



HUTCHINSON[®]
WORLDWIDE

SUPPLIER QUALITY MANUAL

Electronically Available at:
<https://hutchinsonai.com/download-forms/>

Table of Contents

INTRODUCTION	3
OBJECTIVE.....	4
1. SCOPE	4
2. QUALITY SYSTEM REQUIREMENTS	5
3. RECORD RETENTION	6
4. COMPLIANCE TO CONTRACTUAL REQUIREMENTS	7
5. DOCUMENTATION REQUIREMENTS	7
6. SUB-TIER SUPPLIER FLOW-DOWN REQUIREMENTS.....	9
7. CHANGE AND REVISION CONTROL	9
8. COUNTERFEIT PREVENTION	9
9. FOREIGN OBJECT DAMAGE / FOREIGN OBJECT DEBRIS (FOD)	9
10. SHELF LIFE REQUIREMENT	10
11. MANAGEMENT OF NON-DELIVERABLE SOFTWARE	10
12. RIGHT OF ACCESS.....	10
13. BUSINESS CONTINUITY.....	10
14. TRAINING RECORDS.....	11
15. DFARS – SPECIALTY METALS	11
16. UTILIZATION OF SMALL BUSINESS CONCERNS (FAR 52.219-8).....	11
19. SHIP TO STOCK PROGRAM (STS)	12
20. PARTS / PRODUCT QUALIFICATION	12
21. CONTROL OF MONITORING AND MEASURING DEVICES/GAGES	13
22. INSPECTION REQUIREMENT	13
24. SHIPPING AND PACKAGING REQUIREMENTS.....	15
25. SUPPLIER CORRECTIVE ACTION REQUEST (SCAR)	16
26. SUPPLIER NONCONFORMING MATERIAL	17
27. SUPPLIER QUALIFICATION AND APPROVAL PROCESS	17
28. COST OF POOR QUALITY/CUSTOMER COMPLAINT REIMBURSEMENT/CHARGE BACK.....	19
29. CODE OF CONDUCT	19
30. ANTI-TERRORISM COMMITMENT	19
31. COMPLIANCE WITH ETHICS LAW	20
32. CONFLICT MATERIALS COMPLIANCE.....	20
33. MALPRACTICE AND FRAUD & FALSIFICATION (F&F)	21
REFERENCES	22
ASSOCIATED DOCUMENTS	23
ACRONYMS	23

INTRODUCTION

About Hutchinson Aerospace & Industry (HAI):

Hutchinson group is the largest engineering and manufacturing company in the world developing vibration, shock and structure-borne noise control products for Aerospace, Defense and Industrial markets. Hutchinson is a market leader in the industrial rubber sector and is part of TOTAL Chemicals, the Chemical branch of TOTAL.

Today, HAI is serving a wide variety of customers worldwide, with diverse applications within construction, consumer products, medium and heavy-duty truck and marine markets and is the leading supplier of aerospace vibration isolators and cabin noise reduction systems in the world. HAI's key manufacturing processes are rubber to metal bonding and rubber compound molding and curing, as well as various assemblies of anti-vibration solutions.

In addition, HAI manufactures and markets a line of spring-loaded devices and specialty hardware under the Vlier brand name.

Hutchinson Quality Policy:

Hutchinson Aerospace & Industry, Inc. is committed to providing our customers with products and services that meet or exceed their requirements for noise and vibration management. This will be accomplished through continuous improvement, which maximizes the effectiveness of human, technical, manufacturing, and financial resources.

This SQM is available online at: <http://www.hutchinsonai.com/company/forms.cfm>

Hutchinson drawings, data sheets, finish lists, etc. are obtained from the Hutchinson Buyer or attached to the PO.

Many Hutchinson drawings specify the part's required finish with a numeric code. The Hutchinson 'Finish List' is available online at: <http://www.hutchinsonai.com/company/forms.cfm>

OBJECTIVE

As an extension of Hutchinson's operations, we rely on our suppliers to provide material, products, and services that meet all of the requirements of Hutchinson contracts, applicable specifications and the quality management requirements outlined herein.

In today's manufacturing environment, product and associated documentation that is found to be non-conforming at receiving, or during production, causes serious disruption to the production and shipping schedules, resulting in high production costs.

Hutchinson is committed to providing products that exceed our Customers' requirements and expectations. To be successful, we partner with high performing suppliers. We are committed to working together toward our goal of 100% Quality and Delivery Performance. Hutchinson Aerospace & Industry's Supplier Quality Manual (SQM) outlines our general standards and requirements for all Suppliers.

Hutchinson requires suppliers to control the quality of material shipped and accuracy of all associated documentation.

