Supplier Quality Manual

SCHAFER DRIVELINE

FREDERICKTOWN

SCHAFER DRIVELINE	Supplier Quality Manual

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SCHAFER DRIVELINE POLICIES

SUPPLIERS

Schafer Driveline recognizes the important role our Suppliers have in achieving our strategic objectives. Schafer Driveline expects total quality and value in the products and/or services it receives. Continual improvement, innovation and reliability in these products and/or services are essential for Schafer Driveline to maintain and generate new customer business and reach its performance goals.

In order to meet our customers' requirements, Schafer Driveline has adopted a "Supplier Partnership" position.

SCHAFER DRIVELINE QUALITY POLICY

Schafer Drive Line is dedicated to the design, manufacture, assembly, and distribution of high quality products. Systems are designated to support our business goals and to achieve quality objectives and Customer requirements through empowered teams, process controls, and continual improvements.

SCOPE

This manual applies to all Suppliers who provide products and/or services to any Schafer Driveline plant. Its intent is to explain Schafer Driveline expectations, product and shipping requirements, how suppliers will be evaluated and provide a means of communication between our two organizations. The material purchased, by Schafer Driveline, shall be produced, controlled, inspected and tested in accordance with Schafer Driveline specifications. If a Supplier is unwilling or unable to carry out the intent of this manual, they will not be considered as a long-term supplier to Schafer Driveline.

GENERAL

Schafer Driveline has established the ISO 9001 Standard, as the basic system required of suppliers who provide goods and services to our manufacturing and assembly facilities. Suppliers are expected to demonstrate that they are pursuing and implementing a quality system that conforms to this Standard. The requirements of this Standard and this manual supplement the purchase order. Suppliers are responsible for meeting all provisions of the purchase order, drawing, standards and specifications as referenced.
Please contact us if any assistance is needed in interpreting our purchase order or its imposed drawings and specifications.
We may also require your assistance in assuring applications of our products.
It is only through an atmosphere of mutual assistance and free exchange that our relationship can achieve maximum benefits for each of us.

COST SAVINGS

Our suppliers are encouraged to submit suggestions to lower costs without affecting product quality and reliability. This could be beneficial to each of us by allowing Schafer Driveline to lower its customers' costs and possibly gaining new business.

RESPONSIBILITIES

Suppliers are required to resolve all questions relating to the purchase order prior to its acceptance or fulfillment. In addition to the above general responsibilities, we feel the requirements on the following pages are needed to assure shipments of CONSISTENT and ACCEPTABLE quality and our Quality and Purchasing Departments are available to assist you in the interpretation and application if needed.

Suppliers shall maintain an audit system that assures all products and/or services conform to the purchase order whether manufactured/processed by you or your subcontractors.

Suppliers shall perform the inspections and tests necessary to substantiate product conformance to the purchase order requirements. Your quality system shall: ensure control

to produce a quality product, be documented, and be available for review or audit by a Schafer Driveline representative, if required, prior to production and throughout the life of the purchase order.

REQUEST FOR ENGINEERING EVALUATION

Schafer Driveline's Engineering Department will assist in resolving manufacturing related issues due to the product design.
Suppliers are encouraged to submit a complete description of the situation to Schafer Driveline's Purchasing Department who will coordinate with Engineering to clarify the issue and/or revise the Schafer Driveline drawing/specification if needed.
Priority for these reviews will be determined by the severity and impact on production operations. Upon its completion, the results will be communicated through our Purchasing Department.

MATERIAL CONTROL

Suppliers shall provide chemical, physical and/or mechanical analysis to verify that specific characteristics of the materials supplied have been met.

PROCESS CONTROLS

A quality system shall be implemented to assure that all production, processing, assembly and fabrication operations are accomplished under controlled conditions. Criteria for approval or rejection shall be provided to insure product quality/integrity.

