

SQR

SUPPLIER QUALITY REQUIREMENTS AND CONTRACTUAL CONDITIONS

Pietryka Plastics LLC (PPL)

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1.0 PURPOSE

- 1.1 The objective of this document is to convey to PPL suppliers, and potential suppliers, the quality requirements and contractual conditions that must be met when providing goods and/or services to PPL.

2.0 SCOPE

- 2.1 This document is applicable to all PPL suppliers which provide products, processes or services that form part of, or contribute to, a deliverable end item.

3.0 DEFINITIONS

- 3.1 For the purpose of this document, a Supplier is a company or business that provides services, processing, or manufactured products to PPL.
- 3.2 Acronyms:

P.O.: Purchase Order **SCAR:** Supplier Corrective Action Request
NCR: Non-conformance Report **QAR:** Quality Assurance Representative

4.0 PROCUREMENT & COMMUNICATION

- 4.1 PPL's CFO, COO is the authorized individual to issue or revise P.O.s.
- 4.2 Only suppliers that are approved by PPL, may be issued a P.O. for general or specific goods and services.
- 4.3 The PPL P.O., together with referenced drawings, specifications and this document shall define all PPL requirements applicable.
- 4.4 As a PPL Supplier, it is your responsibility to ensure that all clauses, terms and conditions specified or referenced within the P.O. and this document are understood and complied with.
- 4.5 Failure to meet all quality clauses and requirements defined or referenced may result in rejection of the items or services you supply and can affect your **Supplier Approval Status**.
- 4.6 All written and verbal communications with PPL are to be through Customer Service.

5.0 SUPPLIER APPROVAL

- 5.1 It is the policy of PPL to procure goods and services only from those Suppliers who are approved by PPL. If you are a new supplier, you must complete a Supplier Quality Questionnaire (SQQ) and return it to PPL for review before any order can be placed with your company.
- 5.2 In addition, or as an alternative, PPL may elect to conduct an on-site survey of your facility to ensure that the required quality system and process controls are in compliance with PPL quality requirements. This provision shall also allow PPL's customers and regulatory agencies right of entry.
- 5.3 Upon completion of the survey and/or review of your submitted Supplier Quality Questionnaire, PPL shall determine your **Supplier Approval Status** as indicated below:

Approved: Your quality system meets PPL's quality requirements for procurement of general or specific goods and services.

Conditionally Approved: Goods and services may be purchased from your company, but corrective action is required to be taken by your organization to achieve Approved status.

Unacceptable: Your quality system does not meet the minimum PPL quality requirements commensurate with the goods or services to be provided.

- 5.4 Following initial approval, PPL may elect to re-evaluate your quality system on a planned periodic basis to ensure continued compliance to quality requirements. This re-evaluation may be in the form of an on-site audit.
- 5.5 Your **Supplier Approval Status** may also be subject to review based on the quality and timeliness of delivered items, responses to PPL Supplier Corrective Action Requests, changes of administration or ownership of your company, and/or other quality related issues.
- 5.6 In the case of a change in ownership or relocation of your company, PPL's A/P department must be notified within 30 days.
- 5.7 If, as a supplier of PPL, you are not specifically requested to use a company approved source, then you may use other sources. In such cases, you are responsible to effect the necessary controls on your suppliers to ensure compliance with the applicable provisions of PPL 's POs, drawings, specifications and this document.
8. In all cases, your company is fully responsible for monitoring the work performed by your suppliers and must also ensure a flow-down of PPL's quality requirements to your supplier to the extent applicable for the work performed.

6.0 SUPPLIER CATEGORIES & QUALITY REQUIREMENTS

- 6.1 Goods and services purchased by PPL are grouped into the seven (7) principal categories identified below. Within each are specific quality requirements which must be met. As a PPL supplier, it is your responsibility to identify the category applicable to you and comply to all requirements defined:
 - 6.1 a) Fabrication and Mechanical Assembly: (Type A Supplier) This category involves Suppliers who provide machining, sheet metal fabrication, tool and die making, castings, extrusions and mouldings, fusion and adhesive-bonding, heat treating, fabricated hardware, and mechanical assembly. As a supplier for the above, you are required to have a quality system which meets those requirements defined within ISO 9001:2000 as a minimum excluding the design and development requirement. When special processes are involved, the requirements outlined within para. 6.2.5 shall apply.
 - 6.1 b) Finishing and Coating: (Type B Supplier) This category involves Suppliers who provide painting, electrostatic coating, anodizing, plating, conformal coating, engraving and etching. As a supplier for the above processes, you are required to have a quality system which

meets those requirements defined within ISO 9001:2000 or equivalent excluding the design and development requirement. The requirements for Special Processes outlined within para. 6.2.5 shall apply.