1. SCOPE

This document applies to all suppliers providing Hutchinson with materials, products, processing and related services, including intra-company suppliers, and when applicable, to supplier sub-tier sources. The general requirements outlined herein do not supersede requirements in the Hutchinson contract, Purchase Order, drawings, applicable engineering specifications and process specifications or applicable long-term agreement(s). In this manual, the terms "shall" and "must" mean that the described action is mandatory; "should" means that the described action is necessary and expected with some flexibility allowed in the method of compliance; and "may" means that the described action is permissible or discretionary.

2. QUALITY SYSTEM REQUIREMENTS

Suppliers and their sub tiers shall maintain a Quality Management System (QMS) that is certified by an accredited third-party certification body to the latest version of one or more of the following:

- ISO 9001 - Quality Management System Requirements (see <http://www.anab.org> and <http://www.iaf.nu>)
- AS/EN/JISQ9100 - Quality Management System Requirements (Aerospace) (see <http://www.sae.org/iaqg/>)
- IATF 16949 - Quality System Requirements (Automotive, Truck & Heavy Equipment) See <http://www.iaob.org>)

In the absence of third-party certification, Hutchinson Purchasing and Supplier Quality may authorize the acceptance of other evidence of compliance. This may include second party (Hutchinson) audit or first-party (self) assessment to the applicable criteria, or to a set of alternative basic quality requirements determined by Hutchinson Supplier Quality organization.

Components manufactured for Aerospace industry (PO quality type- AS9100) shall comply with the following requirements:

- *Distributors/Stock lists - shall establish and maintain a QMS that is in compliance with AS9120/EN9120, AS/EN/JISQ9100 or ISO 9001-2000 AND shall ensure that all sub-tiers are compliant to AS-9100 quality requirement.*
- *Calibration Suppliers - shall establish and maintain a measurement management system that is in compliance with either: ANSI/NCSL Z540.1 - Calibration Laboratories and Measuring & Test Equipment Requirements, or – ISO 10012 - Requirements for Measurement Processes and Measuring Equipment*
- *Special Process Suppliers - shall establish and maintain a QMS that is in compliance with AS/EN/JISQ9100, AS9003 or PRI/Nadcap AC7004.*
- *Commercial-Off-The-Shelf Suppliers (COTS) - shall establish a QMS in compliance with ISO 9001 or equivalent.*

SUMMARY OF KEY REQUIREMENTS
TABLE 1

Required	When	Metric
Conforming Parts Built to the Print and Specifications	With EVERY order/ shipment	Quality (PPM)
Deliver on time	With EVERY order/ shipment	On Time Delivery (OTD)
DOCUMENTATION REQUIRED: (See Table-2 next Page) Attention to Purchase Order (PO) note “Quality Type” Follow PO notes on how to submit the required documents. Ensure all documents are traceable with correct quantity. Verify accuracy of all required documents		NCRs / SCARS
Contract / PO review	With every PO- Must have a Procedure or policy.	
Calibration of Gages and Measurement systems	Must have a policy and procedure or policy	Audit Finding
Flow Down to Sub-tiers of all PO requirements	With EVERY order/ shipment	NCRs / SCARS
Shipping and Labeling requirements	With EVERY order/ shipment	NCRs / SCARS
Conflict Mineral Compliance	Annually	Audit Finding
Sub-tier Monitoring	Have a policy or Procedure	Audit Finding
Quality Management System	Must exist and be up to date	Audit Finding
Corrective and Preventive Action Response	Must have a Procedure or policy Containment: within 24 hours Root cause & Corrective Action (RCCA) within 30 days.	NCRs /NCRs / SCARS
Material Shelf Life- minimum of 80% of the total Shelf Life.	Must have a monitoring process/procedure	Audit Finding
Notify Hutchinson of ANY change or deviation - use SREA form.	Every time there is a change or deviation in process, product, sub-tiers, location, etc.	NCRs / SCARS
If in doubt or have question, ASK	Contact Hutchinson Buyer	

3. RECORD RETENTION

Unless otherwise specified by Hutchinson, suppliers shall maintain all records that provide objective evidence of compliance to Hutchinson contract requirements for a minimum of seven (7) years after the last delivery of products and/or services. Prior to discarding, transferring to another organization or destruction of such records, the supplier shall notify Hutchinson buyer in writing and give Hutchinson the opportunity to gain possession of the records. These requirements are also applicable to records generated by supplier's sub-tier sources. Upon request, the supplier shall retrieve and deliver required records to Hutchinson within one (1) Business Day of request.

4. COMPLIANCE TO CONTRACTUAL REQUIREMENTS

Upon accepting a Hutchinson contract (Also referred to as Purchase Order or PO), the supplier shall comply with all contract requirements (e.g., engineering drawings, specifications, notes, etc.). Unless otherwise specified, the document revisions in effect on the contract issued date apply. Neither audit, surveillance, inspection nor tests made by Hutchinson, representatives of Hutchinson or its customer(s), at supplier's facilities, at any sub-tier facilities, or upon receipt at Hutchinson, relieves the supplier of the responsibility to furnish acceptable products or services that conform to all contract requirements; nor does it preclude subsequent rejection by Hutchinson or its customers.

