



A TS16949 and ISO14001 Registered Company

## Supplier Quality Manual

Issued to: \_\_\_\_\_

Note: This manual is electronically controlled. The most current revision can be obtained on line through the TASUS website link --

[www.tasus.com/vendor.html](http://www.tasus.com/vendor.html)

Hardcopies may be sent to the suppliers as notification of new revision, but it remains the supplier's responsibility to utilize the website to maintain current expectations.

Approved By:

\_\_\_\_\_  
Quality Assurance Manager

\_\_\_\_\_  
Materials Manager

# Table of Contents

Introduction . . . . .

1. Quality / Environmental Policy Statement . . . . .
2. Requirements to be an approved TASUS Supplier.....
3. Inspection Standards. . . . .
4. Production Part Approval Process . . . . .
5. Annual Layouts. . . . .
6. Receiving Inspection. . . . .
7. Changes in Supplier Quality System. . . . .
8. Packaging. . . . .
9. Material Releases. . . . .
10. Traceability and Lot Control. . . . .
11. Identification of Parts. . . . .
12. Quality Documentation Required. . . . .
13. Notification of Discrepant Parts. . . . .
14. Disposition of Discrepant Parts. . . . .
15. Lot Certification . . . . .
16. Drawing and Change Control. . . . .
17. Supplier Performance / SCORECARD GUIDELINES.....

# **TSQM Introduction**

The Purpose of this TASUS Supplier Quality Manual (TSQM) is to assist both TASUS and its suppliers in an effort to ensure quality, cost and delivery meet the requirements set forth by ISO9000:2000 and TS16949 TASUS Corporation and its customers.

It is ultimately the responsibility of TASUS suppliers to assure that the quality of the materials and components that are shipped to TASUS meet the requirements set forth in this TASUS Supplier Quality Manual. TASUS is dedicated to support and aid all suppliers so that we can achieve our shared goals and success.

TASUS operates on a philosophy of working very close with our suppliers in a trust based and interdependent relationship. We value our suppliers and intend for relationships to be a win-win situation. We expect only absolute integrity and the best possible performance from our suppliers in return. We consider carefully who becomes a supplier for TASUS and monitor performance thereafter. We try to approach the suppliers with suggestions and areas for improvement quickly to allow immediate corrective action and avoid undesirable situations. We look for commitment in corrective action responses with systemic and viable actions taken to protect TASUS' interest.

## **1. TASUS Quality / Environmental Policy Statement**

### **Quality Policy**

The Employees of TASUS Corporation Collectively Commit to Continual Improvement and Innovation In:

- \* Customer Service,
- \* Quality Performance,
- \* Productivity, And
- \* Cost Effectiveness.

Our Efforts in These Objectives Shall be Carried Out

With Employee Safety and the Protection of Our Environment as Primary Concerns.

## **Environmental Management System (EMS) Policy**

The Management of TASUS Corporation is committed to be a good corporate citizen and to comply with legislative, regulatory, and customer requirements. We will strive for continual improvement and innovation in:

- \* Recycling possibilities and Scrap Reduction
- \* Prevention of contaminates/pollution
  
- \* Establishing Objectives and Targets, and Monitoring and Measuring Our Progress and Needs.
- \* Training and Awareness
- \* Communication with community.

NOTE: Suppliers must have a copy given to them by a TASUS representative of our Vendor and Subcontractor environmental communicant before they can conduct any work or bring non-PPAP approved materials on TASUS Corporation's premises.

### **Copy of TASUS Mission Statement:**

The foundation of TASUS is based upon the core values of respect, integrity and care for our employees, our customers, our suppliers, our community.

We will continually endeavor to build upon our current successes and nurture our future with continual improvement in quality, productivity, delivery, customer service and cost.

### **Copy of TASUS Company Values:**

TASUS is a company where our first responsibility is to our customers. We clearly recognize that our business existence and continued growth depends on how well we fulfill our responsibilities to our customers. We are committed to providing excellence, and conducting all of our business with honesty and integrity.

TASUS is a company where employees, their ideas, and their individual talents will be valued and acted upon.

TASUS is a company that utilizes the support given by its' parent company with integrity, respecting the value of such support, and striving for success.

TASUS is a company that develops long-term partnerships with its suppliers for mutual success and growth.