QUALITY SYSTEM AUDIT

Schafer Driveline Supplier Quality representatives may audit supplier facilities for verification, evaluation and possibly upgrading of their quality system. The audit will examine the quality system's conformance, verifying the use of statistical process control (if applicable), review of the quality system procedures and previous inspection/test records, and, verifying the quality of outgoing shipments. The representatives will review the system to the requirements of ISO 9001 Schafer Driveline plant requirements.
Schafer Driveline will accept third party registration to ISO 9000 or QS-9000/TS-16949. The results of second party quality system evaluations (Customer or Schafer Driveline only) will be reviewed and may be accepted.
A Supplier Self Audit will be required during the supplier approval process and then periodically as required.

SUPPLIER SUBCONTRACTORS

The Supplier is responsible for the quality of all materials and/or services contracted to fulfill the Schafer Driveline purchase order. Schafer Driveline reserves the right to perform audits on sub-suppliers as needed.

PRODUCTION PART APPROVAL PROCESS (PPAP)

The Supplier shall submit all PPAP documentation and samples from production tooling or processes prior to the shipment of regular production material. The PPAP requirement shall be Level 3 with a two-piece minimum unless otherwise specified. Documentation shall include:

- Part Submission Warrant (PSW)
- Process Flow Diagram
- Process Control Plan
- Process Failure Mode Effect Analysis (PFMEA)
- Measurement System Analysis Studies (Gage R&R and cp/cpk)
- Dimensional Results (ISIR)
- Material Test Results (material certs, heat treat certs, painting certs, plating certs, etc.)
- Ballooned Drawing

Prior to shipments of the samples, notice shall be given to the Purchasing and/or Quality Departments. PPAP documentation and samples shall be sent to the attention of the appropriate Schafer Driveline plant Quality Department. Packages containing PPAP material shall be clearly labeled as PPAP Material and to the attention of the Quality Department. Each initial sample is to be positively identified. Any scribed layout lines or reference marks used to perform the layout inspection should be visible on the submitted samples.

Regular production shipments may be made only after the PPAP has been approved and the supplier has received the approved PSW from the Schafer Driveline Quality Department.

A new PPAP is required whenever the Supplier: implements/changes a manufacturing/assembly process, transfers production to another plant, uses new/repaired/modified tooling, dies or patterns, has an initial sample rejected or the Schafer Driveline drawing and/or specification changes. Any request to change material shall first go to Schafer Driveline Engineering (Engineering Change Request), and approval be granted before the intent to submit PPAP.

SUPPLIER APPROVAL

CAPABILITY OF MACHINES/ PROCESSES

At no extra charge to Schafer Driveline, process capability studies are requested on all part numbers with critical callout on the drawing and materials quoted and/or supplied.

The Supplier shall contact the Schafer Driveline Quality Department to identify the key and/or critical characteristics on products that are to be supplied. These characteristics shall be documented, studied, and periodically updated. If requested by Schafer Driveline, they shall be made available for review and serve as the basis for authorizing the use of sampling inspection or statistical process control as an on-going monitor of conformance.

Capability studies shall be performed for key/critical characteristics. The results are to be submitted with the PPAP. Data results from reliable calculators with standard deviation programs, computers or conventional plotting analysis are all acceptable. Cp/cpk mean of 1.33 is the requirement for Process Capability.

The results of the Process Capability Study and verification of the PPAP samples will:

1. Assure that the Supplier is aware of and understands all drawing and specification requirements.
2. Determine if the Supplier's process is consistently capable of producing product within 99.7% of the specification tolerance within $\bar{x}$ +/- 3σ.

Capability studies shall be performed on at least 30, and preferably more, off of production tooling on all products quoted and supplied.

If destructive testing/measuring is used to demonstrate capability, less than the 30 piece minimum may be used if documented approval by the Schafer Driveline plant Quality Department is given.

If any assistance is necessary to explain or clarify process capability format or methods, please call the appropriate Schafer Driveline plant Quality Department.

SUPPLIER REQUESTED PROCESS CHANGES

Samples selected from production tooling for the capability study and the Supplier's PPAP may be required for Schafer Driveline verification. Any changes in a Supplier's process, i.e., manufacturing location, machine/tooling, method/process, sub-Suppliers, packaging, etc., different than the conditions that produced the original approved samples, shall require Schafer Driveline Quality and Purchasing Departments approval and a revised PPAP and/or study.

