



Unique Fabricating, Inc
QUALITY ASSURANCE
STANDARD FOR
SUPPLIERS

Quality Assurance Standard For Suppliers

This Edition has been developed to include reference manuals from the Automotive Industries Action Group (AIAG). Suppliers are required to be registered/certified to ISO 9000, and/or IATF-16949 unless otherwise approved by Unique Fabricating. Calibration Laboratories and testing laboratories must be A2LA, ISO-17025 or equivalent registration.

All suppliers to Unique Fabricating, Inc. are required to utilize and maintain the following manuals as published by the Automotive Industries Action Group (AIAG):

Advanced Product Quality Planning and Control Plan (APQP)

Potential Failure Mode and Effects Analysis (FMEA)

Measurement Systems Analysis (MSA)

Statistical Process Control (SPC)

Production Part Approval Process (PPAP)

Quality System Requirements (IATF16949, and/or ISO 9000)

Quality System Assessment (QSA)

All manuals can be obtained by contacting AIAG

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This Manual has been approved by:

Unique Fabricating

QUALITY ASSURANCE STANDARD

FOR SUPPLIERS



Please acknowledge receipt of this document by completing the information below and returning this page via Email or mail to: Supplier Quality, 800 Standard Parkway Auburn Hills, Mi 48326

Supplier Name: _____

Supplier Address: _____

Name/Title of Person Acknowledging Acceptance:

_____ **Date Received:** _____

Manufacturing Locations

800 Standard Parkway, Auburn Hills, Michigan 48326
Telephone: 248-853-2333

300 W. McCarter Road, Lafayette, Georgia 30728
Telephone: 706-638-8694

Hiperion 901, Parque Industrial Kalos Guadalupe
Guadalupe, Nuevo Leon, Mexico 67190
Telephone: +52 (81) 80-300-700

13221 Allman Road Concord ,
Michigan, 49237, United States
(517) 524-9010

1001 West Oak Street Louisville,
Kentucky, 40210 , United States
(502)585-5866

Acceso III No. 96 Int. 46, Parque Industrial Vie Verte,
Zona Industrial Benito Juarez, Del. Félix Osoros
Sotomayor, Querétaro, Querétaro, 76120 México

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Ontario, N6J 2S9, Canada
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QUALITY ASSURANCE STANDARD FOR SUPPLIERS



Section I

Quality Management Policy

QUALITY POLICY

Unique Fabricating, Inc. and all its subsidiaries are fully committed to a Quality Management System.

As a leading solutions provider to the industries we serve, the Unique Fabricating management team and all of our employees are committed to providing quality products and services to our customers which meet or exceed their expectations at a competitive price.

In doing so, we are fully dedicated to:

- PPM Goal of Zero Defects
- 100% On Time Delivery
- Continuously Improving Operations

Unique Fabricating, Inc. will also strive to provide a safe working environment for all of our employees, as well as community environmental stewardship through pollution prevention, resource consumption reduction and waste recycling management.



Doug Cair
President/CEO

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Purpose

Unique Fabricating, Inc. (UFI) success is based upon the quality, performance, and economics of our products. Because the qualities of our products depend heavily on the quality of purchased parts and materials, we realize that you are an integral part of our manufacturing team. Your communications, understanding, cooperation and dedication are essential to the success of our combined efforts.

This edition of the Quality Assurance Standard for Suppliers describes the minimum quality assurance requirements for products, materials and services provided to Unique Fabricating, Inc. A culture dedicated to continuous improvement is necessary in order to fulfill our obligation of providing defect free product to our customers on time, every time.

We believe that quality is the result of careful planning and must be present in every step of the manufacturing process. Successful management of quality requires a clear understanding of quality assurance requirements. All products and materials provided to Unique Fabricating, Inc. will be produced in accordance with a documented quality system compliant to the guidelines as established by this document. Your quality system, including procedures and processes, shall be subject to review by Unique Fabricating, Inc.

Scope

The standards as set forth in this document outline fundamental quality assurance concepts. All materials, parts and services provided to Unique Fabricating, Inc. shall be produced, controlled, inspected, and tested in accordance with the requirements set forth in this standard.