TASUS is a company that demonstrates through its actions and giving an unwavering commitment to the community.

## **2. Requirements to be an approved TASUS Supplier**

All key suppliers must supply evidence of certification to an applicable quality management system (QMS) such as ISO9000:2000 or TS16949; TASUS maintains the right to perform a quality system audit.

NOTE: TASUS will determine needs for ongoing audits as part of supplier development based on performance and volume on individual basis.

### **Audit of Supplier Facilities**

TASUS may elect, with advance notification, to conduct process audits or quality system surveys of the supplier facilities, processes, and quality system.

1. Process audits are conducted using the supplier's process flow and control plan as a guide. Audit frequency may vary from year to year or with supplier performance.
2. Audits will be performed using TASUS process evaluation form. Suppliers must be compliant at a minimum to the extent affecting practice, procedure, and product for commodities supplied to TASUS.

### **AUDIT FREQUENCIES**

1. Process Audits - TASUS Supplier Quality Engineers will perform audits based on annual supplier rating scores. Exceptions that warrant more frequent audits of

the supplier include: TASUS customer quality issues, TASUS production or design issues, supplier loss of **quality certification**, or circumstances that may include shutting down a TASUS customer assembly line or TASUS assembly line.

2. Quality System Surveys – A full quality system survey will be performed when any of the following conditions are applicable:
  - Supplier fails to acknowledge performance improvement requests by TASUS QA or Purchasing Dept.
  - Supplier has been placed on probation by their 3rd party registrar within the unacceptable rating timeframe.

### AUDIT FREQUENCIES

The TASUS quality engineer may request a copy of the updated version of the Supplier's Quality Manual, quality manual procedures, process FMEA, control plan, drawings, and inspection standards, as the basis for conducting the audit and evaluating quality system requirements. The supplier quality engineer may also review the supplier's shipped product quality history, countermeasure (corrective action) requests, approved engineering changes, and prior audit results.

### AUDIT PROCESS

The audit team, lead by the TASUS quality engineer will possibly include representatives from Purchasing, & other departments. The team will conduct an on-site audit of the supplier systems and processes. The supplier should appoint audit guides to escort the audit team members and arrange for interviews with other supplier personnel during the audit.

### AUDIT RECORDS

TASUS will require formal written corrective action for the findings from the supplier's management team and production personnel 30 days after confirming the supplier has received the report and understands the legitimacy of the findings.

## Revocation of Approved Supplier Status

Approved suppliers are expected to maintain high standings annually in supplier performance reviews of quality, cost, and delivery. “Approved Supplier Status” can be jeopardized if verified countermeasures (corrective action) are not taken within the specified time frames and/or:

- Quality problems and non-conformances persist
- Supplier is placed on “underachiever” status through annual supplier performance
- Customer complaints are excessive
- Loss of process capability of key characteristics
- TS16949 or ISO9000 registrations are suspended
- Supplier parts fail annual layout
- Product recalls are necessary

### **3. Inspection Standards**

#### RESPONSIBILITY

It is the responsibility of the supplier to prepare Inspection Standards for review and approval of TASUS prior to PPAP submittal. All applicable dimensions must meet PPK of 1.67 for 30-piece capability study.

#### INSPECTION STANDARDS EXPLAINED

Inspection Standards define the dimensional features & characteristics to be checked, test equipment (gages and fixtures) to be used, inspection methods, acceptance criteria, and sampling plan for mass production inspection activities. The Inspection Standards may be amended (and approved) based on the continuing results of process qualification and pilot production.

## 4. Production Part Approval Process (PPAP)

### REQUIRED

The Supplier must evaluate a 30-piece sample from a 300 consecutive part production run from production tooling. The entire 30-piece sample is inspected according to the TASUS inspection standard and evaluated against the blueprint/current release/revision level. The data is recorded on a measurement or Sample Data Sheet, Pp & Ppk capability calculated, and submitted to TASUS. In addition, a 100% layout inspection must be performed by the supplier on three (3) parts from each cavity/process from the 30-piece sample, recorded on the Sample Data Sheet, and submitted to TASUS. TASUS may perform a 100% layout inspection on the submitted three (3) parts, and compare the TASUS test results with the supplier submitted data.

