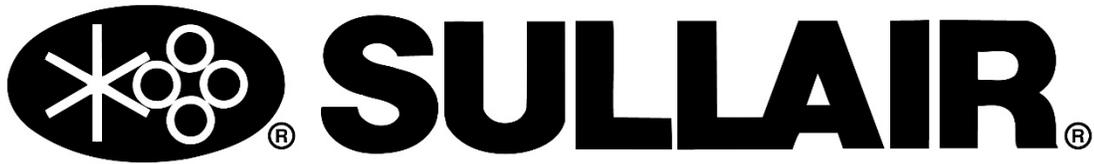


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SUPPLIER QUALITY MANUAL

November, 2016

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OVERVIEW

Sullair is committed to producing quality, reliable and cost effective products that are shipped on time, provide customer value, and conform to national and international standards. Sullair Customers expect the highest levels of quality of their purchased products and services. Our main objective is to deliver defect-free products and services to our Customers.

We recognize the importance of our Suppliers in providing Sullair with quality products and services on time to ensure that Customers' expectations are met. The Sullair Supplier Quality Manual (MQA002) defines the expectations for all Sullair suppliers to meet or exceed the requirements and guidelines for providing products and/or services. Suppliers are expected to be knowledgeable of the Sullair Supplier Quality Manual content; we ask that as a part of doing business with Sullair, the appropriate stakeholder within your organization review the manual and maintain a working knowledge of its content.

If you have any questions, contact your Sullair purchasing representative or Supplier Quality department. You may also contact us by emailing: certifications@sullair.com

1. INTRODUCTION TO THE SUPPLIER QUALITY ASSURANCE MANUAL

1.1 Quality Policy

Sullair regards quality in a wider perspective - as we are convinced that high quality in everything we do is a fundamental parameter required by our customers for competition in our market place. Sullair embraces the following core values, as embedded in respective Divisional Quality Policies:

- Core & Clear Strategy
- Value Proposition
- Zero Defect Philosophy
- Customer Satisfaction
- ISO Operational Compliance

1.2 Purpose

This Supplier Quality Manual sets the rules, standards, and requirements for Sullair Suppliers regarding product quality. The same rules, standards and requirements apply when Sullair evaluates a potential supplier's fitness for becoming a Sullair Supplier.

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1.3 General Requirements

All Products shall comply with Sullair specifications and requirements.

Sullair has an expectation of ZERO DEFECTS on all Products delivered from the Supplier.

In line with our Zero Defects goal, the Supplier (including its sub-tier suppliers) is required to:

- 1.3.1 Demonstrate compliance with:
 - a. Design, performance, reliability, and applicable legal requirements
 - b. Process controls and capability requirements
 - c. All provided specifications and requirements
- 1.3.2 Explicitly review and understand all requirements provided to the Supplier related to the Products. Ensure resources are available to participate in product quality planning, as requested.
- 1.3.3 Establish a change control system that reacts to changes in a timely and accurate fashion. In all cases, acquires written approval from Sullair prior to implementing any change that may impact form, fit, function, quality, reliability, safety, delivery, service or its compliance with regulatory and statutory requirements. This shall include, but not limited to, manufacturing processes, quality standards for acceptance, and testing requirements.
- 1.3.4 Have a documented and recognized quality management system in place, including continual quality system development with the goal of Supplier's conformity with QMS, and continuous improvement in Product quality.
- 1.3.5 Measure own performance on all given KPI's from Sullair.
- 1.3.6 Maintain process, product and service capabilities to fulfill Sullair requirements.
- 1.3.7 Deploy Sullair requirements, expectations and controls throughout the Supplier's entire supply chain for the respective Products.
- 1.3.8 Possess expertise and resources to perform effective root cause analysis, and to take corrective and preventive actions.

1.4 Scope

This Supplier Quality Manual applies to all suppliers both domestic and International who provide service or material to Sullair.