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Section II Basic Requirements (ISO/IATF 16949)

TS-16949 Section	Element Number	Element Description
4	4.1	General Requirements
5	4.2	Documentation Requirements
	5.1	Management Commitment
	5.2	Customer Focus
	5.3	Quality Policy
	5.4	Planning
	5.5	Responsibility, authority, communication
	5.6	Management Review
6	6.1	Provision of resources
	6.2	Human resources
	6.3	Infrastructure
	6.4	Work environment
7	7.1	Planning of Product Realization
	7.2	Customer-related processes
	7.3	Design and development
	7.4	Purchasing
	7.5	Production and service provision
	7.6	Control of monitoring and measuring devices
8	8.1	General

	8.2	Monitoring and measurement
	8.3	Control of nonconforming product
	8.4	Analysis and use of data
	8.5	Improvement
	A.1	Phases of the control plan
	A.2	Elements of the control plan

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Section III: Supplier and Purchasing Control

1.0 Material Certification Requirements

A. Annual Certification: On an annual basis UFI requires that complete laboratory testing be performed on the applicable specifications and requirements. This testing shall be performed by a customer accredited internal or independent laboratory, or one which has an approved third party certification, either A2LA (American Association for Laboratory Accreditation), or SCC (The Standards Council of Canada). Test data on individual lots of material maybe requested by either UFI Quality or Purchasing.

Note: This certification must be renewed once a year.

B. Pre-shipment Lot Approval

Suppliers, when requested, are required to supply pre-shipment samples of material to the UFI material testing laboratory. UFI may reject any lot if nonconforming material is identified.

C, Lot Certifications are to be sent by email to ufimaterialcerts@uniquefab.com

2.0 Statistical Process Control/ In-Process Capability

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All suppliers are required to provide evidence of continuous control of their process through the use of recognized statistical methods. If requested by UFI, SPC must be provided by the supplier.

Refer to ISO/IATF 16949 "Measurement, Analysis and Improvement" for general requirements.

Significant Control Characteristic

The identification of significant characteristics shall be the responsibility of the supplier and/or Unique Fabricating. The characteristics shall be chosen on the basis of function, design intent, manufacturing process and historical data. When a significant characteristic is identified on drawings, specifications, or purchase orders provided by Unique Fabricating, the supplier may be required to submit SPC charts on that characteristic to the Supplier Quality Engineer.

The supplier is encouraged to employ a continuous improvement program aimed at achieving a minimum Cpk of 1.67.

GR & R

In addition, specific gauges that are used to measure significant control characteristics must exhibit acceptable GR&R, per the criteria described in the AIAG standard manual, "Measurement System Analysis". GR&R annual studies to verify gauge acceptability is also required.

3.0 Control Plans

The suppliers to Unique Fabricating will be required to furnish documented results of quality planning activities. The supplier should incorporate and maintain a control plan which details specific control activities for each significant characteristic identified on the UFI purchase order and for appropriate process identified by the supplier.

The control plan must be available for review and approval by the UFI Quality Assurance Department, upon request. The supplier control plan shall be a description of the system used to measure and control process and product variation.

A supplier PPAP and control plan is required for every purchased part and must be maintained throughout the product life. They shall be documented by the supplier using the AIAG form or an equivalent and submitted as part of the supplier sample submission package (PPAP). For raw material suppliers, PPAP, at a minimum, will include PSW and material certification.

Advanced Quality Planning

The supplier shall implement an Advanced Quality Planning Procedure that outlines all the departmental activities and utilizes a flowchart to illustrate the steps taken from the time of quoting, through to the time of production start-up. The procedure

shall define responsibilities, and contain a tracking system to ensure that the following are developed: PPAP's, Control Plans, FMEA's, Operator Instructions, Inspection Instructions, SPC Characteristics, Process Flow Diagrams and Gauge Studies.

4.0 Supplier Assessment

Upon notification, Unique Fabricating reserves the right to conduct a periodic assessment of the suppliers' facility for effective Quality, SPC, Delivery, Technology, Cost Control, Management Systems and other related concerns. All relevant personnel must be available upon request at the time of the survey.