5. DOCUMENTATION REQUIREMENTS

PER THE PURCHASE ORDER REQUIREMENTS:

All Documentation such as Material Certs, Inspection Data, Certifications etc. are required to be submitted to HOP-CERTS@hutchinsoninc.com as per the Part Quality type outlined in Table 2. The Part Quality type determines the necessary documentation required only.

If your system is unable to email to HOP-CERTS@hutchinsoninc.com you must advise either electronically by email and/or written correspondence and submit it to your Supplier Quality Manager, Quality Manager or Representative and Buyer.

FAILURE TO DO SO CAN RESULT IN FINES.

- **\$50.00 First Occurrence after warning per part number.**
- **\$100.00 Second Occurrence per part number.**
- **\$150.00 Third Occurrence – Corrective Action to be issued**

Products shall not be considered received until Hutchinson receives all required documentation. Hutchinson reserves the right to reject and return such products, at the Supplier's sole expense if documentation is not accurate and complete. The required documentation is shown below and in Table 2. Contact Hutchinson with any questions.

- Signed C of C (Certificate of Conformance)
- C of A (Materials Certificate of Analysis)
- Certificate of Special Process
- Certificate of Finish
- Inspection Records of all characteristics or an approved control plan
- Nadcap Certification for special processes when applicable
- FAIR (First Article Report) and Delta FAI
- PPAP (Production Part Approval Process) and Delta PPAP
- Document indicating DFARS compliance for Specialty Metals
- AIAG CQI Assessment
- Any other documentation required by Purchase Order (PO)

Note: Correct quantities and revisions must match on all documents

DOCUMENTATION REQUIREMENTS

Follow instructions on the Purchase Order (PO) for submittal

TABLE 2

Documents Needed	Part Quality Types					
	None or Blank	AS9100	IATF16949	ISO9001	COTS	Notes
C of C (Certificate of Conformance)	R	R	R	R	R	Include: part number, part Rev and PO#, and as applicable, Lot Number, Quantity, and Serial Number. Sign and date. Must be traceable.
C of A (Materials certificate of Analysis)	R	R	R	R	NA	
Certificate Special Process (ex: Barry finish)	R	R	R	R	NA	Per drawing requirements. (ex: Barry Finish)
Inspection Records of all characteristics or an approved Control Plan	R	R	R	R	NA	100% inspection of all key characteristics is required when CPK is less than 1.33
Nadcap Certification from a Nadcap approved supplier	NA	I	NA	NA	NA	Per Nadcap Requirements (http://p-r-i.org/) List of Nadcap approved Suppliers can be found at : www.eauditnet.com See Item specific notes on the PO
FAIR (First Article Report)	R	R	NA	R	NA	Per AS-9102 requirements (http://www.sae.org/) For First Delivery - One time event
Delta FAI	R	R	NA	R	NA	Per AS-9102 requirements (http://www.sae.org/) with Every Change
PPAP	NA	NA	R	NA	NA	Per AIAG PPAP requirements (http://www.aiag.org/) For First Delivery - One time event
Delta PPAP	NA	NA	R	NA	NA	Per AIAG PPAP requirements (http://www.aiag.org/) With Every Change
DFARS (Specialty Metals)	NA	R	NA	NA	NA	See (http://www.dcaa.mil/Home/DFARS) When Applicable
AIAG CQI Assessment	NA	NA	R	NA	NA	(http://www.aiag.org/)
R	Required					
I	Item Specific – Refer to PO notes or contact Hutchinson					
NA	Not Applicable					

6. SUB-TIER SUPPLIER FLOW-DOWN REQUIREMENTS

The Supplier is responsible for meeting all requirements, including work performed by all sub-tier suppliers. When the supplier uses sub-tier sources, the supplier shall contractually flow-down all of the applicable technical and quality requirements contained in the Hutchinson contract. Hutchinson reserves the right to evaluate the quality system and records of sub-tier suppliers as necessary. The supplier to Hutchinson has ultimate responsibility for the quality, delivery and performance of its sub-tier suppliers including those designated by Hutchinson or its customers.

7. CHANGE AND REVISION CONTROL

The supplier shall establish a process to ensure that the latest revisions of applicable documents furnished by Hutchinson (as well as those of external origin) are available for review or at the point of use. The supplier is responsible for the timely review, distribution and implementation of all the Hutchinson's documents and changes.