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2. SUPPLIER SELECTION

Final approval for all recommended supplier selections will be made jointly by the Director of Quality and Director of Purchasing, giving strong consideration to the dependability and service record of the company, nature of the product/service, reputation for quality and delivery, and competitive pricing. Consideration may also be given based on the company's size, number of employees, sales volume, shipping location(s) and supplier market. This information should be determined through telephone interviews, supplier literature, business contacts, and Sullair supplier assessment process.

Preferences shall also be given to suppliers who fall within these guidelines, (no priority intended), providing it involves no sacrifice in quality, service, delivery or price:

- Strategic location
- Target costing: control of economic factors
- Third party registration to a current version of ISO 9001, TS 16949, ISO 17025, etc., or being in the process of pursuing a QMS third party certification
- Proprietary source of a product or service

3. APPROVED SUPPLIERS LIST

The Director of Purchasing or Designee shall maintain the Approved Suppliers List, in electronic format.

All approved suppliers shall be compliant to a current version of ISO 9001. Or, supplier has proof that is in the process of obtaining third party Quality Certification. Suppliers shall be able to meet any specific Quality Assurance requirements for their product or service as specified by Sullair.

These products or services shall be purchased from the suppliers on the Approved Suppliers List.

3.1 Additions to the approved suppliers list

The Director of Purchasing and Director of Quality must jointly approve adding suppliers to the Approved Suppliers List.

To add a new supplier to the list, the following documentation must be completed:

- Supplier profile (FQA006)
- Completed supplier self-assessment survey (FQA101)
- Supplier Audit Report (FQA102)
- Copies of the suppliers' third party Quality Certification (e.g. QS 9001, TS 16949, ISO 17025, etc.)

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The Director of Quality and Director of Purchasing will use the following criteria to determine supplier approval:

- The need to add a new source
- Positive survey results
- Third party registration
- Competitiveness
- Customer directed source

To add a customer directed source to the Approved Suppliers List would require written notification by the customer.

3.2 Deletions form the approved suppliers list

Only the Director of Quality and Director of Purchasing can remove suppliers from the Approved Suppliers List.

The following criteria will be used in determining whether a supplier should be removed from the Approved Suppliers List:

- Source is no longer needed
- Source is no longer in operation
- Source has recurring quality and/or delivery issues
- Customer has redirected its sourcing decision
- Source is in desperate financial situation
- Source has had a major change in its capabilities that could result in the probability of nonconforming product

The Director of Quality/Purchasing will consider the supplier information and make a join decision to accept or deny the removal from the Approved Suppliers List.

4. SUPPLIER RESPONSIBILITY

4.1 Engineering Requirements

Every supplier is responsible for the understanding of all engineering drawings, specifications and purchase/work order requirements. It is the responsibility of the supplier to contact Sullair for clarification of any questionable area.

Suppliers must rely on their own quality system to produce and ship acceptable products, not Sullair receiving inspection.

Every supplier is responsible for content of drawings.

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Suppliers are required to have sufficient personnel engaged in the quality function to ensure compliance to requirements.

The supplier will be obligated for any liability incurred by Sullair, which is a direct result of nonconforming material from that supplier.

Every supplier is responsible for maintaining a system, which will sufficiently control their suppliers. This system must be documented, and should be defined as necessary to ensure that all drawings, specifications, and order requirements are satisfied.

NOTE: Sub-supplier plants are not to be used as shipping points without written authorization from Sullair.

The supplier's quality program must be such that it ensures product conformance through all areas of inspection.

Suppliers are required to establish a system that will maintain material identification and inspection status throughout their processes.

Statistical Process Control (SPC) techniques are to be employed on all characteristics designated on the engineering drawing, as it applies to that supplier. In addition, suppliers shall designate and control any other product/process characteristics or parameters they feel are critical to a particular part or process.