Unique Fabricating uses two types of assessment programs:

1. Supplier Self-Assessment
2. On-site Assessment

The results of these assessments will be used by Unique Fabricating Purchasing as a guideline for approving UFI Suppliers.

Supplier Assessment (continued)

Evaluation of perspective suppliers will be made prior to placing an order unless approved otherwise by Quality and Engineering. This evaluation is made by the Quality Assurance, Purchasing and Engineering departments.

Supplier Self-Assessment (Survey)

The supplier may be required to complete the "Supplier Self Survey" (See Appendix) when being considered as a potential supplier/sub-contractor to Unique Fabricating. The completed self-assessment must be submitted by new suppliers to Unique Fabricating's Quality Department for review prior to placing business. An on-site assessment may also be performed prior to placing business with a new supplier.

Or submit an equivalent document or certification to ISO/IATF 16949 or ISO 9000 upon approval of the UFI Quality Supervisor.

On-site Supplier Assessment (Audit)

The Unique Fabricating representative conducting the assessment will use the "System Survey" (See Appendix). If inadequate systems are found during the survey, the supplier will be required to provide a corrective action plan with timing expectation.

5.0 Lot Tracability and control

Suppliers are required to maintain a system that provides for material identification throughout the manufacturing operation. Each lot of material shall have a unique number assigned to it by suppliers and must appear on the shipping labels and packing slips.

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Records of lot shipments shall be maintained. Lot traceability procedures must be written into control plans and submitted to Unique Fabricating during sample submission.

Labeling of Shipments

UFI's material part number must appear on all labels. In addition, lot numbers and expiration dates shall be included on labels and shall be identified as such. UFI labeling format and requirements must be adhered to.

UFI Packing Slip Requirements

The packing slip must provide the exact dimension of each UFI Number shipped. Example: Do not provide a total length shipped such as 625 yards; provide specific data such as 6 rolls at 60" x 100 yds and 1 roll at 60" x 25 yds.

6.0 Sub-Contractor Requirements

The supplier shall have in place a system that assures all purchased or subcontracted materials and services provided to Unique Fabricating conform to all specifications and purchase order requirements.

The supplier shall have a notification procedure with a follow up program for nonconforming material/service received from a sub-supplier/sub-contractor.

The supplier shall require certification of all incoming materials including laboratory test data for significant characteristics as agreed upon. Material warrants shall be verified either internally or by an accredited outside source on an annual basis.

Sub-Contractor Requirements (Continued)

The supplier shall encourage the use of SPC. Surveys of sub-suppliers should be conducted at a frequency that ensures an adequate quality system is in effect. The survey must include corrective action with follow-up for any discrepancies found.

The supplier shall have an effective system to select and assess its suppliers/ subcontractors quality and management systems and implement a method of monitoring the performance of its supplier/subcontractors and their development in areas that require improvement.

7.0 Receiving Inspection Procedure

The supplier shall have in place a procedure at receiving that ensures all shipments are inspected upon arrival. The date, supplier, lot number, and part/material number should be recorded and verified against the bill of lading.

8.0 Supplier Quality Problem (Supplier Return)

Nonconforming Material Notification

In case of a nonconformance of supplied material, the supplier will be immediately notified by phone and in a written Supplier Return. The Supplier Return is a document issued by UFI whenever purchased material is identified as nonconforming to quality requirements. The supplier will be required to report back, in writing, the cause of the discrepancy, corrective action taken, and a date when corrected shipment can be expected.

Supplier Returns may result from incoming receiving inspection or from reaction to quality problems detected at point of use locations within Unique Fabricating's facilities. Supplier Returns may be issued due to severity of the defect, percentage defect rate, repetitious nature of the defect, or for other factors deemed appropriate by UFI. Disposition and containment response is to be made to UFI within 48 hours of receipt or notification. Long term corrective action (in an 8-discipline format or equivalent) must be submitted to UFI within two weeks from Supplier Return issuance.

The supplier shall be debited for all costs associated with supplier responsible non-conforming material in order to maintain production at Unique Fabricating and their customer.