Suppliers shall not make changes to their processes, location, facilities, equipment, material, product design (or any change which may affect product design or function) without written approval from the Hutchinson buyer. To request a change or deviation, the supplier must submit the Supplier Request for Engineering Approval (SREA) form to the Hutchinson buyer.

The Supplier shall maintain a dated record on which each change is implemented. Implementation shall include all updated documents as applicable.

8. COUNTERFEIT PREVENTION

Suppliers must ensure compliance to AS6174 and ensure that counterfeit material are not delivered to Hutchinson.

Supplier shall immediately notify Hutchinson of any issues related to counterfeit materials. When requested, supplier shall provide OCM/OEM documentation that authenticates traceability of the affected items to the applicable OCM/OEM.

9. FOREIGN OBJECT DAMAGE / FOREIGN OBJECT DEBRIS (FOD)

Supplier shall maintain part cleanliness and handle parts such that debris and contaminants cannot enter into any cavities or remain embedded in a part or assembly. Supplier will ensure that all tooling, fixtures, jigs, test equipment and handling equipment are maintained in a state of cleanliness sufficient to prevent FOD.

10. SHELF LIFE REQUIREMENT

All materials requiring shelf-life monitoring must be delivered with a minimum of 80% of the total specified shelf life. This remaining shelf life is to be documented on the supplier's packing slip and C of C. Any deviation shall be communicated to Hutchinson via Supplier Request for Engineering Approval (SREA).

11. MANAGEMENT OF NON-DELIVERABLE SOFTWARE

Supplier will control each non-deliverable software used in the automated manufacturing of deliverable hardware. Change of programming or updating of software used to control the production of parts manufactured for Hutchinson shall be controlled and included in any process change notification, First Article Inspection or PPAP update.

Change of the controlling software in automated, or semi-automated, equipment constitutes a process change and therefore requires process re-validation

12. RIGHT OF ACCESS

Suppliers shall allow Hutchinson and its customers all reasonable access to:

- Conduct audits as necessary to confirm that the quality management system is performing as described in their QC manual.
- Confirm that product and subcontracted product or services conforms to specified requirements.
- Confirm the ability to sustain the declared production capacity.
- Verify the actions taken following a corrective action.
- Any other purpose deemed necessary and agreed by Hutchinson and the supplier.

13. BUSINESS CONTINUITY

Labor Disputes

The Supplier will notify Hutchinson in writing at least six (6) months in advance of the expiration of any current labor contract(s). If requested the Supplier will have eight (8) weeks supply of finished goods at least 30 days prior to the expiration of any such labor contract, in quantities and for storage at any place or places designated by Hutchinson at the Suppliers' expense.

The Supplier will also notify Hutchinson immediately of any actual or potential labor disputes or disruptions that will delay or threaten to delay timely delivery.

Contingency Plan

The supplier must have available for review a recovery/contingency plan for any quality, delivery, utility Interruptions, labor shortage, key equipment failure, field returns, legal issues, business disruption (including nature caused disruptions) that could affect production flow of material to Hutchinson.

14. TRAINING RECORDS

Supplier employees must be competent and qualified for their job function. The supplier must ensure this through appropriate internal and external trainings. A training record must be available for all employees who are involved in producing parts for Hutchinson.

15. DFARS – SPECIALTY METALS

Components defined with quality type AS-9100 on the purchase order must comply with DFARS 252.225-7009, preference for domestic specialty metals. Specialty metals is defined as including Titanium, Stainless Steel. Raw material must be melted in the United States (U.S.) or a Qualifying Country. Note that procuring raw material from a mill in the U.S. or Qualifying Country, does not guarantee its conformance to DFARS 252.225-7009. Supplier is to verify the Sub-tier Supplier's conformance via their Raw Material C of C and C of A.

16. UTILIZATION OF SMALL BUSINESS CONCERNS (FAR 52.219-8)

Applies to all subcontracts that offer further sub-contracting opportunities.

For all Hutchinson applicable purchase orders issued in excess of \$700,000.00, except those issued to Small Business Concerns, the supplier must adopt a subcontracting plan that complies with the requirements of FAR 52.219-8.

17. PENALTIES AND REMEDIES FOR MISREPRESENTATION OF SMALL BUSINESS CONCERNS (FAR 52.219-9 (e) (5))

Misrepresentation of Small Business Concern Status for the purpose of obtaining a subcontract that is to be included as part, or all, of a goal contained in the Contractor's Subcontracting Plan carries penalties of, but not limited to, suspension or disbarment, criminal penalties, repayment to the US Government of the total value of the Federal Procurement Award.

18. CONFIDENTIALITY

Suppliers shall maintain confidentiality of all drawings, specifications, documents, and information provided by Hutchinson in any form or means. All Hutchinson provided documentation shall be securely maintained. A signed NDA must be in place before the supplier can receive a PO.