- 6.1 c) Electric and Electro-mechanical Assembly: (Type C Supplier) This category involves Suppliers who provide specialized connectors, cables and wiring harnesses and electro-mechanical assembly. As a supplier for the above type of products and/or processes, you are required to have a quality system which meets or exceeds those requirements defined within ISO 9001:2000 or equivalent excluding the design and development requirement.
 - 6.1 d) OEM Equipment: (Type D Supplier) This category involves Suppliers who provide original parts, components, subassemblies and/or complete assemblies, etc. As a supplier for these type of products, you are required to have a quality system which meets those requirements defined within ISO 9001:2000 or its equivalent.
 - 6.1 e) Distributors/Dealers: (Type E Supplier) This category involves a Supplier who distributes or resells other manufacturers' products. As a distributor, you must have a system which ensures that material is stored, identified, packaged and preserved properly. You must also have a system of traceability which ensures that any product shipped to PPL is traceable to the original manufacturer including all batch or lot numbers applicable.
 - 6.1 f) Construction and Installation: (Type F Supplier) This category involves installation performed by third-party contractors. As a contractor, you must have a control system for ensuring that the defined PPL quality and specification requirements identified within the P.O. or contract will be met. When special processes are involved, the requirements outlined within 6.2.5 shall apply.
 - 6.1 g) Calibration Services: (Type G Supplier) This category involves Suppliers who perform calibration of measuring, monitoring and testing equipment for PPL. As a calibration lab, you must meet the requirements of ISO 10012-1 or its equivalent and have a system of traceability to national or international recognized standards. A certificate of Calibration must be included with each instrument calibrated.
- 6.2 The following contains general quality requirements for PPL Suppliers:
- 1. Quality System Review: During the performance of a PPL contract, your quality system and manufacturing and test processes may be periodically reviewed and evaluated by PPL, or its customer representative, to the degree and frequency determined necessary by PPL, or its customer.
- 6.2.2 Quality Records: Your quality records are to be maintained on file for a period of not less than three (3) years from the date of the completion of the contract.
- 6.2.3 Certificates of Compliance: When a Certificate of Compliance is required to be furnished by your company, it must contain the following relevant information:
- a) PPL's Purchase Order number;
 - b) PPL's Dwg. No. & Rev. level to which items were manufactured;
 - c) Your Dwg. No. & Rev. level to which items were manufactured;
 - d) Your part number;
 - e) PPL's part number;
 - f) The part name and description;

- g) Serial numbers or lot numbers
- h) Cure date, date of assembly or manufacture;
- i) Manufacturer's name.

6.2.4 Quality System: If you cannot meet all of the quality requirements specified within this document, you are to contact PPL's Quality department and request a concession for the requirement(s) before shipment of an item or order.

5. Special Processes: A special process is defined as a production process, the results of which cannot be fully verified by subsequent inspection and testing of the product and where, for example, processing deficiencies may become apparent only after the product is in use. Accordingly, continuous monitoring and/or compliance with documented procedures is required to ensure that the specified requirements are met. Examples of special processes are: welding, brazing, soldering, adhesive bonding, heat treatment, non-destructive examination and painting. Supplier equipment and personnel performing special processes are required to be qualified and records are to be maintained by the Supplier, as appropriate.

Approval of a Supplier's special process may be granted by PPL on an as-required basis.

7.0 PIETRYKA PLASTICS SUPPLIED MATERIAL AND DOCUMENTATION

7.1 As a PPL supplier, you are responsible for evaluating damage due to transport at time of receipt of PPL supplied materials and for the appropriate controls and periodic inspection of PPL supplied material during storage, handling and processing.

2. Strict segregation and control of PPL material is required by your organization. No material substitution is permitted without prior PPL's written approval.

3. It is your responsibility to ensure that the latest issue of PPL drawings and specifications as stated on the P.O. are available and maintained within your facility.

8.0 SOURCE & RECEIVING INSPECTION

8.1 PPL may elect to conduct source inspection of items at your facility before shipping. Source inspection may be applied to a greater or lesser degree at the discretion of PPL's Quality Manager. When source inspection is applicable, PPL will provide your organization with a 7-day notice.

8.2 Prior to Source Inspection by PPL, you are required to ensure that all items have successfully passed required inspections and/or tests and that all the supporting documentation is complete and available for review by the QAR.

8.3 As a PPL supplier you are to provide the facilities and the assistance that may be reasonably required by the PPL QARs in the performance of their functions.

8.4 Upon completion of Source inspection, the PPL QAR will complete a Source Inspection Report. A copy of this report must be included with your shipment to PPL and you must retain a copy within your files.

8.5 PPL reserves the right to independently verify your suppliers.

- 8.6 The acceptance of an item at your facility by PPL is not to be interpreted as final acceptance by PPL nor does it relieve you of your responsibility for quality.
- 8.7 Products delivered to PPL are required to meet all applicable drawings, specifications and/or P.O. requirements. Workmanship standards are expected to be consistently high to meet PPL quality requirements.
- 8.8 Nonconforming material discovered at any stage of PPL manufacture will be returned to you for rework/repair/replacement or, if mutually agreed upon, the nonconformities may be corrected by PPL at your cost.

9.0 NONCONFORMANCES & CORRECTIVE ACTION

- 9.1 NCRs and SCARs will be used by PPL as a means of advising you of an observed nonconformance and to request corrective action, as required.
- 9.2 Your response to an NCR or SCAR is expected within 30 working days, unless otherwise specified on the NCR or SCAR. Should additional time be required, you are requested to inform PPL of the reason for the extension and the estimated date of completion.
3. Within your response you are to identify the corrective action taken to eliminate the cause of the discrepancy in addition to the repair or rework action required to resolve the item rejected.
The effect on items already delivered must also be addressed within your response.
4. PPL's Quality department shall be used in the process of evaluating suppliers. Failure to provide timely and corrective action to an NCR or SCAR can adversely affect your **Supplier Approval Status**.

10.0 REQUEST FOR CHANGE or DEVIATION

1. If you require a change to released PPL drawings, specifications, etc., these changes must be approved in writing by PPL's Engineering department.
2. Without an authorized change, you are expected to meet all requirements defined or referenced within the PO.

11.0 FORMS

CAPA/SCAR Dual – 41401QSG