

GENZINKSTEEL

***Supplier Requirements
Manual***

QM-02

Introduction

Customer expectations for Quality, Cost, Service, Technology and Delivery require supreme business efficiency and resourcefulness for profitable growth and long term survival. Genzink Steel plans to maintain its business strength by working closely with its supply base to ensure that requirements and expectations are clearly understood and that its suppliers share and act with a common sense of urgency that our customers demand.

To assist our suppliers in helping us achieve our strategies, Genzink Steel Purchasing will utilize the necessary Engineering, Operations, Purchasing personnel necessary to help both the supplier and Genzink Steel to be successful. We recognize that Genzink Steel cannot succeed without the superior quality, cost, service and technology offered by its supply base.

Purpose/Objective

The purpose of this Supplier Quality Manual is to specify Genzink Steel's quality system requirements for our suppliers. These requirements extend to suppliers providing raw materials, services and hardware. It should be understood that the requirements noted within this manual reflect Genzink Steel requirements that shall be considered to be "Customer Specific Requirements" for the purposes of Quality System conformance and audit purposes.

This manual applies to all direct material/service external suppliers. This manual applies to indirect material/service suppliers only when it is required by a Genzink Steel Purchase Order.

This manual is 'distributed' only via the posting on the Genzink Steel website at genzinksteel.com. Printed copies are uncontrolled documents. Suppliers are expected to remain up to date on Genzink Steel requirements by frequently visiting the Genzink website. Visiting this website should become a business routine as Genzink Steel shifts to web based communications and applications. Questions regarding this manual should be directed to the Genzink Steel Purchasing or Quality contacts.

Responsibility

Suppliers are responsible for meeting the requirements of this manual. Failure to meet these requirements may result in the loss of existing and/or future Genzink Steel business, in addition to reimbursement of the cost to Genzink Steel resulting from those failures. Suppliers shall adopt the standards of Zero Defects and 100% On Time Delivery to Genzink Steel. Suppliers shall understand that any established PPM target is not an Accepted Quality Level, but represents an intermediate continuous improvement step toward shipment of components/materials meeting the Zero Defects requirement.

Supplier (by Type) Requirements

All suppliers to Genzink Steel shall have an effective lot definition and traceability procedure. Suppliers are responsible to provide material certifications and Certificate of Origin as a minimum requirement, other specific notes may be documented on specific purchase order.

Raw Steel Suppliers

Genzink Steel enforces full Lot Traceability on all steel. The supplier is responsible to provide material certifications and Certificate of Origin for each heat code of material purchased with the shipment.

Service Suppliers

Inspection Sheets / Required documentation:

Inspection sheets as supplied with product; Inspection sheet will have part number, revision level, quantity and Genzink Purchase order number clearly identified on each document or attached to packing list At the time of shipping. Parts will not be received without required documentation. All products received will be inspected by Genzink Steel upon arrival.

Shipping Documentation:

Every part processed when completed will require at a minimum, a packing list or Return Material Authorization (RMA) an inspection document as referenced on Purchase Order. All required documents may be submitted electronically when pick up is requested or sent with the parts when they are shipped. A copy of the pack list or RMA must always be provided with parts.

Welding Service Providers:

Genzink Steel requires welding service provider welders/fabricators are qualified and utilizing qualified welding procedures in accordance with the current revision of Structural Welding Code AWS D1.1, to perform all welding, unless otherwise specified by the Genzink Steel. The it is strongly suggested that the supplier review Genzink Steels Quality Procedure for Welding (QP-68) to qualify to perform this service. Copies of QP-68 may be requested from the Quality Assurance Manager.

Weld Repair:

Supplier is not allowed to perform weld repair without permission. If weld repair is required Machine Technician or Quality Manager must be contacted immediately. Supplier must be qualified and certified by Genzink Steel and meet AWS D1.1 with proof of welded calibration prior to approval being granted.

Additional Documentation (to be kept on file at Genzink Steel):

- QF-40 Supplier Qualification Form will be completed prior to Approval
- SP-014 ITAR
- QF-189 Confidentiality Agreement
- QF-272 Non Disclosure Agreement (required)
- (SP-012) Visitor Safety

Inspections

Owner: Quality

Title: **Supplier Requirements Manual**

Incoming: Each Part that is shipped from Genzink Steel will be accounted for on a Service Pack List. Notify Shipping/Receiving manager immediately with any discrepancies. This pack list will link to PO.

Supplier shall be required to have a process in place to verify incoming parts to Purchase order. All Parts and documents must be identified at all times and traceable to our PO.

In-Process: Supplier shall be required to have a process in place to perform *In-Process* inspections.

Final: Supplier will be required to perform *Final* inspection. All final inspection must be documented and must be validated by someone other than the operator who performed work. All documents must be legible.

Control of Non Conformances

The Supplier shall have a process in place for control of Non Conforming Product. Cost of Non Conformances is tracked in our Non Conforming Report (NCR) System. Supplier will be sent an electronic NCR, supplier will then be responsible to complete Root Cause and Corrective Action within 10 days of receipt. Cost will be determined based on material, labor and travel expenses. Debits may be taken based on total cost and reoccurring issues.

Capacity / Order Fulfillment

Suppliers are responsible for their scheduling process and process capabilities. Genzink Steel shall issue a Request for Quote (RFQ) on all new projects. This system provides the supplier the opportunity to determine if they have the capabilities to prove out the part. Purchase Order shall be issued based on quality, on-time delivery history, and price. The Genzink Steel purchasing agent may request a confirmation of Purchase Order to assure supplier can fulfill the delivery requirements.

Business Capabilities

Suppliers shall have fax or email, Internet access and Internet browser as a minimum for eBusiness capability. Suppliers are responsible for maintaining current key contact information to their respective buyers. These contacts include the top management representatives, and the required information includes phone numbers and email addresses.

Supplier Facility Access

By prior notice, suppliers shall allow Genzink Steel and Genzink Steel customers' access to both their facilities and those of their suppliers, for the purpose of evaluating parts, processes, documents (i.e., PPAP, Control Plan, Instructions, records....), methodologies and systems used in manufacturing of Genzink Steel products.

Contingency Plan

Suppliers shall develop a contingency plan for potential catastrophes disrupting product flow to Genzink Steel, and advise Genzink Steel immediately (within hours - not days) in the event of an actual disaster. In an actual catastrophe, suppliers shall provide Genzink Steel access to Genzink's products or tools and/or their replacements.

Packaging

Owner: Quality

Title: **Supplier Requirements Manual**

Suppliers shall package parts to prevent damage during transportation. If special packaging is required it will be clearly specified on purchase order. Parts are to be clearly identified with part number.

Genzink Steel Property – Tools

All tools, manufacturing, test or inspection equipment belonging to Genzink Steel, or its customers, will be permanently marked to clearly show that they are Property of Genzink Steel or the customer. These tools will only be used for Genzink products unless an authorization in writing exists. Contact your buyer concerning questions and information regarding this subject.