19. SHIP TO STOCK PROGRAM (STS)

A supplier could become qualified for Ship to Stock (STS) with a minimum of three consecutive accepted production lots. Exceptions are:

- Any part with known quality issues

STS Requirements:

- All Quality records shall be submitted to HOP-CERTS@hutchinsoninc.com
- All Quality records are to be made available within one (1) Business Day of request.
- Any part rejected by Hutchinson will be disqualified from STS program until production stability is reestablished.

Hutchinson buyer will communicate if and when a supplier becomes qualified for Ship to Stock.

20. PARTS / PRODUCT QUALIFICATION

An approved FAI (First Article Inspection) or PPAP (Production Parts Approval Process) or equivalent is required to initially qualify a part/process. Refer to table 2 for applicability to PO quality type. For latest FAI requirements refer to www.SAE.org and for PPAP guidelines refer to www.aiag.org

Labeling requirements for First Article (FA) and PPAP parts

- Packaging must be labeled on two sides with: “First Article” or “PPAP”
- The sample(s) and report(s) are to be packaged and shipped: ATTN TO: Receiving Department. The outside of this container must contain a ‘PPAP/FA Sample’ label. (Hutchinson does not provide this label.) This label must contain the following information:
 - PPAP / FA Sample
 - PO Number
 - Hutchinson Part Number & Revision
 - Date Shipped
 - Supplier Name

21. CONTROL OF MONITORING AND MEASURING DEVICES/GAGES

The Supplier shall establish a procedure compliant to ANSI/NCCL Z540-1 or ISO 10012 to control and monitor all measurement devices. Measuring equipment shall be calibrated or verified at specified intervals, or prior to use and be traceable to international or national measurement standards. Where no such standards exist, the basis used for calibration or verification shall be documented.

The Supplier must develop or obtain gages and standards to control their processes and to determine product conformance to specifications. Variable gages and measurements are preferred. Alternative methods, gages or standards may be used at Hutchinson to verify the Supplier's inspection results. Hutchinson may request the Supplier to participate in a correlation study to compare Supplier measurement results against results obtained by Hutchinson gages and methods.

For all gages, supplier must perform gage R&R studies using procedures described in Measurement Systems Analysis published by AIAG www.aiag.org or equivalent. Hutchinson must approve GR&R values greater than 10 percent of the tolerance.

22. INSPECTION REQUIREMENT

Unless an approved control plan or inspection plan exists, the supplier must provide inspection results for 100% of all dimensions in accordance with sampling method shown in Table-3. For all key characteristics designated as KCC, the supplier must use SPC with a capability index of ≥ 1.33 . Critical characteristics that do not meet Hutchinson's capability requirements must be inspected 100% unless an approved alternate control method exists prior to full production.

When the use of SPC or other control methods are not applicable or feasible, an approved sampling plan based on ANSI/ASQC Z1.4 C=0 SAMPLING PLANS, AQL 1.0 or Zero based sampling plan can be used (See Table-3)

TABLE 3

ANSI/ASQC Z1.4 C=0 SAMPLING PLANS

Lot Size	Sample Size
2 to 8	100%
9 to 15	13
16 to 25	13
26 to 50	13
51 to 90	13
91 to 150	19
151 to 280	29
281 to 500	29

501 to 1200	34
1201 to 3200	42
3201 to 10000	50
10001 to 35000	60
35001 to 150000	74

23. HUTCHINSON PRODUCTION TOOLING

All tooling, equipment and gauges that are funded by Hutchinson must have detailed drawings approved by Hutchinson prior to commencing work.

Hutchinson Supplier Quality team may require gauge correlation studies, boundary samples, and measurement instructions to assure comparable measurement results.

The supplier is responsible to protect and safeguard from damage all Hutchinson owned tooling, equipment, and gauges. If the property is lost, damaged, or otherwise found to be unsuitable for use, the supplier shall immediately report this to Hutchinson.

All tooling and equipment owned by Hutchinson shall be permanently marked so that the ownership of each item is visible and readily determined.

The Supplier must have documented schedule for Preventive Maintenance for all Hutchinson owned equipment and tooling. Supplier is responsible for identifying and stocking critical spare parts.

Hutchinson tooling Identification

- Engraved on an affixed metal tag or onto the tool : 'Hutchinson Proprietary Tool'
- 'PO XXXX' (XXXX = the Hutchinson PO # issued for the tool)
- 'Item NTXXXX' (NTXXXX = the Hutchinson Part # located on the PO for the tool)

Tooling Documentation Requirements

- FAI (Part and associated documentation)
- Tool Design (CAD Model preferred)
- Photo of the tool, clearly depicting identification detail

24. SHIPPING AND PACKAGING REQUIREMENTS

Carton Shipments

Any carton greater than 40 pounds, must be marked with the Gross, Tare, and Net Weight.