Suppliers are required to have a system in place that will ensure the accuracy of all measuring devices, test equipment and gages used to validate parts/processes. These devices are to be calibrated and/or verified on a scheduled frequency and results documented. Traceability to national/international standards is required.

4.2 Cost of poor quality

All suppliers are required to comply with Sullair Cost of Poor Quality Procedures. Sullair Supplier Chargeback Process (PQA060) defines supplier's responsibility when non-conforming material is either shipped or used at Sullair. These non-conformances apply to:

- Poor part quality identified on the line
- Poor part quality identified by quality inspection
- Etc.

According to the Sullair Supplier Chargeback Process (PQA060), the supplier will be charged for those costs (administration fee, cost of repair/rework, scrap, containment activities, line downtime, etc.) that are generated as a result of producing non-conforming

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material. Supplier disputes based on Supplier Chargebacks will be reviewed by the Quality organization based on the Supplier Chargeback Dispute Process (FQA080).

Sullair Non-Conforming Material Process (PQA013) defines the supplier's responsibility regarding the activity for controlling defective material received, found in production and/or test, and to ensure proper and timely disposition of material damaged.

NCMs could be generated for not receiving the following on-time:

- Certifications of Compliance
- Packing Slips
- Shippers
- Part Data
- FAI Reports
- Testing Certs
- Material, Performance, and/or Reliability Test Results (per drawings or specs)
- Process Capability Studies (for key and/or critical characteristics)
- Control Plan (for key and/or critical characteristics)
- Process FMEA (when required)
- Design FMEA (when required)
- Gauge R&R Studies (when required)
- MFA Feedback Surveys (when required)
- Other (as specified per the PO)

Sullair Expectation: To receive the documents mentioned above on-time every time.

Suppliers are responsible for maintaining a corrective action program. All corrective actions are to be documented and forwarded to the appropriate personnel. Failure to respond to a request for corrective action will have a negative effect on your Supplier Performance Rating.

No new business will be awarded nor will any new PO will be issued to a Supplier, if there is an existing corrective action open for more than 30 days without an approval decision from Sullair Supplier Quality and/or there are 2 or more corrective actions open at the same time for more 20 days.

5.0 SUPPLIER'S QMS REQUIREMENTS

Suppliers are to have a record retention program that will maintain quality records for 3 years.

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Suppliers should be prepared for an audit at all times. As a rule, audits will be conducted on a scheduled, frequency adjustable basis. However, in the event that quality or delivery related problems occur at a supplier facility that requires the presence of our representative, an audit may be scheduled at that time. Suppliers that are third party registered to a quality management system will not be audited unless constant or severe problems warrant it.

Suppliers are required to establish and maintain an internal audit system to assess the adequacy of their quality program. Internal audits are to be conducted on a scheduled frequency.

6.0 APPROVAL PROCESS FOR PRODUCTION PARTS

The Approval Process for Production Parts will be used to determine if the supplier properly understands all Sullair requirements and the process has the potential to produce product meeting these requirements during actual production runs. The Approval Process for Production Parts must be produced using the actual process under consideration. The Approval Process for Production Parts qualifies production for specific tooling, equipment, line, factory and sub-tier production processes. The submission must reflect this.

6.1 When to submit

Suppliers must submit documentation called for on the Part Qualification Check Sheet (FQA040) to Sullair regarding its part production and control plan prior to the first production run under the following circumstances, unless specifically waived in writing:

- Making a new part or product. New parts or products may require multiple submissions (e.g. pilot, pre-production, and production). The Part Qualification Check Sheet will cover submissions in these cases.
- Product modified by an engineering change to design records, specifications, or material on an approved Engineering Change Order (ECO)
- Use of another optional process or material than was used in a previously approved part.
- Production from new or modified tools (except perishable tools), dies, molds, patterns, including additional or replacement tooling.
- Production following refurbishment or rearrangement of existing tooling or equipment.
- Production following any change in process or method of manufacture.
- Production from tooling and equipment transferred to a different plant location or from an additional plant location.
- Change of source for key subcontracted parts, materials or services (for example, heat treating, plating).
- Product re-released after the tooling has been inactive for volume production for 12 months or more.
- Following a customer request to suspend shipment due to a supplier quality concern.