Supplier Response to Nonconforming Material

Upon verbal or written notification of nonconforming material by UFI, the supplier is expected to immediately replace any material found defective at UFI. In response to receiving an Supplier Return, the supplier must immediately notify UFI of containment action. The supplier shall analyze all returned nonconforming product.

Corrective Action (8D) responses are reviewed by the UFI Supplier Development team for adequacy when received. A copy of the 8D format and the Supplier Return form can be found in the appendices.

9.0 Shipment of Suspect Material

Any nonconforming material identified in the manufacturing system will be removed from the process flow and segregated in a quarantine area pending disposition. Reworked material must be 100% reinspected/retested by personnel other than the person that performed the work. The supplier shall have documented corrective action for significant internal quality rejections.

Notification from Supplier to Unique Fabricating

In the event of a suspected nonconforming shipment to Unique Fabricating, the supplier shall have a system to immediately notify UFI of the suspect material. All suspected material in-house shall be quarantined by UFI, and 100% inspected for nonconforming characteristics or returned to the supplier.

10.0 Delivery Performance

Suppliers are required by UFI to deliver 100% of their shipments on time. Shipments designated as due on a specific date must be received within a + zero days/- five day

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window. Shipments will be considered delinquent if received outside the specified window. Any shipment received early will be rejected unless approved otherwise by UFI.

Whenever delayed deliveries or short shipments are anticipated, the supplier shall immediately notify Unique Fabricating.

All suppliers are required to provide ASN's with shipment of material(s).

11.0 Supplier Evaluation

Unique Fabricating shall evaluate the performance of selected suppliers quarterly on delivery of material shipped to UFI. The evaluations will be used as a guideline then considering continued use of suppliers to Unique Fabricating. The evaluation will be using a straight percentage of on time delivery. On time delivery is defined as the promised date on the P.O. +0/- 5 days.

Delivery

The delivery rating will be determined by the percentage of deliveries that are delinquent, as described under section 10.0, Delivery Performance. Any delivery ratings below 100% requires written corrective action within two weeks of receipt of this report.

General Quality

The General Quality rating is determined by occurrence of nonconformance and responsiveness to quality problems and requirements.

12.0 Material Storage and Packaging

Material Storage

The supplier shall have performed periodic dock audits that include part to label verification. The supplier shall provide for the handling and storage of material that will allow for first in, first out (FIFO) and preserve product quality at all times with adequate packaging and good housekeeping.

Packaging

The supplier shall package all shipments in conformance to the AIAG Standard. The AIAG label must correctly identify all shipments with the UFI part number, quantity, and date of manufacture. The shipment shall be palletized, using four way entry pallets, according to the AIAG Standard, using polypropylene or polyethylene banding as required. Steel banding is acceptable only with prior approval from UFI.

Record Retention

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All records of inspection, testing, guage calibration, control plans, inspection instructions must be retained for a minimum of one year from the date of the last shipment. Records shall be established and maintained to provide evidence of conformity to requirements and of the effective operation of the quality management system.

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Section IV: Price of Nonconformance

Unique Fabricating, Inc. is vigorously pursuing continuous improvement in our ability to provide the highest quality product with delivery performance that consistently exceeds our customer's expectations and demands. To that end, Unique Fabricating, Inc. expects our suppliers to do the same. Unfortunately, quality and delivery problems are costly to Unique Fabricating, Inc. and to our customers. Unique Fabricating, Inc. has now implemented the following policy.

- 1) Sorting charges will be assessed at the rate of \$30.00 per labor hour.**
- 2) Down time will be assessed at the rate of \$75.00 per labor hour.**
- 3) Any premium freight charges incurred by UFI as a result of vendor delivery performance failure will result in a charge back to the vendor.**
- 4) Any cost passed on to UFI by it's customer due to supplier quality will be charged back to the supplier.**
- 5) Suppliers failing to respond to corrective action requests by the indicated due date or if Supplier's product is returned or scrapped an administration fee of \$150.00 will be debited to the Supplier.**

Unique Fabricating, Inc. is actively trying to promote continuous improvement throughout our suppliers by encouraging comprehensive root cause analysis and corrective/preventive actions.