Labeling and Label Placement

All cartons / containers (including UPS Shipments) must be labeled on two sides with the following:

- PO Number
- Hutchinson Part Number
- Part Revision
- Quantity Per Box
- Individual Box Number (1 of 1, etc.)
- Two labels are required: one on the side facing fork-lift and the second on the opposite side. Labels are to be affixed to the outside of the shipping container via a permanent method.
- All pallets must be marked with the Gross, Tare, and Net Weight.
- Add a Bar Code Label with the code 3 of 9 that identifies the Part Number, Revision Level and Quantity per carton / container
- On all MIXED SKIDS a MIXED SKID label must be applied

A Master Label must be on all shipments

Packing List

An envelope containing the packing list must be secured to the top of the skid

Packing List must include the total quantity, total number of boxes shipped for each part number. Packing List must include full item order information, Purchase order Number, Line Number, and Release number for each item must be listed for each packing slip line.

Pallet Size

- Half Pallets (open for forks) 24" Length X 40" Width X 34" High; 1,500 lb. max weight limit
- Standard Pallets 44" Length X 44" Width X 34" High
- Tare Weight (in lbs.) written on the sides of each pallet and / or shipping container
- Boxes are not to exceed 40 lbs. each, even if palletized (Gaylords are excluded)
- No steel banding is to be used
- Suppliers shall package items to prevent damage to the part(s) during transit
- All palletized items must be securely strapped to the pallet sufficient to prevent shifting of material during handling and transit
- Strapping must be tensile rated for the load being secured to the pallet

Ocean Imports

Per U.S. Customs, each Ocean Import must have a corresponding International Shipper Filing Form (12 required completion fields). This form must be submitted to the Buyer 48 hours prior to the shipping container's scheduled departure date.

25. SUPPLIER CORRECTIVE ACTION REQUEST (SCAR)

A SCAR may be submitted to a supplier when the product or process fails to meet the Purchase Order requirements, quality requirements, delivery, audit findings, etc. The supplier must respond to the request based on the schedule shown in the table-4 below:

Table 4

When	Deliverable
Immediately (within 24-72 hours)	Containment- Supplier must perform 100% inspection of all parts in process (WIP) and in storage. The containment plan must clearly define the containment actions at the supplier's facility to assure that no nonconforming product is shipped to Hutchinson. If suspect product has already been shipped, the supplier must address all suspect stock in transit and any stock at Hutchinson. The supplier will assist Hutchinson in identifying customer risk by identifying all suspect lot numbers and associated quantities involved.
Within 2 Weeks	Root Cause- Investigate and provide the Root Cause of the issue.
Within 4 Weeks	Corrective Action- Establish the corrective and preventive action to eliminate the recurrence of the problem, and the effective date. When applicable provide a list of Quality Management System documents within 6 weeks that are planned to be updated
Future shipments	Verify/Validate- As part of the Preventive action, devise a plan to validate/verify the corrective / preventive action does not repeat for all future shipments.

26. SUPPLIER NONCONFORMING MATERIAL

- Supplier shall have a Nonconforming Material System/Process in place to prevent defective material from being processed, consumed, or shipped.
- Supplier does not have the MRB Authority for Repair and the “Use As Is” dispositions. These two specific dispositions required approval by Hutchinson through a SREA.
- Supplier shall notify Hutchinson within 24 Hours for suspect nonconforming products have been shipped.

REQUEST FOR DEVIATION

Any deviation requires a formal request - before shipment- sent to the buyer using Hutchinson Supplier Request for Engineering Approval’ (SREA) form FCD-0282. Hutchinson will review the SREA for acceptance. The buyer will notify the supplier of SREA acceptance and directs the supplier to ship. This form is available at: www.hutchinsonai.com/company/forms.cfm

27. SUPPLIER QUALIFICATION AND APPROVAL PROCESS

The qualification process consists of:

- A quality management system self-assessment completed by the supplier, using the Hutchinson supplier assessment survey form. This is returned, along with the supplier’s quality manual and documentation for review by Hutchinson.
- An on-site assessment by Hutchinson supplier quality and purchasing team or their authorized agents.

Pre-Rating

Potential Non-Direct Material Suppliers must:
Complete FCD-0647 for Hutchinson approval
Provide current W-9 Form

Potential Production suppliers must:

Sign a Hutchinson Confidentiality and Non-Use Agreement (FCD-0061)
Submit the Purchasing Pre-Qualification Form (FCD-0647) for approval
Submit the Quality Pre-Qualification Form (FCD-0648) for approval
Provide current W-9 Form

On-Site Assessment

When a Supplier is certified to a quality standard by an accredited certification body, Hutchinson may choose not to conduct an on-site assessment of the Supplier’s quality management system against the same criteria. However, Hutchinson supplier quality and purchasing team may elect to conduct on-site assessments of a Supplier’s product or process capabilities.

