Millennium
INDUSTRIES

Fueling Our Way Through The Future!

Supplier Requirements Manual

Rev. L 01/29/2008

Millennium Industries Corporation
Suppliers Requirements Manual

Contents

	Page
Scope, Introduction and Policy	3
Verification	3
Environmental Policy	5
Supplier Requirements Notification	6
Quality Policy	7
Millennium Part and Process Requirements	
IMDS Requirements	8
PPAP Criteria	8
Capacity Verification	8
Acceptance Criteria	8
Lot Control	8
Annual Revalidation	9
Package Planning	9
Problem Identification / Corrective Action	9
Managing Change Control	10
Process Sign-off	10
Revision History	10
Appendix A – Forms	12
Appendix B – Cleanliness Test	13

Millennium Industries Corporation

Supplier Quality Requirements

Scope:

This standard applies to all production component suppliers that supply products to any Millennium facility.

Introduction:

Millennium Industries Corporation clearly recognizes the critical role quality and environmental plays in our success. We are committed to meet all customer quality needs and exceptions through a rigorous continuous quality and productivity improvement effort at all Millennium Facilities.

In order for Millennium to be successful in our continuous improvement efforts, we are very dependent on you, our key supply base. Your total commitment to never ending improvements and adherence to this document and all stated specifications will clearly indicate your acceptance to the extended enterprise at Millennium Industries.

Suppliers to Millennium are expected to be leaders within their respective industries and to provide Millennium with design enhancement proposals, process recommendations and product problem solutions.

Policy:

It is the policy of Millennium Industries to select those suppliers that comply with the requirements of ISO 9001:2000, ISO TS 16949:2002 or QS-9000, 3rd Edition and who are capable of meeting all specifications including (where applicable) certain contract arrangements.

Any waivers for compliance must have written approval from Millennium customers'. All active purchase agreements, including this standard, special written instructions and specifications.

Additionally, the supplier must ensure that all sub-tiers are provided the necessary drawings or specifications to meet specific requirements.

- Verification & Supplier Monitoring

The suppliers' level of compliance to all requirements will be determined by Millennium Industries through 3rd party certification or approved (by Millennium Customer) 2nd party quality system assessment utilizing ISO9001:2000

specifications. Copies of the specifications can be obtained through the Automotive Industries Action Group (AIAG), or ASQ.
Suppliers are required to adhere to the following requirements:

- 100% on time delivery,
- Zero defects
- Certification to current quality standard

(Refer to Supplier Performance Ratings form for detailed calculations and explanation of ratings status)

The above requirements will be monitored by Millennium Quality and Materials' departments. Suppliers will be monitored through the use of Supplier Ratings Reports. The ratings are calculated based on:

- On-Time Delivery
- PPM
- Open Corrective Actions
- Nonconforming issues caused at Millennium Customers
- Compliance to quality standard

The calculations are generated monthly, and will be sent to all suppliers on a quarterly basis, or sooner if the supplier ratings fall from green to yellow or red status. If a supplier rating falls into red status, the supplier will be issued an 8-D corrective action request. The supplier will have ninety days to increase the rating to yellow status. Failure to bring the rating up to yellow status may result in removal from approved supplier status. If a supplier rating falls to yellow status, the supplier is required to submit an improvement plan. Requests for Ratings information can be obtained by contacting a member of Millennium quality department.

Millennium Industries and / or Millennium Industries customers reserve the right to conduct an on-site review of all processes, including those of sub-tier contractors.

Millennium Industries Corporation has an Environmental Management System in place. Numerous environmental policies and procedures have been developed by the Millennium plant to support our environmental performance. Below is a copy of our Environmental Policy, which is the driver for improving our Environmental Management System.

ENVIRONMENTAL POLICY

Vision

To be a responsible manufacturer that is respected as a leader and example in protecting and improving the environment.

Mission

To achieve this vision, we, the Millennium Industries employees will:

- Meet and exceed, if possible, community standards for environmental responsibility.
- Handle generated waste in a responsible and safe manner.
- Continuously strive to improve our products and processes with the goal of eliminating waste and emissions.
- Consistently meet the ISO 14001 standard and comply with regulatory, legislative or other requirements to which Millennium Industries may subscribe.
- Strive to reduce energy consumption and conserve natural resources while maintaining our high commitment to product quality and customers.
- Promote discussion with customers, vendors, employees and the public about the materials and processes we use and their impact on the environment.
- Take satisfaction in making a high quality product and leaving the world a better place for future generations due to our environmental commitment.

