area.

Quality:

It is expected the suppliers will have systems to ensure zero PPM and actively work towards prevention based on the ISO 9001:2008 standard. If ever a non-conformance occurs, suppliers are expected to have systems to contain, provide quick response and implement a corrective action plan to prevent re-occurrence. It is also imperative the suppliers ensure 100% PPAP compliance where applicable. A performance report is supplied on a quarterly basis and suppliers are expected to respond with a corrective action in 10 working days as requested in the performance report.

Delivery:

It is expected the suppliers will deliver 100% on time and are responsible for any consequences as a result of failure to do so. Any late order may be requested to be sent by premium freight at supplier's expense. A weekly open order status is Faxed – E-mailed to each supplier by the Sales Department, any late delivery should be followed by a quick response and a corrected delivery date. Any such correction should be met without exception.

Additionally, incidents of premium freight and Brainin customer disruptions caused by you have a negative impact on your supplier performance scoring and are expected not to occur.

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4.0 Supplier Qualification System:

- 4.1 Supplier qualification status is maintained via password protected files in the BAI Purchase Order Software System.
- 4.2 *New Suppliers*
 - 4.2.1 The Quality Assurance Department will furnish upon request from the Sales Department this Supplier Manual and a Supplier Quality System Evaluation Form (BAI-QAL-63) using the ISO9001:2008 Standard as a base line for their fundamental quality system requirement to be forwarded to the new potential supplier.
 - 4.2.2 The supplier will fill out the form (BAI-QAL-63) and return it to the Quality Assurance Department for review.
 - 4.2.3 The Quality Assurance Department will review the evaluation for approval or disapproval.
 - 4.2.4 If the supplier is approved by the Supplier Quality Manager or the VP Sales, the Vendor File in the Purchase Order Software System is updated to include the new vendor. The VP. Sales and The Supplier Quality Manager are the only functions with "write" authority to Vendor File. Only purchase orders issued to suppliers in the Vendor File will be accepted by the Purchase Order Entry System.

5.0 Supplier Performance:

- 5.1 The Supplier Quality Manager will issue to each supplier on a quarterly schedule their quality rating using BAI-SAL-17.

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5.2 This rating is determined from four factors: on-time delivery (five days early and 1 days late) , quality performance, incidents of premium freight and BAI customer disruptions caused by BAI suppliers using the formula ...

$$\begin{aligned}
 & \text{=====} \\
 & \text{Number of Lots received on-time divided by} \\
 & \text{Total Lots received during a} \\
 & \text{specific time period} \qquad \qquad \qquad = \text{Delivery Rating} \\
 \\
 & \text{Number of Lots rejected divided by} \\
 & \text{Total Lots received during a} \\
 & \text{specific time period} \qquad \qquad \qquad = \text{Quality Rating} \\
 \\
 & \text{Delivery Rating - Quality Rating – Incidents} \\
 & \text{Of Premium Freight – Incidents of BAI} \\
 & \text{Customer disruptions caused by the} \\
 & \text{supplier} \qquad \qquad \qquad = \text{Overall Rating} \\
 & \text{=====}
 \end{aligned}$$

5.3 Quality Ratings:

- Preferred:** 95 -100 points
- Satisfactory:** 80 - 94 points
- Unsatisfactory:** 61 - 79 points. Suppliers may be requested to submit a corrective action plan as specified on the quarterly performance report.
- Unacceptable:** 60 points or below. Qualification rating changed to probational. Corrective Action required. An unacceptable supplier may be subject to desourcing.

5.4 Suppliers who have not maintained an overall quality rating of over 60% may be removed from the Approved Vendor Software File.

5.5 Suppliers of material for Brainin designated automotive parts who have not maintained an overall rating of 100% will be issued a corrective action and may be removed from the approved vendor list.

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- 5.6 Removal from the Approved Vendor List will be determined by the V.P. Sales and Supplier Quality Manager.
- 5.7 Suppliers removed from the Approved Vendor List will be resurveyed after corrective actions have been completed, if necessary.
- 5.8 Suppliers designated by customer specification (ex. source control or sole source) shall be monitored but will not be removed from the Approved Vendor List without customer approval.
- 5.9 Corrective Action
 - 5.9.1 Brainin Advance Industries will take the following corrective actions for suppliers who fail to improve on the 60% overall rating.
 - 5.9.2 The Supplier Quality Manager is responsible for monitoring the performance of the suppliers based on the data supplied.
 - 5.9.3 An annual notification letter (BAI-SAL-17) is issued to each supplier with their rating. Suppliers below 60% are asked to respond with a corrective action plan within 30 working days.
 - 5.9.3.1 Suppliers with direct involvement with our automotive designated products are required to maintain a rating of 100% for delivery. Corrective action requests with a 30 working day response time will be issued to these suppliers not conforming to this 100% requirement.
 - 5.9.3.2 The Quality Department will enter any requested corrective actions in the C/A Tracking System.
 - 5.9.4 Suppliers that are found to have not improved their ratings after a quarterly notification will be issued a corrective action letter by the Supplier Quality Manager to be sent to the Quality Representative of the company concerned.
 - 5.9.5 If no response is received, it is the Supplier Quality Manager's responsibility is to contact the supplier, requesting a representative of that company meet with Brainin Advance Industries to resolve the quality issue. If no resolution is agreed upon, the supplier may be removed from the Approved Supplier List.