Attaining Approved Supplier List (ASL) Status

Hutchinson may choose to add the supplier to the ASL. Approved Supplier status requires demonstration of a required level of Quality. Approved suppliers may be selected based on an on-site audit per FCD-0649.

ASL Monitoring

- Suppliers are periodically monitored for the following performance measures, and they can be disqualified from ASL if their performance falls short of Hutchinson requirements.
- Code of Conduct
- Certification Status and Type (ISO, AS, etc.)
- PPM (Quality metrics)
- Supplier caused non-conformities (NCMR)
- OTD (delivery metrics)
- Ability to fulfill commercial, technical and logistic demands
- Audit findings

28. COST OF POOR QUALITY/CUSTOMER COMPLAINT REIMBURSEMENT/CHARGE BACK

Hutchinson provides products to the aerospace, defense, medical, railroad, agricultural, truck, and other markets. In many applications, failure of our product can lead to catastrophic events and potential injury or death. It is critical that components supplied to Hutchinson conform to the intended design, so the final product conforms to our customer requirements. As such, suppliers must flow these requirements down to personnel, making sure they are aware of their contribution to product safety, and product or service conformity.

Hutchinson pays for conforming products delivered on time and with all supporting documents. Hutchinson will charge back to the supplier all expenses incurred as the result of any disruptions to production (ex: late delivery, missing, incorrect / incomplete documentation, dimensional discrepancies, etc.). Any charge back will result in a processing charge of \$750.00, per occurrence.

Any expense generated by scrapped parts, customer and / or in-plant charges, expedited freight, etc. are solely the supplier's responsibility. Each will be calculated and added to the minimum internal processing charge of \$750.

Any expense generated by a Customer Complaint, including 3rd party sorting, caused directly by Hutchinson Supplier will be an expense to the responsible Supplier. The Supplier will be notified in advance of the complaint and any activities that will be reimbursed by the Supplier.

If Hutchinson labor is used for inspection and sorting to maintain production and meet customer requirements, the supplier will be charged at a \$50/hour labor rate.

Any non-compliant material returned to the supplier, will be returned 'Freight Collect'. The replacement shipment will be shipped 'Freight Prepaid'.

29. CODE OF CONDUCT

Total (Hutchinson's Parent Company) is a world-class conglomerate of oil, gas, and chemical companies, with operations in more than 130 countries. As a result, our growth and long-term viability depend on all of us embracing the ethical shared values and principles. Expressed in our Code of Conduct, these values and principles are critical to the success.

A copy of Hutchinson code of conduct is available at: www.hutchinsonai.com/company/forms.cfm

30. ANTI-TERRORISM COMMITMENT

Approved suppliers will adhere to the directions of Executive Order (EO) 13224, "Executive Order on Terrorist Financing- Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to commit, or Support Terrorism", Effective 09/24/2001 and any Subsequent Changes made to it. Approved Suppliers further agree to include this requirement in lower-tier PO's or subcontracts hereunder. To view the contents of the EO, please access: www.treasury.gov/resource-

[center/sanctions/Documents/13224.pdf](#) This Anti-Terrorism Clause is documented in our PO Terms and Conditions.

31. COMPLIANCE WITH ETHICS LAW

Supplier shall comply with all applicable laws, regulations, conventions, ordinances and standards that relate to the manufacture, labeling, transport, import, export, licensing, approval or certification of products, including laws relating to environmental matters, hiring, wages, labor laws, conditions of employment, subcontractor selection, discrimination, occupational health and safety, NAFTA and any other similar trade laws. At Hutchinson request, supplier shall certify in writing its compliance and/or willingness to cooperate with any or all of the foregoing.

Suppliers must adhere to all pertinent National and International conventions on combating corruption, and to ensure compliance with all Anti-Corruption laws.

Evidence of corruption, bribes, improper advantage, or any other form of illegal practice by the supplier or associated operations will terminate all relations with Hutchinson.

TOTAL SA Corporate Social Responsibility is located at: www.total.com

32. CONFLICT MATERIALS COMPLIANCE

Suppliers will adhere to the Dodd-Frank Wall Street Reform and Consumer Protection Act regarding "conflict minerals" originating from the Democratic Republic of the Congo (DRC) or adjoining countries. The SEC published final rules associated with the disclosure of the source of conflict minerals by U.S. publicly traded companies

See the rules at:

<http://www.sec.gov/rules/final/2012/34-67716.pdf>

The rules reference the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas:

<http://www.oecd.org/daf/inv/mne/GuidanceEdition2.pdf>

Which guides suppliers to establish policies, due diligence frameworks, and management systems. See information on the Conflict-Free Sourcing Initiative at:

www.conflictreesourcing.org

33. MALPRACTICE AND FRAUD & FALSIFICATION (F&F)

Suppliers and their sub-tiers Suppliers shall be aware and vigilant for Malpractice and Fraud and Falsification (F&F), as it affects contract compliance. All parties associated with product and services destined for ultimate delivery to the Purchaser must be aware that Malpractice or F&F are grave and serious matters. The act of Malpractice or F&F has the potential for severe and costly damages.

