



Chicago Rivet & Machine Co.

SUPPLIER QUALITY REQUIREMENTS

PURPOSE:

The purpose of this document is to communicate and define the quality system requirements, expectations and other specific requirements of suppliers conducting business with Chicago Rivet and Machine Co. This document outlines the minimum activities required of supplier's quality management system in providing production materials, components or services to Chicago Rivet.

Chicago Rivet and Machine Co is dedicated to providing its customers with quality products, on time, and at a competitive price. We recognize that our supply base shares a critical role in our ability to meet our customer's requirements as well as to achieve our goals and objectives. Our goal to our customers is one of zero defects and 100% on time delivery. Your commitment to provide quality products and services in a timely manner is essential to our mutual success.

GENERAL REQUIREMENTS:

Chicago Rivet is committed to the ISO/IATF16949 Standard and related practices. For all material and service suppliers, registration to ISO/IATF16949 is encouraged. Suppliers should at a minimum, be registered to current ISO-9001 Quality System and accredited by a third party certification body. A current certificate of certification must be forwarded to our purchasing department. Chicago Rivet will support suppliers who have demonstrated a commitment to continuous improvement of quality deliveries and cost reductions. It is our further intent to develop mutually beneficial long-term alliances with suppliers meeting performance and quality levels identified in this policy.

These supplier quality requirements are part of the purchase order or contract issued by Chicago Rivet and Machine Co. The acceptance of the purchase order/contract constitutes acceptance of these requirements. Additional quality requirements for material and services as specified on the purchase order, contract; drawings or other specifications must also be satisfied. Failure to comply with quality system requirements may result in a supplier being removed from the Chicago Rivet approved vendor listing.

SUPPLIER APPROVAL PROCESS:

All suppliers of production materials and services must achieve approved status to participate as a vendor to Chicago Rivet. Existing production suppliers achieve approved status through demonstrated performance as measured by the supplier rating system. All new suppliers shall be selected based upon ISO 9001 or IATF Quality Systems registrations and must demonstrate technical leadership that is committed to total quality, on time delivery and competitive pricing. New suppliers will then be evaluated based upon performance as measured by the supplier rating system to achieve approved status.

SUPPLIER RATING SYSTEM:

All suppliers are expected to provide a high standard of performance in the areas of product quality, delivery, cost and service. Supplier's performance standards will be monitored and periodically reviewed to determine their approval status as a supplier to Chicago Rivet.

SUPPLIER CORRECTIVE ACTION REPORT:

SCAR's will be issued to suppliers at the discretion of Chicago Rivet for non-conforming material. SCAR's may also be issued should a supplier's overall performance rating drops into the marginal or unsatisfactory category. A recognized problem-solving process such as an 8D or similar structured approach must be used by suppliers in addressing the corrective actions.

Actions Required:

- ✓ Immediate containment to prevent non-conforming material being shipped to Chicago Rivet.
- ✓ Initial CAR response time within 48 hours.
- ✓ Final CAR resolution due within 14 days.
- ✓ CAR's issued to suppliers are part of the suppliers overall rating. Failure to respond within the established time frame will negatively affect the suppliers rating.
- ✓ Acceptance of the final resolution proposed by the supplier is at the sole discretion of Chicago Rivet. Final resolutions must address the root cause of the issue to prevent its recurrence.

OTHER REQUIREMENTS:

- ✓ Suppliers shall support PPAP and CQI documentation where applicable and forward such documents to Chicago Rivet upon request.
- ✓ Suppliers shall insure that Chicago Rivet receives information needed to meet requirements for developing International Material Data Systems (IMDS) provisions.
- ✓ Suppliers shall maintain proper legal and ethical conduct and ensure that they conform to applicable regulatory requirements.

- ✓ Suppliers shall consider all prints and documents issued to supplier by Chicago Rivet as confidential.
- ✓ Chicago Rivet reserves the right to audit a supplier's Quality Management System at any time, upon reasonable notice, and suppliers shall provide right of access to Chicago Rivet, its customers, or its representatives for the purpose of conducting these audits and verifying product conformance.