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6.0 Supplier Development

- 6.1 The Supplier Quality Manager will plan, schedule and assist suppliers in developing their quality system based on ISO 9001:2008 and where applicable, any additional requirements of Brainin's customers.
- 6.2 The Supplier Quality Manager and selected internal auditors may conduct periodic on-site audits of suppliers to determine their level of compliance to the ISO 9001:2008 and any additional requirements of Brainin's customers. This information gained from this audit will be used as the baseline for further development.

7.0 Control of Quality Records

- 7.1 Documentation and records generated throughout this procedure are retained for the length of time the material or family of material is active in production plus one year or 20 years, whichever is greater.

8.0 Purchase Orders.

- 8.1 The Purchase Order (BAI-SAL-05) is the documented agreement (contract) between Brainin and the seller that conveys what is to be supplied and the administrative, technical, and quality requirements to be met. Suppliers are advised to read the terms and conditions imposed by the purchase order since they are responsible for the compliance thereto.

8.2 DEVIATIONS.

- 8.2.1 PRIOR TO THE START OF PRODUCTION. When it is known by the supplier prior to the start of production, that there is some product feature that may have a requirement that is desirable to deviate from, either because of manufacturing ease, lead time or cost reduction, or some other benefit either to the supplier or BAI. The supplier must obtain written approval for such deviation from the Brainin prior to implementing any change.

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8.2.2 DURING OR AFTER PRODUCTION. Any departures from drawings, specifications, or other procurement requirements shall be submitted to Brainin for review and consideration. Disposition must be approved by Brainin before shipment of the product, unless otherwise directed by Brainin.

8.2.3 A request for deviation does not guarantee Brainin acceptance or approval. Brainin acceptance and approval with authorization to ship is applicable only to the lots and discrepancies requested and DOES NOT constitute acceptance or approval of additional lots or discrepancies.

8.2.4 Any request for deviation must be in writing and contain as a minimum the following:

- a. Purchase order number, item part number or description and revision level if applicable.
- b. Specification or drawing requirement.
- c. Actual condition or requested deviation.
- d. Contact person to whom to respond.
- e. Lots or quantities to which request applies.

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- 8.3 CHANGE APPROVAL. For those items produced against a supplier generated set of requirements (proprietary products and the like), the supplier shall obtain BAI approval, in writing, before making any changes in material or production processes that may affect form, fit, function, interchangeability, or reliability.
- 8.4 BRAININ SUPPLIED MATERIAL. If materials are provided by BAI to the supplier for the performance of work, the supplier, by acceptance of the material and subsequent delivery of product, warrants that no mixing of any such material with other material (either acquired by the supplier or provided by other customers to the supplier, etc.) has occurred.
- 8.5 SURVEILLANCE AT SOURCE. All items specified by the purchase order are subject to surveillance by Brainin or Brainin's customer. This includes review, verification, examination, test and/or analysis of the supplier's manufacturing and associated systems, procedures, and processes. If necessary, such activity shall be coordinated by Brainin personnel in advance of arrival.
- 8.6 ITEM IDENTIFICATION. The supplier shall ensure that all items are legibly marked in accordance with the Brainin purchase order specifications. Identification requirements may include the following:
- a. Part Number and Revision Level
 - b. Purchase Order Number and Description
 - c. Manufacturer's identification
 - d. Lot or date code
 - e. Quantity
- The following exceptions apply:
- a. Items too small or of a configuration or material prohibiting individual marking are packaged in suitable containers which are marked as above.
 - b. Raw material is identified in accordance with the procuring specification (i.e. ASTM, AMS, etc.).
 - c. Material that the supplier receives from BAI is identified upon return to BAI with the BAI information supplied on the purchase order and the shipper that originally transferred the material to the supplier.

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9.0 Receipt of Material

9.1 MATERIAL CERTIFICATION & ANALYSIS, CERTIFICATION OF CONFORMANCE AND STATISTICAL DATA

9.1.1 Material certification and analysis (chemicals and physicals) and Certification of Conformances (must reference the applicable Purchase Order Number) are required on every shipment of material. If a material certification and analysis is not received with the material, Brainin Advance Industries reserves the right to return this material to the supplier at the supplier's expense.