Acts of malpractice or fraud & falsification will result in purchase order contractual action and will also be subject to federal criminal prosecution for violation of law under Title 18 of the U.S. Code, Chapter 47, Section 1001.

Any party aware of, or having reason to suspect, malpractice or fraud & falsification is obligated to report this violation anonymously or in person to:

- a.) Local Supervision or Management
- b.) Purchaser Supervision or Management
- c.) Purchaser Quality Representative
- d.) Purchaser Buyer, or
- e.) Department of Defense Hotline Telephone (800) 424-9098

Website <http://www.dodig.osd.mil/hotline/hotline7.htm>

Email hotline@dodig.osd.mil

Mail to: Department of Defense Hotline The Pentagon Washington, DC 20301-190

EXAMPLES OF MALPRACTICE AND FRAUD & FALSIFICATION (F&F)

- Issuing a procedure or instructions known to contain unauthorized deviation(s) to contractual requirements.
- Knowingly waiving or eliminating a contractual requirement without authority to do so.
- Deliberately accepting unsatisfactory work.
- Intentionally performing unacceptable work.
- Verifying by signature that an action was taken, knowing in fact the action was not taken, or not performing the required checks or verifications to assure the action was taken.
- Verifying performance of action based on hearsay, not personal observation.
- Tampering with calibrated instruments to avoid rejection of work.
- Falsifying dates on records to comply with frequency or deadline requirements.
- Falsifying data to cover-up a procedure or drawing deviation.
- Falsifying data to have work accepted, thereby avoiding further work or rework.
- Concealing or not reporting information on malpractice, fraud, or falsification known to have been committed by others

REFERENCES

Hutchinson Documents	Found on Hutchinson Website	www.hutchinsonai.com/company/forms.cfm
ISO 9001	Quality Management Systems	www.ansi.org , www.iso.ch
IATF 16949	Quality Management Systems-automotive	www.sae.org http://www.asd-stan.org
ISO 9004	Managing the Sustained Success of an Organization	www.ansi.org , www.iso.ch
ISO 10007	Guidelines for Configuration Management	www.ansi.org , www.iso.ch
AS/EN/JISQ9100	Aerospace Quality Management System	http://www.sae.org
AS9102	First Article Inspection Requirement	http://www.sae.org
NAS 412	Foreign Object Damage / Foreign Object Debris (FOD) Protection	
AS6174 and AS 5553	Counterfeit Materiel Standard	http://www.sae.org
ARP9005	Aerospace Guidance for Non-Deliverable Software	http://www.sae.org
AS9003	Inspection and Test Quality System (Aerospace)	http://www.sae.org
APQP	Advanced Product Quality Planning & Control Plan Manual	http://www.aiag.org
PPAP	Production Part Approval Process Manual	http://www.aiag.org
SPC	Statistical Process Control Manual	http://www.aiag.org
MSA	Measurement System Analysis Manual	http://www.aiag.org
FMEA	Potential Failure Mode & Effects Analysis Manual	http://www.aiag.org
CQI-10	Effective Problem Solving Guideline	http://www.aiag.org

ASSOCIATED DOCUMENTS

(Available at: <http://www.hutchinsonai.com/company/forms.cfm>)

- Confidentiality and Non-Use Agreement
- Conflict Minerals Template
- Counterfeit Material
- FAI Form
- Finish List
- PPAP Form
- Purchasing Survey
- Quality Pre-Rating Survey
- Quality Audit Survey
- SREA Form
- Technical FAQ
- Terms & Conditions

ACRONYMS

PPM	Parts Per Million – a measure of quality
NCR	Non-Conforming Report
SCAR	Supplier Corrective Action Report
PO	Purchase Order – Interchangeably used with the word “contract”
RCCA	Root Cause and Corrective Action
SREA	Supplier Request for Engineering Approval
C of C	Certificate of Conformance
C of A	Certificate of Analysis
C of F	Certificate of Finish (Also referred to as Certificate of Barry Finish)
DFARS	Defense Federal Acquisition Regulation Supplement
AIAG	Automotive Industry Action Group
FAI or FAIR	First Article Inspection Report
PPAP	Production Parts Approval Process
COTS	Commercial off the Shelf
OCM/OEM	Original component / equipment manufacturer
FOD	Foreign Object Debris
NDA	Non-Disclosure Agreement