*Note: The 30-piece sample is per cavity, impression, die, or mold unless otherwise specified. Capability is to be performed on Critical, Important, or selected inspection standard items.*

Approvals are required prior to the first quantity shipment: (Reference the AIAG PPAP latest level)

The PPAP run may be performed in conjunction with the final stages of Production Tooling Samples for certain supplied parts.

### CAPABILITY REQUIREMENTS

A preliminary process capability (Ppk) of 1.67 is required for the Inspection Standard key or C & I characteristics. The Ppk is calculated from the 30 part sample inspection results by the supplier and provided to TASUS.

Note: TASUS reserves the right to reject or contain any and all product that is shipped without prior approval sign offs.

### TESTING AND APPROVAL

TASUS and the supplier will agree upon the PPAP date, and TASUS

representative(s) may be present at the supplier's facility to monitor the 30-part sample production run. PPAP approval is required for approval of production tooling and authorization of a purchase order to supply mass production parts. If problems occur, the PPAP will be rescheduled. If acceptable, TASUS will authorize the payment of the remaining balance of production tooling costs.

#### REQUIREMENTS (Refer to AIAG PPAP latest level)

The Supplier must satisfy the following requirements prior to the PPAP date:

1. Dimensional, chemical, physical and performance properties defined on the part drawing
2. Process flow description
3. Approved Process FMEA
4. Process Capability Study for all key or C & I characteristics on 30-part sample (Pp, Ppk)
5. Approved Control Plan
6. Gage R&R and calibration (Follow AIAG Measurement System Analysis)
7. Approved packaging/labeling and shipping methods
8. 100% Layout Inspection on (3) sample parts (If multi-cavity 3 pieces per cavity)
9. Sample (3) part submission made to TASUS
10. Material Certification
11. Additional Requirements Where Applicable

PPAP parts must be identified and certified in writing by the supplier as conforming to all material, functional, and dimensional requirements.

**Unless otherwise specified in writing by TASUS, all suppliers are required to submit a level 3 PPAP for initial submission.**

#### Pilot Run Requirements

The Supplier may be required to provide 300 - 1000 PPAP approved parts to TASUS for TASUS Assembly Trials. The sample size will vary based on the type of part, but should be taken at random from a consecutive run of parts from production tooling. The parts are used to refine and aid with the grooming (qualification) of TASUS processes and equipment

Once mass production is authorized to begin, the Supplier must maintain a proactive attitude, and:

- Actively practice quality improvement planning at the supplier site as the result of TASUS recommendations and discussions from process or quality system audits.
- Update the Control Plans, Process FMEA, and Inspection Standards in a timely manner as changes occur.
- Respond promptly to Engineering Changes and Process Change Requests.
- Provide the required material certifications and other quality documentation.
- Maintain traceability to the delivered lot of parts supplied to TASUS.
- Provide advance notification of potential quality problems, and promptly respond to countermeasure (corrective action) requests.
- Monitor and demonstrate improvements in quality and process capability.

## **5. Annual Layouts**

Annual Layout parts and data will be required for each part number. Annual layout submissions for Inspection Standard criteria will be evaluated in order to support continued 'Certified Part' status (Section 3.5). Suppliers are required to submit one year from the SOP approval date.

## **6. Receiving Inspection**

1. All 'Non-Certified' part numbers are subject to receiving inspection criteria.
2. TASUS will issue a QPR or request submission of an improvement action plan from supplier.
3. TASUS will institute receiving inspection for the 'Non-Certified' part number. Receiving inspection may include dimensional, visual, or destructive analysis

depending on nature of certified part rejection or history.

4. A receiving inspection SOP will be generated for the part. This will detail the inspection required, records to be used, and sampling plan. Quality Assurance will maintain the SOP and inspection results.
5. Pending satisfactory completion of PPAP or QPR closure the part number will be approved as a 'Certified Part' and receiving inspection requirements may be reduced, modified, or eliminated.
6. Some parts may be PPAP approved and achieve 'Certified Part' status; however, due to historical concerns or risk, may still be subject to receiving inspection criteria as determined by Quality Assurance.
7. RESIN SUPPLIERS MUST PROVIDE MATERIAL TEST CERTIFICATES FOR EACH LOT SHIPPED TO TASUS, TEST CERTIFICATES MUST DETAIL SPECIFICATION REQUIREMENTS AS WELL AS ACTUAL RESULTS FOR EACH LOT.