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The supplier is responsible for alerting Sullair whenever production circumstances change and one of the above situations become applicable.

6.2 What to submit

The following documents and items must be completed and provided to Sullair for each part when any of the situations above occur. The specific requirements for submission will be covered on the Part Qualification Check Sheet (FQA040). The supplier should recognize that revisions or corrections might be requested when establishing sample submission timing in conjunction with required end product ship dates. Sullair will review the sample submission and provide a disposition (approval or disapproval) to the supplier in a timely manner, normally within two weeks. Discrepancies will be investigated and any applicable corrective actions must be taken. Resubmission of sample parts may be required, depending on the extent of the discrepancies.

- 6.2.1 **Initial Sample Submission:** The Initial Sample Submission Form (FQA050) will be used to transmit these documents or information.
- 6.2.2 **Sample Pieces:** The specific sample size will vary based on factors such as component size, complexity, cost of manufacture, and projected volume, and will be communicated to the supplier by Sullair. Where multiple production molds, cavities, dies or machines are to be utilized, samples will be required from each separate production process to be used during follow-on production. Samples must be taken or made from actual production tooling and/or processes unless otherwise approved in writing.
- 6.2.3 **First Article Inspection (FQA007):** Dimensional, mechanical and material results of the submitted samples, referenced to the part drawing requirements must be provided. Actual variable data must be provided in terms of measurements, not attribute data (e.g. "Good", "Bad").
- 6.2.4 **Material, performance, and durability test results as specified:** The supplier, or a qualified independent third party, must supply specific material, performance and/or durability test results. Actual results must be compared with agreed upon specifications. For certain critical parts, Sullair may require testing by third parties. Products that do not meet requirements will be rejected. Suppliers should discuss results with Sullair.
- 6.2.5 **Control Plans:** Control plans for families of similar parts may be acceptable if Sullair has reviewed the new parts for commonality. Control plans are to be completed in accordance with the AIAG reference unless otherwise approved by Sullair.

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6.2.6 Other documentation as specified: Sullair may impose other requirements as necessary, such as *process capability studies*, gauge repeatability and reproducibility (GR&R) studies, and Failure Mode and Effects Analysis (FMEA). Sullair will identify these additional requirements early in the Approval Process for Production Parts via the Part Qualification Check Sheet.

6.3 SPECIAL CONSIDERATIONS:

Certain safety critical or key components will require a higher degree of rigor than standard components. The additional requirements will be called out on the Part Qualification Check Sheet (FQA040).

7.0 REQUIREMENTS

The Part Qualification Check Sheet (FQA040) will call out specific requirements. For each part being ordered, the supplier will receive a separate Check Sheet. Sullair will prepare these check sheets. The supplier need only provide proof of compliance for those items indicated on the PQCS.

7.1 Control Plan

The control plan is a detailed, step-by-step description, which shows how the part or component key characteristics are to be manufactured, inspected, and tested. The plan describes the actions that are required at key phases of the manufacturing process including receiving, in-process for products, final assembly and test and other pertinent process steps to ensure that all process outputs will be in a state of control. During production, the control plan provides the process monitoring and control methods that will be used to control critical characteristics.

The control plan is maintained and used throughout the product life cycle. If changes or revisions occurred to the products or the process specified for the manufacturing of the products, the control plan must be updated and reapproved. Early in the product life cycle, its primary purpose is to document and communicate the initial plan for process control. Subsequently, it guides manufacturing strategy and practice in how to control the process and ensure product quality. The control plan is a living document, reflecting current methods of controlling the process, and should be updated as control methods are evaluated and improved. The control plan is developed by the supplier and approved by Sullair. Suppliers who routinely use a different format may make use of their normal format with Sullair approval.