GARY L. VOLLMAR
PRESIDENT

Supplier Name: _____ Date: _____

Contact Name: _____

We request that our suppliers recognize our internal efforts to continuously improve and reduce the impact of our activities, products, and services on the environment. As well as maintaining the quality of the product we produce. Any of the goods and services that are utilized from an outside supplier contributes to the total environmental and quality impact of Millennium Industries products. In an effort to improve our global corporate citizenship Millennium Industries Corporation is extending the philosophy of balancing the pursuit of economic growth with the addition of, maintaining quality expectations and the protection of the natural environment to all of its suppliers. To accomplish these objectives Millennium Industries expects suppliers to:

1) Be in full compliance with applicable government legislation, or industry "best-management practices" at all times.
2) Understand the quality and environmental aspects and impacts of their goods or services, and have a means to manage them.
3) Have defined Quality and Environmental Policies that will drive continual improvement.
4) Create and strive to achieve goals that minimize the environmental impact of supplied goods and services.
5) Establish communication with Millennium to promote pollution prevention and environmental management.
6) Understand the Supplier Quality Manual and to follow the guidelines within.

Our expectations are that our supplier base will become compliant with the above. Please provide supporting documentation and have an authorized person sign this form certifying the conformance with the above requirements. These requirements are required from all suppliers, and should be addressed to:

Millennium Industries Corporation
Environmental Management System Representative
925 N. Main St. – P.O. Box 350
Ligonier, In 46767

Statement of Certification

I hereby certify conformance to the above requirements and have provided attached documentation supporting these requirements.

NAME: _____ TITLE_____

SIGNATURE: _____ DATE: _____

Quality Policy

Millennium Industries is committed to these core business values:

1. Meeting or exceeding internal, customer and regulatory requirements.

2. Utilizing continuous improvement methods to obtain and maintain quality objectives.

3. Regularly reviewing our quality objectives measurements and performance to ensure effectiveness.

4. Invest in our personnel through training and providing a suitable work environment.

Gary Vollmar
5/1/04

Millennium Industries Part & Process Requirements

-Internal Material Data System Requirement (IMDS):

Effective October 2005: We will be requiring all suppliers to supply IMDS information with all initial PPAP's. If the IMDS information is not received your package with be rejected. (NO EXCEPTIONS)

- Production Part Approval Process:

All products and services received from any supplier by Millennium Industries must be approved utilizing the AIAG PPAP Manual that is the current rev. level. Any material specifications, etc; documented on the supplier prints are to be validated and the results submitted with the PPAP package.
The default for all PPAP's is a Level 3. The level may change and is up to the discretion of the Millennium Quality Engineer as any process changes are made. It is the supplier's responsible to communicate with a Millennium Quality Engineer in order to define what the level shall be.
A functional build of a minimum of 30pieces will also be required prior to any approvals of a PPAP.
A minimum of 2 samples must be retained by the supplier, and 1 master sample be sent to Millennium.
All warrants must clearly state whether the PPAP is an initial PPAP, an annual re-validation, or as the result of a change in process (material, location, raw material, tooling, process type, etc.)
PPAPs associated with a change must include an SCR approved by Millennium.
IMDS data must be complete for each PPAP.
Failure to meet these requirements will cause PPAP to be rejected.

- Capacity Verification:

Suppliers are required to submit capacity verification with PPAP documentation. Suppliers are subject to on-site verification at the discretion of Millennium quality or engineering.

- Acceptance Criteria:

All products and services received from Millennium Industries suppliers may be subject to a complete and detailed check for any or all characteristics, regardless of classification. Millennium's acceptance criterion is ***ZERO*** defects. Products released for production use by Millennium's Receiving Inspection Department does not relieve the suppliers responsibility to meet all specifications including cleanliness testing.

Nonconforming parts will be rejected, and are subject to on-site sorting activities by the supplier. If a corrective action request is issued as a result of a

nonconforming issue, the supplier is subject to administration fees up to one-hundred dollars, and cost of returning the product. Full credit will be taken by Millennium Industries for any product returned to Suppliers.

Should a supplier produce product out of specification, or change any process, and deliver such product to a Millennium Facility without written Authorization, the supplier can be held responsible for any cost incurred by Millennium or Millennium's customers.

- **Lot Control:**

Suppliers are expected to have a thorough lot control system that provides complete traceability of all production and material throughout manufacturing, including any special processes and sub-tier activity. The system is expected to provide traceability to the supplier's shipping label.

- **Annual Revalidation:**

Annual revalidations are **REQUIRED** by all Millennium Industries Suppliers. The revalidation will be completed no longer than one (1) year after proceeding approval date.
Revalidation requirements are Level 4 (at a minimum):

Dimensional report
Warrant submission

Millennium Industries Quality Manager may request additional requirements. (Reference AIAG PPAP manual).

Actual samples must be retained at the supplier's facility for a minimum of two (2) years. All dimensional data, test reports, etc; must be maintained by the supplier.
The supplier is required to forward a filled-in, signed copy of the Supplier Annual Revalidation form to Millennium Industries on or before the annual revalidation due date. Millennium will monitor the receipt of form FPU-008 and maintain it as acknowledgement of the suppliers conformance to this requirement.

- Packaging Planning:

Proper packaging is vital to ensure product quality is not jeopardized. The supplier must ensure that all products shipped to Millennium Industries Facility are packaged in a method to prevent deterioration (including loss of cleanliness) and/or damage.