## **7. Changes in Supplier Quality System**

Suppliers are expected to follow AIAG PPAP requirements on all process or engineering changes that include, but are not limited to the following conditions:

1. A new part/supplier
2. New sub-contractor for an existing part
3. An engineering change or process change
4. New tooling for an existing part
5. Change in location of supplier or sub-contractor facilities, processes, equipment, or tooling

Suppliers should notify a TASUS supplier quality engineer for consultation on items that may appear ambiguous to process revisions but could impact final part quality.

### **ENGINEERING CHANGES**

Engineering (design) changes may be requested by the supplier or by TASUS. Suppliers are required to submit an "Engineering Change Request (ECR)"

Suppliers are not permitted to ship any production parts made to the proposed engineering change until an ECI is issued by TASUS and sample submission requirements are satisfied and have been approved.

#### ENGINEERING CHANGE REQUIREMENTS (Reference AIAG PPAP Manual, latest level)

When the ECR is approved and/or ECI issued by TASUS with the effective date agreed, the supplier must also complete the required PPAP/PPAP sample submission requirements. Parts shipped after engineering changes must be clearly labeled with the appropriate parts identification.

#### PROCESS CHANGES (Reference AIAG PPAP Manual, latest level)

Suppliers are required to (notify) TASUS for written approval prior to the effective date of the change in production process or sub-contractor sourcing. The request is made to the TASUS buyer using the "Process Change Request". Suppliers are not permitted to ship any parts made to the proposed process change until written approval is received from TASUS and sample submission requirements are satisfied.

An approved "Process Change Request" is required for the following:

1. Initial set-up, revision, or relocation of production processes
2. Initial set-up, revision, or relocation of production equipment
3. Initial set-up and revision of production dies, tooling, etc.
4. Changes of raw material and/or sub-suppliers
5. Changes to production procedures, installations, and/or controlled work conditions (such as temperature, pressure, power, voltage, current, velocity, density, etc.) in critical processes such as forging, casting, heat-treating, welding, stamping, plastic molding, and sintering.

#### PROCESS CHANGE REQUEST EXPLAINED

When the "Process Change Request" is jointly approved and the effective date agreed, the supplier must complete the required PPAP sample submission requirements. Parts shipped after process changes must be clearly identified with the appropriate parts identification tag.(See section 4.4 of the manual)

The TASUS quality engineer will specifically state special requirements for part measurement, testing, or evaluation on the PCR form. The buyer will forward this information on to the supplier stating the approval to proceed or request for additional information.

## **8. Packaging**

TASUS reserves the right to specify packaging and labeling based on product requirements. Where possible, totes and corrugated boxes shall not exceed 35 pounds per unit and labeling will be in accordance to AIAG standards. Packaging and labeling plans must be approved and submitted with PPAP. When product is on containment, follow QE guidance for specific label requirements.

### REQUIREMENTS

Product packaging will be designed to maximize operating efficiency in small lot quantities. During the early stages of production trials, packaging trials also begin. The supplier will submit the packaging, labeling and shipping data to the TASUS quality engineer and materials manager for approval to develop a prototype-handling container, and schedule the packaging (shipping) trials.

TASUS will evaluate the proposed packaging design with primary consideration given to:

1. Product Protection
2. Container Durability
3. Container Cost
4. Contamination

If acceptable, the TASUS QE/materials mgr. will schedule packaging (shipping) trials with the supplier. One shipping container lot of parts will be provided to TASUS in the prototype container. The TASUS quality engineer will analyze the parts for damage.

### PACKAGING GUIDELINES

TASUS' goal is to receive, where possible purchased components in returnable,

non-contaminant containers such as plastic. The feasibility of returnable containers will be reviewed with the supplier for consideration of practicality, cost, and logistics. If returnable containers are utilized and provided by TASUS, each supplier will be responsible for an expendable back-up container of the same size and contain the same quantity of parts as the returnable containers. It is the supplier's responsibility to develop this packaging and the supplier will be responsible for shipping damage due to poor expendable design. If the supplier wants to arrange a shipping trial they should contact TASUS' quality engineer and materials mgr.

