



Supplier Quality Manual & Supplier Guidelines

Introduction

This Supplier Quality Manual & Supplier Guidelines has been developed to provide a foundation to establish the business process necessary for the achievement of competitive performance and business results. This document places an emphasis on 'Partnership'. This document identifies the need for suppliers to focus on the achievement of pre-determined performance objectives.

We believe there must be shared responsibilities. We will treat our suppliers the way we want to be treated, fairly and honestly. We want our suppliers to survive, grow and become a partner with Franklin Fastener.

At Franklin Fastener, we believe in a customer-focused business plan. We believe our suppliers should be capable of delivering high quality products, on time, every time.

1. Management Systems of the Supplier

Suppliers are required to obtain and maintain a quality management system per ISO 9001, IATF 16949 or AS9100 at a minimum. CQI-9 (Heat Treat), CQI-11 (Plating) and CQI-12 (Coating) annual assessments are required when applicable and require annual updates to be sent to Franklin Fastener.

Suppliers are required to keep Franklin Fastener updated with certification status for ISO 9001, IATF16949 and AS9100. A zero-defect target and continuous improvement of performance is expected. Suppliers are required to notify Franklin Fastener purchasing if any of the following changes occur;

- Merger with another company
- Acquired by another company
- Affiliation with another company
- Management changes
- Undergo financial difficulties

2. Management of Sub-Suppliers

The Supplier is required to incorporate sub-suppliers in their quality system to ensure the quality of incoming material or service.

Franklin Fastener will provide feedback from the results and require an action plan with responsibilities and dates when an issue is found. The supplier is to provide feedback as implementation of action items are complete.

3. Right of Access

The Supplier is required to allow Franklin Fastener and our customers, if required, to perform audit(s) on your quality systems and measurements to assure they meet Franklin Fastener requirements.

The Supplier is required to allow Franklin Fastener and our customers, if required, to access production facilities, quality laboratories, warehouses or other areas used for products sold to Franklin Fastener. This includes quality related documents. Proprietary processes will be considered.

4. Product Documentation

A level 3 PPAP (or other as agreed) approval is required prior to initial shipments of product.

The supplier is required to contact Franklin Fastener in the event a quality feature, delivery date or delivery quantity deficiency is known prior to delivery. The supplier is also required to communicate any product deviations detected after delivery.

The following require communication to Franklin Fastener and Franklin Fastener approval prior to implementing;

- Changes in production methods, procedures, processes and/or materials including changes at your supplier.
- Changes in sub-suppliers
- Changes in testing
- Changes in production location including within the same facility

Suppliers are required to submit a Level 4 annual validation for all components delivered unless Franklin Fastener has agreed not to require validations. Annual validations require the following documentation;

- PSW
- 3pcs Dimensional
- Capability Study results for significant or critical dimensions
- Material Certifications with Chemical and Mechanical results

Material certifications and statistical data are to be available on request after initial PPAP.

5. Production and Traceability

In the case of a deviation in the process of quality, the supplier is required to initiate actions and monitor effectiveness to resolve the issue.

If the supplier cannot deliver products to specification, Franklin Fastener shall be notified to obtain approval prior to shipping.

Suppliers are required to label each container clearly identifying the Franklin Fastener part number and material lot date to ensure product can be traced back to a material lot and/or production lot in the case of a defect. (See paragraph 7)

The Supplier is required to identify, maintain and repair any equipment Franklin Fastener or our customers provide for production or testing.

6. Product, process and delivery

The supplier must conform to all Franklin Fastener specifications, data sheets, drawings and samples. Any supplier identified document or sample that is noticeably defective, unclear, incomplete or deviating from samples is to be communicated to Franklin Fastener of the issue and be resolved prior to PPAP. Suppliers are required to have PPAP approval prior to shipping product.

The supplier is requested to communicate with Franklin Fastener any possible risks or improvement for evaluation when identified.