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Section V: Continuous Improvement

All suppliers to Unique Fabricating, Inc. are required to have a comprehensive continuous improvement philosophy fully deployed throughout their organization. Suppliers shall continuously improve in quality, service (including timing and delivery performance), and price. Improvement must be documented.

Suppliers shall develop specific action plans for continuous improvement in processes that are most important to Unique Fabricating, Inc.

In addition to the above, a supplier's continuous improvement program should consider quality and productivity activities to improve in areas such as:

- * unscheduled machine downtime
- * set-up, die change, machine changeover times
- * excessive cycle times
- * scrap, rework and repair
- * nonvalue added use of floor space
- * excessive process variation
- * less than 100% first run capability
- * process averages not centered on target values (bilateral)
- * waste of labor and materials
- * excessive cost of quality and/or nonconformance
- * difficult assembly or installation of products
- * excessive handling and storage
- * UFI dissatisfaction such as complaints, missed shipments, PPM Defective, etc.

Unique Fabricating, Inc. requires supplier management review of continuous improvement systems, including quality measurables where appropriate.

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Section VI: Supplier's Requirement for IMDS Reporting

The International Material Data System (IMDS) is an Internet based system required by OEM clients to report and track hazardous substances found in materials, parts and systems of vehicles sold worldwide.

The database is owned and operated by the OEM clients (through EDS support) to help meet governmental mandates of reportable, restricted, banned chemicals and recycling of vehicles.

To support the End of Life Vehicle Directive (ELV) for Europe and North America, Unique Fabricating Inc. requires that all suppliers' submit Material, Component or Semi Component, breakdowns through the International Material Data System (IMDS). The website for The International Material Data System (IMDS) is <http://www.mdsystem.com>. The International Material Data System (IMDS) is not designed and/or used to steal proprietary substance information. The system is designed to display actual substances that stay with the Material or Semi Component once found on the vehicle platform.

For example, proprietary information can be referenced as wild cards: modifiers, plasticizers, additives, retardants can be listed on the data sheets as such. Declaring proprietary substances can be listed under the wild card as "Miscellaneous" as long as these substances don't include Declarable or Prohibited Substances found on the International List of Reportable Substances (ILRS). Any of the above "wild cards" cannot exceed 10%.

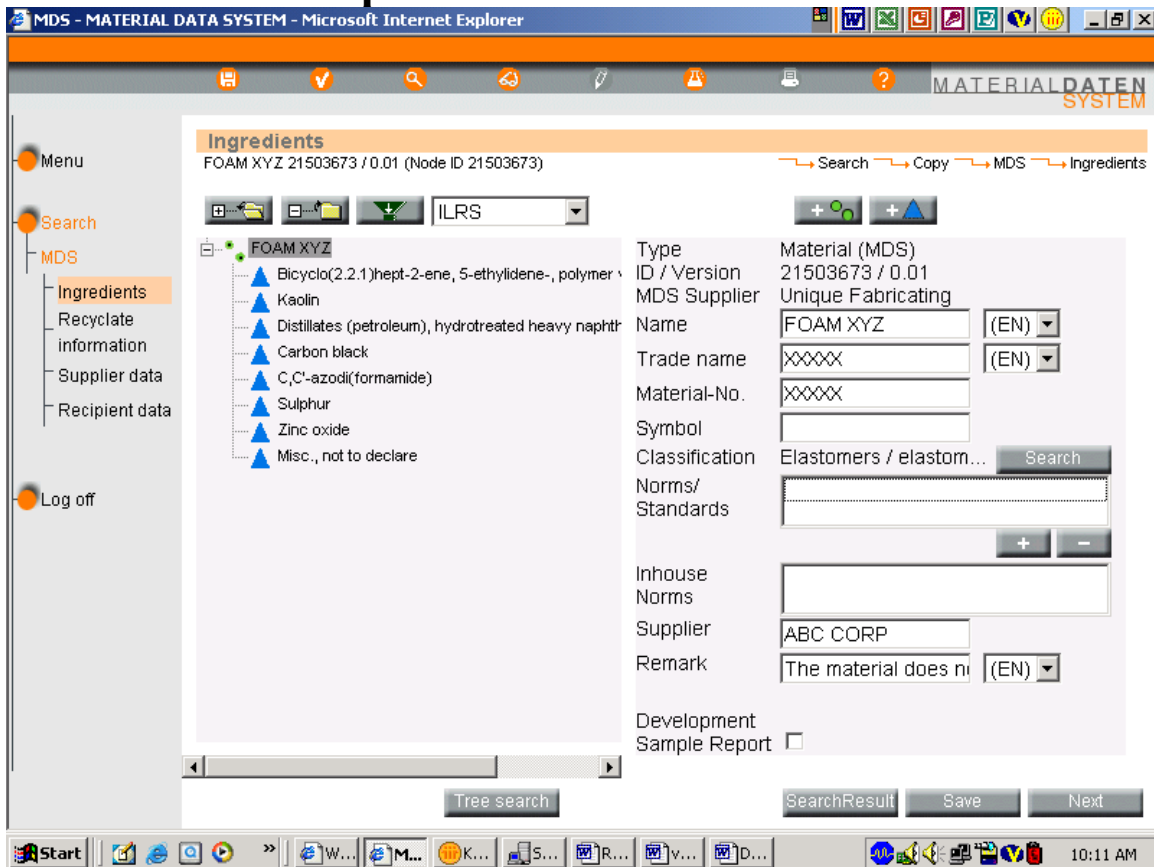
When creating a submission with any of the above "wild cards" the following declaration must be included in the remarks column found on page one or two of the Material Data Sheet, "The material does not contain any restricted or reportable substances according to ILRS, GMW3059, Ford RSL, Toyota SoC and DCX CS-9003, other than those specifically identified."