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A control plan may apply to a group or family of products that are produced by the same processes on the same production line at the same source. The supplier must monitor actual processing of the part, compare processing to the control plan in all aspects, and report to Sullair any variances/deviations from the plan. Sullair reserves the right to audit the supplier's facility and practices to evaluate compliance to the control plan. The conduct or results of such audits shall not relieve the supplier from the responsibility to produce defect free parts.

7.2 Process capability requirements

7.2.1 Process measurements

In order to prove stability of a process, the output of an individual process, or group of processes should be measured and tracked. The supplier should work with Sullair to select the most appropriate metrics. These metrics could be process capability studies (Cp, Cpk, and Ppk) or other measurements such as yield.

Sullair will define the characteristics for which the supplier needs to provide capability data. Sullair may also designate critical product or process characteristics beyond those formally identified on engineering drawings and specifications. These additional requirements may be based on known process issues, production problems, or field problems.

For critical characteristics, Sullair requires a minimum Cpk of 1.33, unless otherwise specified. A distinct notation for critical characteristics will be noted on Sullair drawings.

All other characteristics (non-critical) must meet a minimum Cpk of 1.0, unless otherwise specified.

The initial capability analysis shall be available prior to the first production of new parts, and will be evaluated at the time of Production Part Approval. Production processes that cannot meet the above criteria require a corrective action plan.

Suppliers shall implement 100% inspection to screen out non-conforming products at all processes that do not meet the Cpk threshold. Process improvement actions should be taken immediately and 100% inspection shall be continued until the above levels of long-term capability are demonstrated.

Since 100% inspection is not cost effective and is often ineffective at screening out 100% of non-conforming products, it should be considered an emergency measure, rather than a standard step of the process. The overriding quality focus should be on defect prevention, not corrective action to screen or inspect.

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7.2.2 Process capability for attribute measurements

Where a product does not lend itself to discrete measurements (for example, PCB boards tested as “Go/No Go”) the supplier shall propose, and Sullair approve, a method for evaluating process capability.

7.3 Supplier deviation requests

7.3.1 Product deviation request

In certain instances, it may be necessary for the supplier to deviate from Sullair requirements and specifications. Request for such deviations shall be made using the Sullair Supplier Deviation Request (SDR) form FQA039.

A deviation request may arise from the following situations:

- A supplier may initiate the deviation request because of non-conforming material found at their facility.
- A supplier may initiate the deviation to request a substitution of material, processing method, or change in procedures.
- Sullair may initiate the request to document a change to specifications prior to a formal product change authorization being completed.

The Supplier Deviation Request Form (SDR) FQA039 must provide all required and pertinent information about the requested deviation. The supplier is responsible for the segregation and non-shipment of the non-conforming material until a deviation is granted. Discrepant material received at Sullair without an approved SDR will be rejected and returned to the supplier at the supplier’s expense with all additional handling and shipping costs incurred by the supplier.

No discrepant material will be processed until all required personnel approve a deviation. All supplier initiated requests for deviations must be accompanied by a written corrective action plan (if applicable). Once approved, all material shipped to Sullair must be accompanied by a copy of the approved SDR. Sullair views the excessive use of SDRs for non-conforming material as abusive and an indicator that a supplier may have a serious breakdown in their quality system. Suppliers are discouraged from using the SDR as a mechanism to ship non-conforming material. The SDR shall not be used to cover up or replace proper quality systems and process controls at the supplier location.

7.3.2 Process deviation requests

Sullair expects suppliers to constantly strive to improve quality and reduce process variation through production system improvements. To achieve these goals,

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suppliers may require process deviations, either temporary or as a permanent change. Process deviations may also be required due to design changes or other unforeseen circumstances (such as changes in equipment/tooling). Prior to implementing any process deviations effecting Sullair parts, suppliers must submit a written Supplier Deviation Request Form FQA039 to Sullair for approval. Suppliers must review and update the control plan to reflect appropriate adjustments to assure the proposed deviation will not yield defective parts. The request form requires information about the current process, the proposed deviation(s), and reason for the deviation(s) with supporting data. All process deviations will be evaluated for their impact on Sullair's internal processes, overall quality, total costs, and compliance with appropriate specifications. After the request is approved, a trial process change will be evaluated for a specified lot size.