Prior to using alternate packaging, when necessary, the supplier should contact TASUS to receive authorization prior to shipping parts. Alternate packaging is prohibited unless specifically authorized by TASUS in writing.

### FIFO

The TASUS Production System bases material flow on the First-In First-Out (FIFO) just-in-time philosophy. Material is received and transported to workstations using this method. All material received must be identified with an AIAG label reflecting the latest blueprint revision level, and date to accommodate this procedure.

## **9. Material Release Requirements**

### REQUIREMENTS

A blanket purchase order for each part number is issued by TASUS with releases issued as required. The supplier must record the purchase order number on the Packing List with each shipment, along with other information.

1. Purchase order number
2. Part number
3. Quantity
4. Part description

Suppliers are required to meet 100% on time delivery. If a supplier misses a shipping requirement, TASUS purchasing/quality may issue a QPR to the supplier. Immediate plan

is due within 24 hours; Permanent Corrective Action is due within 5 days.

The QPR supplier response is then reviewed and approved by the appropriate TASUS buyer and the material coordinator. All premium freight costs (both internal & external) associated with late shipments are monitored and recorded.

## Inventory Levels

TASUS may require a supplier to carry a certain amount of inventory of raw materials or finished goods based on our customer's expectations and TASUS efficiencies. These agreements will be under separate cover based on individual requirements. Unless otherwise specified in writing, TASUS will only be responsible for the released quantities on the purchase order.

## Delivery

**TASUS, our customers,** and QMS mandate that TASUS require 100% on-time delivery (+1/-0 business days) from all our suppliers. TASUS will monitor suppliers' delivery performance monthly.

It is the suppliers' responsibility to review all purchase orders and subsequent revisions for delivery requirements. The supplier must confirm ability to meet requirements as specified. If delivery requirements cannot be met, the supplier must contact TASUS Purchasing.

If the supplier in regards to delivery requirements takes no exceptions, confirmation of delivery dates and quantities are assumed and expected by TASUS Corporation.

Failure to meet performance expectations may result in the request for a Corrective Action Plan from the supplier.

## **10. Traceability & Lot Control**

Suppliers are required to establish a lot control and traceability system and maintain records that provide positive identification and documentation for each received lot (shipment) of supplied parts to TASUS.

## TRACEABILITY REQUIREMENTS

Each box of supplied parts should be bar code identified with the following to avoid the possibility of mixed parts at TASUS:

1. Supplier name
2. Part number
3. Heat treat/lot number
4. Quantity

In addition, skid labels must be present. One part number per skid unless authorized by TASUS quality engineer or materials manager. Supplied parts must be traceable to the supplier's manufacturing date, internal lot numbers, and raw material components and lot numbers.

## 11. Identification of Parts

Color-coded tags are used to identify the status of supplied parts to TASUS during the three (3) process qualification stages as follows:

1. Brown tags for "Test Parts Identification" for Assembly Trials Production Tooling Samples, and Packaging Trials. The suppliers must provide their own tags with the required information.
2. The Supplier identifies PPAP parts with a Yellow "Sample Parts Identification" tag. The suppliers must provide their own tags with the required information
3. Production shipment or EC parts are identified with an orange "Production Parts Identification" tag by the supplier. The suppliers must provide their own tags with the required information

The identification tags are placed on each container and/or box of the received lot of incoming sample and test parts to TASUS.

### AIAG BAR CODE LABEL

Parts are also identified with an AIAG Bar Code Label to be affixed in the upper right hand corner of the facing side of each returnable container/box. The supplier is required to provide Bar Code Labels.

## **12. QUALITY DOCUMENTATION REQUIRED**

### EVIDENCE OF CAPABILITY AND TRACEABILITY

The supplier may be requested to provide quality documentation for each received lot and/or purchase order lot. If the required documentation is incomplete, the incoming material will be held pending receipt.

Any quality documentation requirements are stated on the inspection standard pre-PPAP, and

may include, but are not limited to the following:

1. Material certifications
2. Test reports (Resin Suppliers **must** provide test certificate that includes standard requirements & actual test result)
3. Statistical data
4. Process capability data

The supplier is required to provide evidence of traceability to a unique lot number (heat treat number) upon request. Traceability records must be kept for a minimal period of five (5) years for each shipment and/or received lot of incoming material. The time frame will vary based on the criticality of the characteristic.