Whenever a Supplier plans to make changes to a process that could conceivably affect the final product, written notification shall be submitted to the appropriate Schafer Driveline plant Quality Department, prior to implementation for evaluation of fit, processing, performance and function.

SUPPLIER REQUEST FOR ENGINEERING DESIGN CHANGE

Subsequent drawing revisions that affect fit' form and function shall require a Schafer Driveline Engineering approval and a new PPAP submission from the Supplier and approval from the Schafer Driveline plant Quality Department. The Supplier assumes all responsibility for any product produced and shipped without submitting a PPAP and/or receiving documented approval from the Schafer Driveline Quality and Purchasing Departments. Schafer Driveline Form number FTN-005, Engineering Change Request, shall be requested by the supplier from either the Purchasing or Quality Departments.

INSPECTION PROCEDURES

The supplier shall maintain an adequate monitoring system.

Evaluation/monitoring instructions shall reflect the latest design requirements supplied by Schafer Driveline. Inspection frequencies shall assure that acceptable quality levels are maintained. Lot sampling plans are permissible after process integrity has been established. Only sampling plans with proven statistical validity shall be used and lot acceptance only when zero non-conformities exist (C = 0).

All machine set-ups and tool changes shall be inspected prior to a production run. The inspection shall include all key/critical characteristics controlled or affected by this operation. Control procedures shall be established to insure continued part compliance to specifications during the entire production run.

Acceptance of a lot of product by any sampling plan or control procedure does not relieve the Supplier of the responsibility that each part produced meets all of our specifications. Sampling plans and control procedures are not a permissive vehicle to ship discrepant product.

Records of inspections and tests made for the critical characteristics shall be maintained and made available for review by our representatives.
Inspection and testing shall be described by clear, complete and current written instructions to validate the Schafer Driveline drawing, specification and purchase order. These instructions shall include the inspection and tests of materials used, work in process and completed product. In addition, the instructions shall include criteria for approval, rejection, and the degree of inspection to be performed. When specified by the purchase order, specific documented inspections and tests may be required.

A system for controlling all material/product purchased shall be in effect by the Supplier. This system shall be made available to a Schafer Driveline representative, if required, to determine its conformance for assuring that the material/product meets physical, chemical, visual and/or dimensional requirements. The inspection and test results and material identification shall be recorded, on file and available for review.

Schafer Driveline representatives shall be afforded the right to verify that the contracted product conforms to the specified requirements either at the Supplier's or sub-Supplier premises. This does not absolve the Supplier/sub-Supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the Schafer Driveline Division.

AVAILABILITY OF INSPECTION DATA

Schafer Driveline reserves the right to receive a copy of inspection/test data used in the verification process of the parts supplied. The data requested may be in the form of inspection/test documents and/or frequencies, SPC data, current quality trends, etc.

CONTAINMENT REQUIREMENTS

When defective parts/material is found, Schafer Driveline will initiate either Restricted Level I (RS1) or Restricted Shipping Level II (RS2).

Parts found with repetitive defects on the production line will be handled in accordance with Quality Procedure PS QA-057, Restricted Shipping Level I. The parts will be segregated by moving to MRB area, the Supplier will be notified of the defect and the need for them to sort parts both at SDL and the supplier. The Supplier will be required to provide parts certified to be conforming to SDL as soon as possible to avoid production shutdown.

Parts found with repetitive defects at a Customer of SDL location will be handled in accordance with Quality Procedure PS QA-058, Restricted Shipping Level II. Any finished inventory at SDL will be sorted and any scrap or rework generated will be charged to the supplier. The Supplier will be notified to verify all parts in there inventory and may be requested to send their personnel to SDL or the Customer's location to sort parts or make corrections. A Supplier Corrective Action Request (SCAR) will be issued to the supplier to determine the root cause and document corrective actions taken to prevent re-occurrence.

MATERIAL REVIEW (DEVIATIONS)

Nonconforming material may be deviated for use if it is determined that there is no impact on form, fit, function, interchangeability, the manufacturing process or reliability of end product. If the nonconformity is repeated and effective corrective action has not been implemented.
Precede any shipment, a request for deviation shall be documented on Schafer Driveline's "Request For Deviation Form" (FTN-007) and submitted to the Schafer Driveline Buyer. If

approved, the completed Form shall accompany each container. Product rejected at Schafer Driveline, and subsequently approved by a "Request For Deviation" shall not be entered on the Supplier's quality record as rejected material (PPM - Parts Per Million). Contact the Buyer with the deviation to initiate the Form.

