

Supplier quality assurance manual

09/10/2019

Napravio	Pregledao	Odobrio
A.Marinković	I.Madžarević	N.Madžarević



Revision history management

P.10.01

Rev. 0

No.	Date	Reason of establishment / revision	Remark
0	09.10.2019	Establishment	/

- **Scope**

The requirements defined in Supplier quality assurance manual apply to all suppliers of products and services of MING Forging AD.

- **Purpose**

The purpose of the Supplier quality assurance manual is to clearly define quality system procedures to ensure and maintain successful relationship between MING Forging and suppliers.

Agreement on this manual with supplier should be stated in Contract or OC or Order

- **Certification**

MING Forging AD policy is wherever possible to only purchase products & services from supplier that hold third party accreditation for Quality systems (IATF 16949, ISO 9001 and ISO 14001). Suppliers are required to make available their certificates of all active sites for MING Procurement Team.

- **New parts**

For each new part / or first time buy by MING, the supplier must submit initial samples with a measuring report and supporting documents. Initial samples must be complete, accurate and up to date for the products / parts in question at all times.

- **Modified parts**

In case of any modification, supplier shall inform MING with appropriate documentation 30 days prior first shipment of parts. Exception is made for auto industry suppliers – appropriate documentation should be sent minimum 7 months before change.

Modification may be any of the following, which can affect fit, form or function:

- a) part modification (dimension, raw material, technical specification)
- b) process change (production/control process modification, new technology, new layout)
- c) plant change (new plant, production transfer to a different plant)

- **Complaints**

Supplier is responsible for the quality of products/services delivered at all times. Supplier is also responsible not only for his individual part, but also for any rejections with MING parts which have been produced using supplier defect product and are related to those.

The supplier shall apply the **eight – disciplines (8D)** root cause analysis and problem solving methodology for automotive industry. Others can use methodology by their own choice.

The supplier shall provide to MING an 8D report according timing plan, and clearly define corrective actions which eliminate the root cause.

The immediate corrective measures taken to resolve the issue shall be reported within 24 hours after having received the information (D1 – D3 completed).

Preliminary 8D report (D5) shall be completed in 5 working days, and complete 8D report within 14 working days unless otherwise specified by the MING.

MING charges you with the amount of 100,00 EUR for administrative cost of the claim procedure.

- **Supplier Performance Evaluation**

Supplier performance is measured once in a quarter against following criteria:

- a) certification
- b) ppm
- c) on time delivery
- d) yard holds
- e) stop delivery
- f) stop customer shipping
- g) premium freight
- h) shipping costs
- i) deviation from the requirement
- j) price
- k) terms of payment

Quality requirements

- **Supplier of steel is required to achieve:**
- PPM < 4000
- OTD – 95 % on time delivery

If customer has CSR it will be transfer to sub-supplier, too.
Sub-supplier must deliver goods /service respecting these CSR.

Note: When goals are not achieved supplier must submit action plan, unless customer defined otherwise.