### QUALITY ASSURANCE MANUAL

It is the supplier's responsibility to maintain a formal Quality Assurance manual containing procedures that define the complete quality system the manual is a "controlled document" with an authorized distribution list. The supplier is to provide a copy to TASUS for future reference prior to authorization of mass production.

## **13. NOTIFICATION OF DISCREPANT PARTS**

### DISCREPANT PARTS DISCOVERED BY SUPPLIER

TASUS must be notified immediately of any discrepant parts discovered by the supplier, and shipped to TASUS to discuss containment action and shipment requirements.

### REQUIREMENTS

The supplier's quality system must include written procedures for the acceptance and handling of returned parts, as well as, procedures to investigate and resolve the cause of the rejection. Timely resolution of countermeasures is essential for proactive partnership.

### DISCREPANT PARTS DISCOVERED AT TASUS

Implied in the partnership is the willingness of the supplier to assume complete responsibility for the quality of their product. If discrepant parts are discovered at TASUS during

receiving inspection, in-process production, and/or customer returns, TASUS Quality Assurance will contact the supplier to discuss containment action, and may subsequently issue a Quality Problem Report (QPR). Suppliers must investigate the root cause, take the appropriate containment action, develop a countermeasure (corrective action) plan, and respond in writing within twenty-four hours of faxed or E-mailed QPR form. The initial response is due within 24 hours of issue and the final completed countermeasure is required within five (5) days of issue to supplier.

The supplier will use the Corrective Action Form to respond to TASUS after being issued a QPR by the specified dates. A formal request must be made to the TASUS supplier quality engineer to request an extension for the dates. At a minimum, the response needs to be faxed or E-mailed by the due dates detailing what has been done, and what is planned by the specific target dates on the QPR. Suppliers are rated on accuracy, timeliness and effectiveness of these responses.

In the event of repeat or multiple quality problems (QPR's) a supplier may be placed on Containment Activity until quality has been improved to an acceptable level. Listed below are the criteria for being placed on and released from containment activity. It is the responsibility and discretion of the SQE to place suppliers on containment. SEE TASUS SCORECARD GUIDELINES.

## **14. DISPOSITION OF DISCREPANT PARTS**

TASUS will notify the supplier for disposition directions of discrepant parts discovered in receiving inspection, in process, and/or through customer returns. If returned, the discrepant parts will be returned at the supplier's expense. Replacement parts will be provided to TASUS at the supplier's expense. If scrapped, sorted, or reworked at TASUS, the supplier may be requested to sort and rework the discrepant parts and will be responsible for any internal associated costs.

## **15. Lot Certification**

If a QPR is issued it is required that the supplier certify the next three (3) shipments of parts to TASUS. Certification must include one of the following, but is not limited to:

- \* 100% inspection

- \* Inclusion of SPC data
- \* Histogram of scrap from associated production run

When we require shipment certification, the supplier must tag each product container as directed by TASUS QE.

Other reasons requiring certified parts:

- A new supplier or part number is proposed.
- Supplier submits PPAP package and parts to Supplier Quality and Quality Assurance for review.
- If PPAP is rejected. Follow Receiving Inspection Procedure.
- Annual layout submissions fall below acceptable range.

## **16. DRAWING AND CHANGE CONTROL**

TASUS will notify the supplier for disposition directions of discrepant parts discovered in receiving inspection, in process, and/or through customer returns. If returned, the discrepant parts will be returned at the supplier's expense. Replacement parts will be provided to TASUS at the supplier's expense. If scrapped, sorted, or reworked at TASUS, the supplier may be requested to sort and rework the discrepant parts and will be responsible for any internal associated costs.

## **17. SUPPLIER PERFORMANCE SCORECARD GUIDELINES**

TASUS has developed a supplier scorecard to track supplier's performance. The scorecard will consist of 5 sections.

Section 1 will be the suppliers PPM.

Section 2 will be the number of QPRs the supplier has received.

Section 3 will be the suppliers on time delivery.

Section 4 will be the supplier's responsiveness.

Section 5 will be the suppliers overall score.