9.1.2 Statistical data (including Cpk/Ppk values) when required by purchase order shall be supplied with each shipment for thickness, or diameter (for wire), or as otherwise specified. Statistical data must be identified as to the purchase order number and shipping date.

9.2 New Part or Material Approval

9.2.1 Non Brainin Designated Automotive raw material used for production

9.2.1.1 Brainin shall accept new material from approved sources (BAI-QAL-09) only. The minimum requirements for acceptance shall be:

- a. Material chemical and physical certification
- b. Complete incoming dimensional inspection and approval of results at Brainin
- c. Compliance to any other specifications or requirements as stated on the Brainin Purchase Order.
- d. a. b. & c. above are subject to review and/or audit by Brainin

9.2.1.2 Material approval shall be by issuance of a Brainin Acceptance Tag (BAI-QA4-1).

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9.2.2 New Non Brainin Designated Automotive Purchased components
(fabricated parts)

9.2.2.1 Same as above with the additional requirement of a 3 piece complete inspection report from the supplier.

9.2.3. Brainin designated automotive raw material and fabricated parts used for production. Such material shall be identified on the Brainin Purchase Order.

9.2.3.1 Brainin shall accept new material from approved sources (BAI-QAL-09) only. The minimum requirements for acceptance shall be:

- a. A PPAP submission in accordance with the current edition of AIAG PPAP manual with ISO 17025 registered material laboratory certifications.
- b. Compliance to all other specifications or requirements as stated on the Brainin Purchase Order
- c. ISO 9001:2008 registration
- d. Compliance with all on going notification and resubmission requirements for PPAPs as stated in the current AIAG PPAP core tool manual.

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10.0 Standard Terms and Conditions:

- a. By accepting this order, the Seller agrees to all terms, conditions and instructions hereof.
- b. Our purchase order and terms and conditions constitute the entire contract between Seller and Buyer.
- c. Payment terms are 60 days after receipt of goods or services unless a longer period is agreed upon.
- d. If a cash discount is offered, the Buyer reserves the right to withhold payment until merchandise is received and checked and the time limit for the discount will begin upon acceptance of the goods or 3 days after receipt whichever is shorter.
- e. All Federal and State laws must be in compliance regarding this purchase order.
- f. No changes may be made by the Seller without written acceptance by Buyer.
- g. Buyer may make changes by written or oral notice at any time. The consequences of those changes may be discussed by Buyer and Seller.
- h. If the Seller is in default of any of Buyer's terms and conditions or purchase order provisions, then the Buyer may cancel or change the order without any liability whatsoever.
- i. Seller warrants that all articles, materials and services supplied or performed by Seller under this Purchase Order conform to the requirements, specifications, drawings, samples or other descriptions furnished or adopted by buyer and that they are merchantable, of good material and workmanship. If any item furnished or services rendered by Seller do not comply with the terms of this contract, Buyer shall have the right, in addition to all legal and equitable remedies, to replace the item or have comparable services rendered, charging the Seller with the cost of replacement or substituted performance together with all incidental and consequential damages. All articles and material are subject to Buyer's inspection and acceptance without time restrictions. Payment shall not constitute acceptance of non-conforming articles, materials or services.

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- j. All articles, materials and workmanship, as well as facilities where they are produced and facilities of sub-contractors will be subject to inspection and tests by Buyer.
- k. The Seller shall attest that all goods purchased by Buyer will be produced in the Seller's facilities unless otherwise stated in writing.
- l. Over shipments of more than 5% should not be allowed unless approved by us in advance.

11.0 General

11.1 These specifications are not meant to be all inclusive nor should they be taken to apply to every manufacturing method. This specification is not to be interpreted as an alternative to sound judgement. Should there be any suggestions for modifications to these general specifications, please contact Brainin Advance Industries, 48 Frank Mossberg Drive, Attleboro, MA 02703, ATTN: Supplier Quality Manager.

12.0 Approvals

 02/10/10

V.P. Sales Date

Supplier Quality Manager Date

13.0 Revisions

- Rev 1 – 01/05/00 - Added 9.1.2, added "on site" to 6.2
- Rev 2 – 03/24/00 - Added 8.5 added "Brainin's Customer
- Rev 3 – 10/18/01 - Added Section 9.2, Changed from "Quality Manager to "Supplier Quality Manager". Clarified 9.1.2. Removed references to Millis and Fairfield
- Rev 4 – 01/30/04 - Updated to agree with QSD-06-001 and current practices.
- Rev 5 – 02/24/06 - Updated to agree with TS16949 and QSD-06-001 and current practices.
- Rev 6 – 02/10/10 – Added Terms and Conditions. Updated ISO/TS descriptions. Updated 7.1 to 20 years. Changed 5.9.3