

<b>Document Name:</b> <i>Chainworks Supplier Quality Manual</i>	<b>Procedure Number:</b> N/A	<b>Origination Date:</b> 04Nov02
<b>Originator:</b> R. Hubbard <b>Title:</b> CWI Operations	<b>Revision Date:</b> 30Nov09 (revision. 1)	<b>Page</b> 1 of 4



## Chainworks Inc.

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### 1.0 Introduction

Chainworks mission is to delight our customers in every aspect of product quality, delivery and customer service. A critical element of this mission is the maintenance on quality systems compliant with *TS 16949, ISO 9001 and A.I.A.G. guidelines.*

All *automotive* production suppliers to Chainworks Incorporated are required to have a quality system compliant to *TS 16949 via third party certification. Under certain circumstances, certification to ISO 9001 is acceptable provided an action plan is in place to transition to TS 16949.*

*Under exceptional circumstances Chainworks may approve a supplier not certified to ISO/TS standards provided the supplier meets all expectations and product requirements. Chainworks shall receive customer approval for non-certified suppliers.*

*For non-automotive product, ISO 9001 is preferred but a Chainworks site assessment may be acceptable.*

*Chainworks shall perform site assessments on all suppliers.*



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## 2.0 Supplier Approval

Prior to any release to produce product, all suppliers must be added to the approved supplier listing. The requirements to be added to the approved supplier listing are as follows:

- Third party certification to *TS 16949 for automotive product.*
- *Third party certification to ISO 9001 or site assessment for non-automotive product.*
- Completion of the Chainworks supplier assessment *for all suppliers.*
- *Signed confidentiality agreement*
- *Exceptions as noted in section 1.0*

The Chainworks supplier assessment is a general assessment document addressing several other important factors relevant to predicting future supplier performance.

## 3.0 Production Part Approval Process

All production material released for production must pass the Production Part Approval Process as defined in the *AIAG PPAP Manual, third edition.* Advanced Quality Planning (AQP) is a critical element in this process. Through the quotation development process as well as through the PPAP development process, AQP discussions will be held to assure the following:

- Feasibility of the design for manufacturability
- Possible suggestions or improvements to reduce cost or improve quality
- Assure that all requirements including process specification are available and understood

## 4.0 Supplier Performance Requirements

Chainworks Incorporated expects its suppliers to deliver defect free product 100% on time. If non-conforming material is identified by Chainworks Incorporated, the material will be immediately rejected and subject to disposition which may include the following:

- Return of the material to the supplier
- Sorting and rework of the material at the supplier's expense
- Premium freight associated with the replacement of defective material
- An 8D corrective action request issues to the supplier

It is the intention of Chainworks Incorporated to cooperate with its supply base in a partnering manner at all time. Chainworks Incorporated will do everything in its power to communicate with the supplier relative to the defective material to minimize additional costs incurred to disposition the material. However, customer satisfaction is our highest priority and Chainworks Incorporated will take every necessary action to eliminate or minimize customer impact of defective material.



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## 5.0 General Commercial Requirements

Chainworks Incorporated operates on a purchasing system based on Blanket Purchase Orders. For production material, a blanket order will be issue for that part. The blanket order is not a release for production. Specific releases will be issued on a separate document from Chainworks Incorporated Operations. Any reference to annual volumes on the blanket order is for information purposes only and is not a commitment to a given volume of material. Variability in forecasted volumes is common in our industry and the supplier should plan accordingly.

All purchase orders are subject to Chainworks Incorporated standard terms and conditions which are available upon request and are posted on the Chainworks Incorporated website which can be found at chainworksinc.com.

Invoices for all goods and services are to be sent to:

Chainworks Incorporated  
PO Box 1088  
Howell, MI 48844

Invoices are paid in accordance with the terms stated on the purchase order. Electronic invoices are also acceptable and should be sent to [Marlena@chainworksinc.com](mailto:Marlena@chainworksinc.com) Invoice approval is based upon the following:

- Match of invoice to blanket order for part number and price
- Match of invoice to a valid receipt by Chainworks Operations

Invoices will be placed on hold if there is not a match with the above information.

From time to time, it may be necessary to debit a suppliers payable based on a quality or delivery issue. Chainworks Incorporated will not debit a supplier's account without first communicating the issue and working to reach an acceptable resolution.

## 6.0 Chainworks Incorporated Specific Requirements

After PPAP approval, the supplier shall notify Chainworks Incorporated of any *proposed* change(s) made in the manufacturing process including but not limited to:

- Raw material change
- Manufacturing process change
- Sub-contracted special process changes

*Written approval from Chainworks is required prior to implementing any process change.*

A new PPAP submission from the supplier is required for any change after approval unless waived in writing by Chainworks Incorporated.

The supplier shall do everything in its power to protect the confidentiality of all customer supplied information. A signed confidentiality agreement is required to be added to the approved supplier listing.



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The Chainworks Incorporated quality system is based on continuous improvement. Suppliers are expected to continually evaluate products and processes to improve quality delivery and cost. Suppliers will be evaluated on their ability to provide continuous cost reduction and are expected to share in process improvements.

From time to time suppliers may be asked to direct ship to Chainworks Incorporated customers. Prior to shipping direct, Chainworks Incorporated Operations *shall receive the documents noted below PRIOR to shipment of product. Chainworks reserves the right to have designees perform product verification on site.* The supplier will be notified if this requirement is applicable.

All suppliers shall provide with each shipment the following as applicable:

- Material certifications
- SPC data for key or significant characteristics as identified by the drawing.
- *Dimensional layout results*
- Packing slip including all relevant purchasing information (PO, quantity, etc)

Additionally, records of all items are to be maintained on file at the supplier's facility and are to be made available upon request of Chainworks Incorporated.