Suppliers will be rated according to a points system. The grading scale is **calculated on a monthly basis** as follows:

PPM 15 ppm or less =35 points

15 - 25 ppm = 17.5 points

Above 25 ppm = 0 points

# of QPRs 0 QPRs = 35 points

1 QPR = 17.5 points

2 or more QPRs 0 points

On Time Delivery 100% on time =25 points

95% - 99% = 15 points

Below 95% 0 points

Responsiveness Information (PPAPs, QPRs etc.) 100% on time =5 points

Information 95% - 99% on time = 3.5 points

Information received less than 95% on time 0 points

Overall Score 70 - 100 points = Good Supplier

Below 70 points = Unacceptable supplier.

**PLEASE NOTE:**

- When product is placed on HOLD for your facility to sort due to a QPR, the entire qty. placed on HOLD will be entered against your PPM. Upon completion of the sort, it is the supplier's responsibility to inform TASUS of the sort results so that the qty. against your PPM can be adjusted. Adjustment requests MUST be received by TASUS in writing, within 15 days of supplier receiving monthly scorecard.

- If three of the same defect is found in a 24 hour period, a QPR will be issued. If less than three are found, the parts will be considered line accumulations, and supplier will be notified at the end of the month via QPI issuance. Please note that line accumulations will still be counted against supplier's PPM rating. TASUS hold the right, with Q.E. discretion to issue a QPR if severity and risk factors deem it necessary to address line accumulations prior to the end of the month with no minimum quantity restraints.
- All parts in Transit at the time of receiving a QPR will be the supplier's responsibility to contain.

Suppliers with an "Unacceptable Rating" may remain on TASUS' "Approved Supplier List". However, due to the performance issues, unacceptable suppliers are requested to provide a countermeasure (corrective action) plan to attain a satisfactory rating and subject to desourcing action until countermeasures are implemented and verified. In addition, unacceptable suppliers are subject to increased receiving inspection through a higher AQL (Acceptable Quality Level). The TASUS Quality and/or Purchasing department will request supplier management to arrange a formal meeting with TASUS management outlining an improvement plan via a formal letter.

### Containment Activity for Suppliers

If a supplier fails to reach the acceptable level on the supplier scorecard the supplier will be required to give a presentation to TASUS management on the improvement plans for their facility. This presentation will include data to support the root cause and action plans with target dates to complete the activity.

If a supplier fails to meet the acceptable level on the scorecard for two consecutive months, due to quality concerns the supplier will be placed on Level 1 Containment.

If the supplier fails to meet the acceptable level for three consecutive months, due to quality concerns the supplier will be placed on Level 2 Containment.

Level 1:

- Supplier will 100% inspect/certify material prior to shipment to TASUS
- Target 0 defects to reach TASUS
- Supplier will perform activity for 1 to 3 months at their facility; if defects continue to be found at TASUS during this activity, Supplier will proceed to Level 2 containment activity
- Develop Corrective Action Plan and/or Improvement Plan and supply DRAFT to TASUS within 2 weeks of being placed on Level 1 Containment
- Sort data from the supplier's containment activity must be supplied to the TASUS Quality Engineer on a weekly basis.

#### Level 2:

- Supplier will 100% inspect at TASUS. The decision whether to allow the TASUS supplier to perform the containment or to require a 3<sup>rd</sup> party will be at the discretion of the TASUS Quality Engineer or Quality Manager.
- Supplier will perform activity for 2 to 3 months at TASUS with 0 defects
- Develop Corrective Action Plan and/or Improvement Plan and supply DRAFT to TASUS within 2 weeks of being placed on Level 2 Containment

#### Exit Criteria

The supplier will remain on level 1 or 2 containment until the supplier meets the acceptable level for two consecutive months.

If suppliers fails to meet an acceptable level due to quality concerns on scorecard for 3 consecutive months, consequence could range from new business hold, up to and including de-

sourcing of business.

If the above situations are applicable to you, you will be contacted by TASUS Quality Engineering. Your SQE will discuss the expectations and logistics of this process.

Our purpose is to ensure that while investigations and corrective actions are underway (and fixes are being implemented) our customers are being protected.

**Customer Service / Confidentiality:**

We expect only absolute integrity and the best possible performance from our suppliers. Business opportunities and continuance are influenced by the supplier's maintenance of these relationships.