All materials supplied to Unique Fabricating Inc. must be submitted directly to IMDS ID# 1706 for review. The supplier has the option of

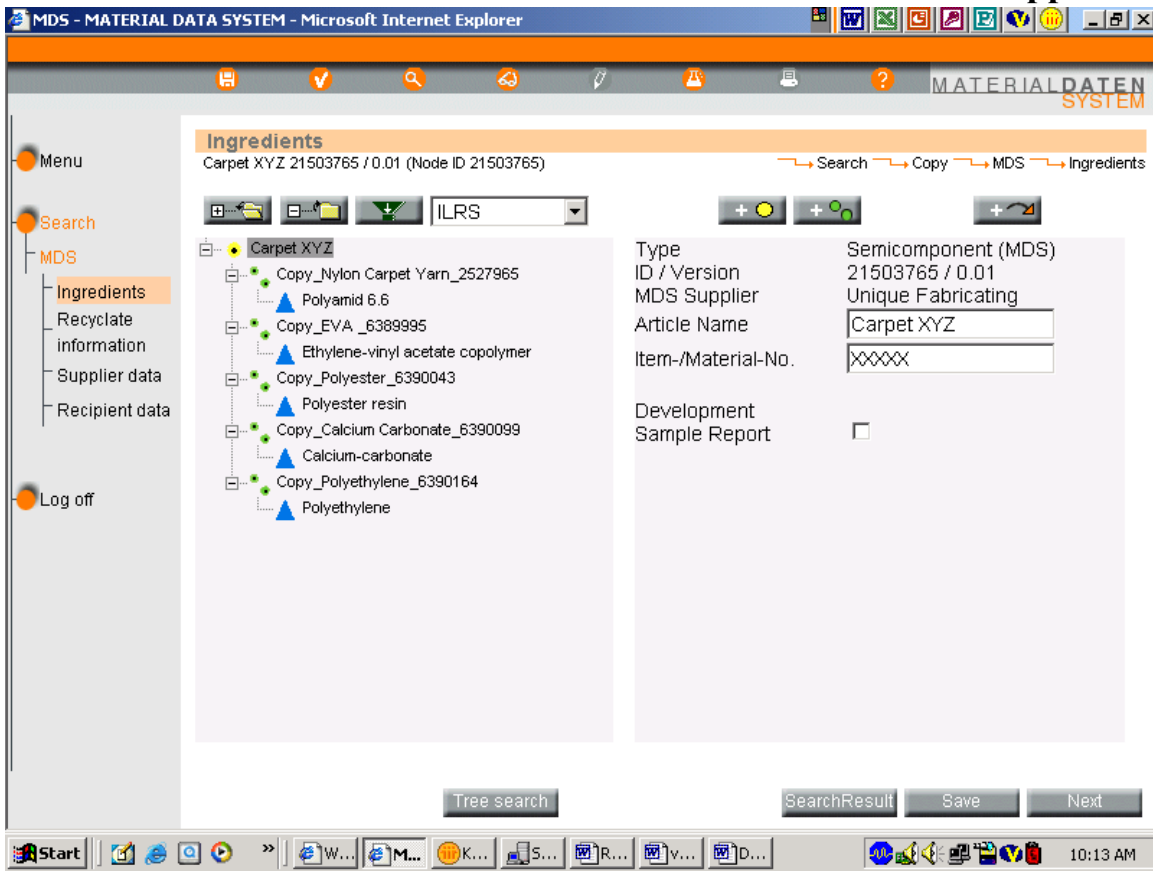
publishing or proposing its Material or Subcomponent submissions. Suppliers do not have to “Publish” submissions unless the company feels comfortable doing so. Unique Fabricating Inc. will review then accept or reject supplier submissions. Once accepted, Unique Fabricating Inc. will build components with supplier Materials or Semi Components and propose to customers only. Unique Fabricating Inc. will never share any Material or Semi Component with anyone other than the direct customer the component will be supplied to.