- **Supplier Performance Evaluation**

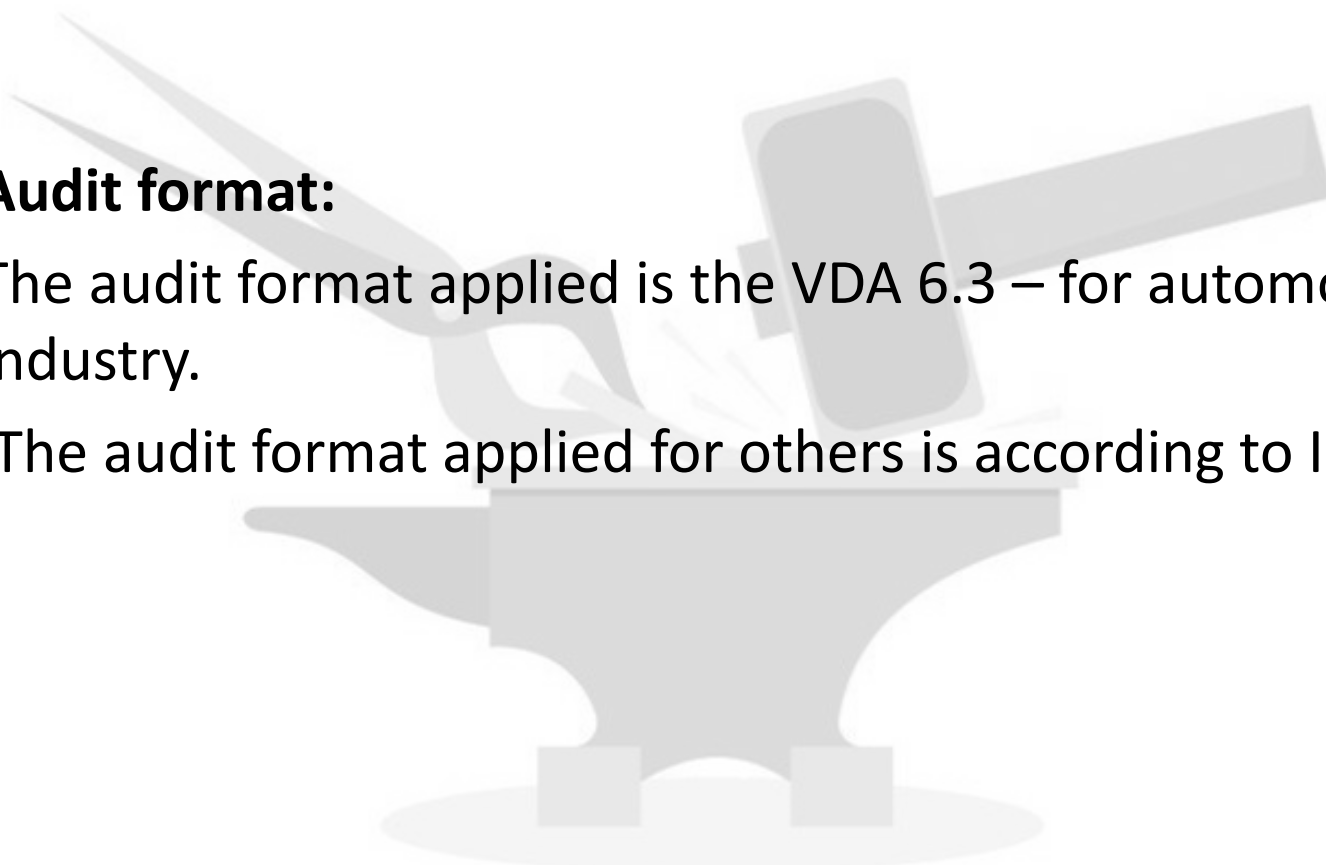
The overall status can be A, B, C, D level in accordance with number of total score points.

- A status supplier is preferable.
- B status supplier is acceptable.
- C level supplier can be acceptable, but conformance with requirements must be confirmed in the audit. In meanwhile C level supplier shall submit action plan for resolving the issue.
- D level supplier is not acceptable, and have to be changed.

- Audits at supplier may be performed for the following reason:
 - a) New Supplier
 - b) New Supplier location
 - c) New process
 - d) Poor performance (C, D)
 - e) After a major incident (customer escalation)
 - f) According to regular supplier audit plan
 - g) If supplier does not have ISO 9001

The supplier will be notified in advance about any planned audit activity and audit format. The supplier is responsible to be well prepared for the audit including possible submission of the self-assessment.

Supplier audits

- **Audit format:**
 - The audit format applied is the VDA 6.3 – for automotive industry.
 - The audit format applied for others is according to ISO 9001.
- 
- A faint, light gray background image of a microscope, positioned behind the text.

Confidentiality agreement

- Confidential information are defined as: all data, material, reports, evaluations, samples, drawings, specifications, computer programs, expert knowledge, experience and all other documents of both a technical or business nature, in addition to other information and documents that are not publicly available and that one of the Partners or a third party has disclosed or will disclose to the other Partner, in writing, verbally on a data carrier or in any other way, in connection with the collaboration.
- Supplier undertakes not to disclose confidential information, publish it or make it accessible in any other way to third parties.