No product will be produced with the proposed process deviation until the request has been reviewed and approved by all required personnel at Sullair. If approval is not granted, the reason for disapproval will be summarized on the request form and returned to the supplier.

If the trial process deviation is approved, a change to process can be implemented, if required. The supplier will make the necessary changes to update the process documentation, such as the control plan, process FMEA and routings.

7.4 FAILURE MODE EFFECT ANALYSIS (FMEA)

Failure Mode Effect Analyses are to be conducted for both Designs and Processes as communicated by the Part Qualification Check Sheet. Suppliers may be invited to participate in the preparation of the Design FMEA through participation in an Integrated Product Development Team (IPDT).

When a Failure Mode Effects Analysis (FMEA) is required, the supplier shall use the format described in the reference unless Sullair approves an alternate format.

7.5 RELIABILITY AND MAINTAINABILITY TEST RESULTS

Suppliers will be required to provide reliability and /or maintainability test results to Sullair as requested on the Part Qualification Check Sheet FQA040 or other appropriate document. In these cases the test plans will be submitted to Sullair for approval. Suppliers shall submit all results, with test parts if requested, at the completion of the test.

7.6 SUB-TIER BILL OF MATERIALS

The quality level of materials supplied by sub-tier suppliers is critical to the final quality of a product. If requested, suppliers shall provide a bill of material annotated with suppliers to Sullair. This document will be used to help determine the appropriateness of the supplier's control of sub-tiers.

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7.7 MEASUREMENT AND INSPECTION ANALYSIS

Sullair expects suppliers to maintain controls on their measurement devices that at a minimum to fulfil internationally recognized quality standards (i.e. ISO 9000, ISO 17025) requirements.

Machining Suppliers are required to certify parts manufactured for Sullair by CMM report or other appropriate device. Third party certification of machined parts may be required at Sullair discretion and supplier expense.

All devices/tools specified on the control plan as a means of inspection or other control shall have their capability verified. Proof of this verification may be required for submission to Sullair as noted on the Part Qualification Check Sheet FQA040.

8.0 CONFIGURATION CONTROL

Sullair will provide the supplier with changes to drawings or specifications. The supplier shall inform Sullair of the date these changes are to be incorporated in production. The supplier will ensure that changes are processed throughout the production process and supporting documents such as Work Instructions, Control Plans and FMEAs are updated and that an Approval Process for Production Parts submission be made, if appropriate.

For changes initiated by the Supplier, the supplier will ensure that the correct revision level of the part is provided to Sullair.

It is the supplier's responsibility to communicate with Sullair on any discrepancies or misunderstandings. For errors or mistakes found on Sullair documents, the supplier shall use the Supplier Deviation Request Form FQA039.

9.0 WARRANTY REQUIREMENTS

Definitions of warranty obligations of suppliers are provided in the commercial contract in force between the supplier and Sullair. In certain circumstances the supplier may be expected to reimburse Sullair for warranty claims due to product non-conformance.

10.0 CONTINUOUS IMPROVEMENT

Sullair wants to work with suppliers to continuously improve performance in terms of cost, quality, and delivery. Specific measures of performance will be communicated to suppliers by the particular Sullair plant for which products and services will be provided.

It is the supplier's responsibility to track its own performance, and to improve the value provided by its product or service to Sullair. Sullair will assign supplier development staff to provide technical assistance to suppliers in their continuous improvement efforts. Improvements that result

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in changes to processes or product must be addressed through Supplier Deviation Requests (SDR) FQA039 as required by this manual and the supplier's specific contract.