Should any supplier not be familiar with the International Material Data System, please feel free to contact the IMDS helpdesk at 1-717-506-1461 or e-mail to imds-eds-helpdesk-nao@eds.com. Any supplier can contact the IMDS coordinator for Unique Fabricating Inc. directly should there be any concerns or questions.

Below is an example of a Material submission:



Below is an example of a Semi Component submission:



Appendix



Unique Fabricating

Supplier Self Survey

QUALITY ASSURANCE STANDARD FOR SUPPLIERS Supplier System Survey



Self Survey _____ On-Site Assessment _____ Date: _____

Supplier Name: _____

Address: _____

Subsidiary Of: _____

Primary Processes: _____

Major Products: _____

Total Employment: _____ Exempt/Salary: _____ Quality: _____

Age of Company: _____ Union: _____ Plant Size (Sq. Ft.) _____

Summary of Results:

plans

Supplier is ISO/IATF 16949 and/or ISO9000 Certified or has

for certification by: _____

Current Certification Number: _____

Supplier is ISO 14001 certified

Supplier is capable of Certification with some improvements. A timing plan of implementation may be requested by UFI.

Supplier would require major improvements to become certified.

Attach any comment sheets to the last page of this survey.

Survey Performed by: _____ **Title:** _____

For the following pages of this survey, answer the question by checking the box that applies. If there is an asterisk (*) after question, please provide the supporting documentation.

1. Does your company have a documented Quality Policy?

Yes No

2. Are there written objectives regarding Quality?

Yes No

3. Does your company have a written Quality Manual?

*

Yes No

4. Does your company have a system to provide traceability of materials (lot numbers for material used)?

Yes No

5. Does your company use Quality Planning (i.e.: control plan, PFMEA, Flow Diagrams)?

*

Yes No

6. Does your company have Receiving Inspection / Final Audit?

Yes No

7. Is all material in your facility identified as to its status?

Yes No

8. Do you have a system for the calibration and measurement equipment used in the manufacturing and testing of sellable product?

Yes No

9. Does your company have methods to identify and control nonconforming product?

Yes No

10. Does your company have and use a structured corrective action process?

Yes No

11. Does your company use quality records / customer feedback to track performance?

Yes No

12. Is the performance data shared with management?

*

Yes No

13. Does Management act on performance data information

*

Yes No

14. Does your company perform internal quality system audits?

*

Yes No

15. Are your employees trained/qualified to perform their job duties.

Yes No

16. Does your company use Statistical Process Control in the processes (SPC Charts)?

*

Yes No

17. Are the processes under control?

Yes No

Comments:

Thank you for filling out the survey form and returning it promptly. This will allow Unique Fabricating to establish priorities in the continued evaluation of our supplier base.

Representative Signature: _____ Date: _____