The supplier is required to obtain packaging approval from the Purchasing Office at Millennium Industries.

- Problem Identification and Corrective Action:

When Millennium detects a supplier nonconformance; the supplier(s) shall be notified by phone or e-mail for needed actions. A Supplier Non-Conforming Material Report (SNMR) will also be faxed or e-mailed. The supplier is required to take immediate containment actions and 100% inspect all suspect material for the nonconforming characteristic(s). Additionally, the supplier is responsible for all inventory locations, including all Millennium Facilities and Millennium customer Facilities. The supplier may be required to complete an 8-D. Initial containment and actions are to be reported to Millennium Quality or Materials departments within 48 hours.
Note: When an SNMR is issued, and corrective actions are requested, the supplier is subject to administrative fee charges.

If the nonconforming material has been shipped, the supplier is responsible for the immediate notification to the Millennium Facility Quality Assurance and Material Managers.

All non-conformances will be calculated based on PPM's, (Parts Per Million). Therefore, it is the responsibility of the supplier to communicate to the Millennium Quality Engineer the number of actual defectives once the product is sorted. Until the actual number of defective product is supplied to the Millennium Quality Engineer, the total number rejected will be utilized to figure the PPM.

Parts Per Million = Total Rejects/Total Sample * 1,000,000. This figure will be one (1) tool utilized by Millennium to quantify a supplier's quality performance.

All suppliers are rated by Millennium's Supplier Performance Rating on a quarterly basis.

- Managing Change Control:

Prior to any product or process change (temporary or permanent), the supplier must submit a Supplier Change Request (SCR) to Millennium's Materials Manager, or Quality Manager. Under no circumstances can the Supplier commence with any process change without the written approval of Millennium Industries.

All material shipped to any Millennium Industries Facility under a Supplier Change Request must be identified, and approved prior to shipment by Millennium Quality or Materials personnel. Each carton and/or container must be identified as material shipped under a Supplier Change Request.

Submission of a Supplier Change Request must occur when the following situation may exist within the suppliers' organization:

1.) New technology for either the product or the process will be implemented.
2.) New product or process with a design change.

3.) Product or process from a new supplier or a new manufacturing location.
4.) Product or process change that differs from time of PPAP Submission.
6.) Any product or process that Millennium Industry deems to be appropriate for the 8-D corrective actions sign-off.

Suppliers may be requested to submit evidence of Advanced Product Quality Planning (APQP) and a project timeline. Program monitoring ensures that the supplier fully understands all contractual requirements and can verify complete PPAP requirements.

PPAP Sign-off & Review

The Millennium Industries PPAP review and signoff is scheduled when the supplier has submitted sufficient documentation to demonstrate:

1.) Compliance with all Documentation Requirements.
2.) Production tooling complete, onsite and set-up at the manufacturing facility and all de-bugging has been completed.
3.) The production process is in place and ready for the PPAP run which is to be based upon predetermined sample size and production line speed.
4.) Production operators are trained and capable of running the contracted peak and sustained line speed.

Electronic versions of forms are available from Millennium Industries. Please contact Millennium Industries Quality Control Department.

Revision History

Current Revision Authorization by: Angie Fouts

Rev. A -Removed Annual Revalidation Requirement)
Rev. B -Added Annual Revalidation Requirement & Functional Build Requirement)
Rev. C -Added Supplier Capacity Verification and deleted packaging form
Rev. D -Updated for TS 16949 Standard
Rev. E 01/03/05 -Added Supplier Ratings Information
Rev. F 04/28/05 – Added Supplier Change Request form
Rev. G 09/13/05 – Added effective Oct. 2005 IMDS information with all PPAP's
Rev. H 12/06/05 – Added Cleanliness Test to acceptance criteria and Appendix B
Rev. I 05/26/06 - Added Quality and Environmental Policy and Supplier Change Request form.
Rev. J 02/12/2007 – Added requirements to mark warrant with reason for PPAP.
Rev. K 06/22/2007 – Added notes for quality system to page 6.
Rev. L 01/29/2008 – Updated annual validation procedure, removed cleanliness info.

Supplier Change Request (SCR)

Request Number
(Assigned by Millennium)

Suppliers are to submit form when changes to process or product are needed. Approval from Millennium must be obtained prior to implementation of all changes. Submission of PPAP will be required for all changes. For questions and/or PPAP requirements, contact Millennium Quality or Purchasing department at 260/894-3163.

Supplier	Part Name:	Date Requested

Supplier Part Number(s)	Millennium Part Number(s)

Requested by	Title

Supplier Cost of Change Implementation:	Millennium Cost of Change Implementation:

Description of Change:

Reason for Request

Customer Approval - Approvals must be obtained prior to change implementation

Department	Date	Status
Program Manager		
		☐ Denied ☐ Approved
Quality		
		☐ Denied ☐ Approved

Completed forms are to be faxed to Millennium Quality Department at 260/894-4427.