7. Delivery and incoming components

The supplier is shall provide 100% conformance to delivery requirements as specified by Franklin Fastener. Costs incurred by Franklin Fastener as a result of a delivery nonconformance caused by supplier shall be the responsibility of the supplier.

The supplier is required to provide agreed upon packaging and transportation to avoid shipping damage and/or contamination.

Franklin Fastener does not perform incoming inspection unless an outside operation is necessary and therefore, we rely on the supplier to provide a quality product that meets all of Franklin Fastener 's requirements for each shipment.

8. Complaints

If a defect is identified at Franklin Fastener or Franklin Fastener's customer, the supplier shall immediately conduct a root cause analysis using the 8D format. Franklin Fastener will provide support if required. 8D response requirements;

- a) Initial response and containment
 - 2 days
- b) Root Cause and corrective action plan
 - 6 days
- c) Corrective Action implemented
 - 14 days
- d) 8D closed
 - 30 days (or TBD as required)

Franklin Fastener will return identified defects to the supplier for analysis. If Franklin Fastener or our customers are at risk of shutting down production due to defect(s), then the supplier in coordination with Franklin Fastener must work to assure timely measures are taken. This may include 1 or more of the following;

- a) 3rd party sorting
- b) Rework
- c) Extra Shifts or weekend work
- d) Expedited delivery

If the Supplier does not succeed in re-establishing the agreed quality level within an agreed period of time, Franklin Fastener may employ a 3rd party at the cost of the supplier.

If Franklin Fastener is required to conduct additional sorting at customer behest, those costs will be passed on to the supplier.

9. Environmental

Suppliers are required to report any hazardous materials to Franklin Fastener and are required to input all material data directly into the IMDS (International Material Data System) web site.

- IMDS Registration, Help and/or information can be found at www.mdsystem.com web site
- Franklin Fastener Company ID is 16829

Suppliers are required to comply with annual Conflict Materials reporting per Federal Requirements.

10. Contingency Planning

Suppliers shall identify and evaluate internal and external risks, to define, prepare, implement, test, review and document a contingency plan according the risk analysis and customer impact. Contingency plan shall be documented and reviewed annually for suitability. Contingency plan shall include provisions to validate that the manufactured product (s) continue to meet all customer requirements.

11. Record Retention

Records will be retained at the supplier as followed

- a. PPAP records: 15 years past life of program
- b. Material certification: 3 years
- c. Inspection reports: 3 years
- d. All other part quality documents not specified: 3 years

Note 1: For products and materials going to General Motors, refer to GM specification GMW15920 outlining +50 years record retention requirements.

Note 2: Retention periods are minimum unless superseded by customer or other legal authority.

12. Supplier Ratings

Suppliers will be monitored by Franklin Fastener quality for the following actions

- a) PPM – Goal is 0
- b) Complaint – Goal is zero
- c) On-Time 8D closure – Goal is 100% on time

Suppliers will be monitored by Purchasing for

- a) On-Time delivery – Goal is 100%
- b) Correct quantity – Goal is 100%
- c) Premium Freight – Goal is 0

If goals from list above are not met, the following actions may be implemented-

- Formal corrective action plan (8D)
- Continuous improvement actions
- Onsite audits described in paragraphs 2 & 3

13. Agreement

By signing this document, the supplier has reviewed the Franklin Fastener Quality Guideline and has accepted our terms and conditions. [This page must be signed and returned to Franklin Fastener when submitting a Quote.](#)

Franklin Fastener Supplier Quality Manual & Supplier Guideline Acceptance

Supplier Name

Supplier representative name

Supplier representative signature

Date

14. Record of Revision

Rev. No	Rev. Date	Summary of Changes
1.0	07/12/2019	• Initial Release

Approval

Approved By:	<i>Mike Cotten</i>	Approval Date:	<i>07/12/2019</i>
Title:	<i>Quality Manager</i>	Effective Date:	<i>07/12/2019</i>