11.0 PERFORMANCE METRICS

Sullair will communicate to the supplier at the time a contract is put in place, the requirements for reporting of performance metrics. These metrics are to be reported on a periodic basis. For preferred suppliers, improvement targets will be set and reviewed on a schedule set by the PSA. For other suppliers, improvement targets will be established annually.

12.0 SUPPLIER RATING SYSTEM

Sullair will exercise control over suppliers and maintain acceptable supplier performance in the areas of quality and delivery performance. Suppliers will be rated via the Supplier Portal Website for both PPM (Parts per Million) and OTD (on Time Delivery) into one of four categories: Preferred, Performing, Progressing, and Underperforming.

Performance Category Level Limits:

Level	Range	OTD	Range	PPM
Preferred	=	100%	=	0
Performing	>	95%	<	500
Progressing	>	85%	<	1500
Underperforming	≤	85%	≥	1500

Explanation of Performance Table:

Preferred Status (Gold): Supplier performs at 100% OTD and has 0 PPM.

Performing Level (Green): Supplier OTD performance is greater than 95% and has a PPM less than 500.

Progressing Status (Yellow): Supplier OTD performance is greater than 85% and PPM greater than 500, but less than 1500.

Underperforming Status (Red): Supplier OTD performance is less than 85% and PPM is greater than 1500.

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12.1 Quality performance section

Quality Rejects Performance – (PPM): Zero Defects

PPM is calculated as follows: number of parts rejected by the number of parts received, multiplied times 1 million.

PPM applies to high volume suppliers only, i.e. those which supply 10,000 or more units in a given year.

If a Supplier supplies less than 10,000 units annually, then this Supplier is classified as a Low Volume Supplier (LVS) and the following rule applies:

To be considered as a Preferred or Performing Supplier, a LVS must not have more than 5 NCMs (i.e. number of escapes) issued to them in the past 12 months with Cause Code 5S. If six or more NCMs are issued with Cause Code 5S in the past 12 months, the Supplier is placed into an Underperforming category and performance improvement will be expected.

Material/Logistics Performance - (OTD): 100% On Time Delivery

On-time Delivery (OTD) is calculated as follows: the number of PO Lines received on-time divided by the total PO Lines for the timeframe evaluated.

The OTD Limits are the same regardless if a Supplier is high volume or low volume.

12.2 Overall Supplier Performance Improvement Categories

Preferred Level: When a supplier has achieved third party registration to a quality management system, and has maintained Preferred Level rating for 3 consecutive quarters, that supplier will be placed on the certified suppliers list. When material is received from a certified supplier, it will bypass normal receiving inspection and go immediately to the next process. The supplier certifications will be used as a basis for receiving inspection.

Performing Level: Supplier must continue to strive to achieve Preferred Level performance.

Progressing Level: Supplier cautioned by Sullair. Supplier must continue to strive to achieve Preferred Level performance.

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Underperforming Level: Supplier cautioned by Sullair. Written improvement action plans may be requested Supplier must strive to meet Sullair's Expectations for all Performance Objectives. Supplier may not be eligible to quote new work and could be de-sourced if improvements are not made as directed by Sullair.

13.0 SUMMARY

A policy of zero defects is the essence of this document. All suppliers are responsible for shipping a product that is in total conformance to requirements. An approved Supplier Deviation Request FQA039 is required prior to shipment if total conformance to requirements cannot be obtained. A key to our success is through the communication with our suppliers.

Approval Signatures On File

(Note: Approval by a Manager or designate from all functional areas listed in section #3 Responsible Parties is required)

Department: (include all depts. listed in section #3)	Manager/Designate Approval:	Date:
Quality Director	Robert Dowsett	11/7/2016
Material Director	Mike Bubik	
VP & GM Operations	Greg Hutchison	
Supplier Quality Manager	Barb Kopko	11/4/2016