RETURN MATERIAL AUTHORIZATION

The Schafer Driveline Quality Department will contact the Supplier requesting a return authorization number to return Nonconforming material. The Supplier should respond within 3 days.

CORRECTIVE ACTION

If a nonconformance exists during production, at final inspection, or, an out of control condition occurs (for statistical process control), the Supplier shall invoke 100% inspection on processed product or work in process until corrections are in place and verified effective. Corrective actions shall be documented and available for Schafer Driveline review.
Suppliers who have shipped nonconforming material may be issued a "Supplier Corrective Action Request" (SCAR). This Form will document the nonconformance and specify a time frame for response. The response shall identify:

- Root Cause
- Interim Corrective Action
- Verification of Interim Corrective Action
- Preventive Action

YOUR IMMEDIATE ATTENTION AND RESPONSE IS REQUIRED.

If additional response time is needed, a request shall be documented on the SCAR Form and directed to the Schafer Driveline Quality Department.

It is the responsibility of the Supplier to assure that the quality level of the product meets all of Schafer Driveline drawing and specifications prior to shipment. It is not the intent of the Schafer Driveline Quality Department to inspect Supplier material and identify nonconformances. It is our intent, however, that the inspection will reflect the Supplier's quality system is implemented and effective.

If nonconforming material is found during receiving inspection, manufacturing, assembly, or final dock audit, the supplier will be contacted by a Schafer Driveline Quality and/or Purchasing representative explaining the nonconformance. It is the supplier's responsibility to travel to the affected Schafer Driveline location and sort and/or inspect all discrepant material. If the supplier is unwilling or cannot accommodate this request, Schafer Driveline reserves the right to have the material returned to the supplier or negotiate a disposition to sort, inspect or rework it at the supplier's expense.

If it becomes necessary to have the material sorted at the Schafer Driveline location, Schafer Driveline's Quality and Purchasing Departments shall coordinate the effort as to people, arrival time, and estimated duration. The required inspection and/or rework characteristics shall be identified through the Schafer Driveline Quality Department. Upon completion, an exit interview shall be conducted by the Purchasing and Quality Departments detailing (as applicable):

- Nature of the nonconformance
- Cause of the nonconformance
- Corrections taken to preclude the nonconformance from recurrence
- Shipment date of correct product
- Status of product in transit
- Quantity of product sorted.
- Quantity of defective material.
- Arrangement for return of defective material
- Arrangement for replacement of defective material to meet production schedules

PACKAGING AND SHIPPING

The Supplier shall insure that products, when complete, are packaged in such a manner as to provide adequate protection against damage, corrosion and contamination. The Supplier shall maintain a system that insures adequate control of the packaging and shipping phase. Bar codes will be pre-approved by Schafer Driveline to assure compatibility. The use of commercial practices of transport does not relieve the Supplier of responsibility for properly controlling his packaging and shipping functions in a manner that insures acceptance at the delivery point. The contents of each container shall be clearly marked and identified.

ON-TIME DELIVERY

Delivery schedules of purchased product are critical for our systems to work as intended. Therefore, 100% on time delivery is expected to be the standard from our suppliers. Any problems related to missed due dates must be communicated to the purchasing department immediately.

RECOVERY FEES

Schafer Driveline believes that it is important to preserve working relationships with its Suppliers/partners while ensuring justified expenses resulting from a quality or delivery problem are recovered. Our management has been given the responsibility to maintain this balance by exercising good judgment in recovering these expenses. Reimbursement of the following categories may be requested from our Suppliers at the full rate shown or at a lesser value (shared responsibility by Schafer Driveline and the Supplier) as determined by the Schafer Driveline Purchasing Department. In addition, an administration fee of $150.00 will be applied to those shipments that do not meet requirements.

All related charges, incurred by Schafer Driveline, due to discrepant and/or late material, will be borne or shared by the Supplier.

ACCUMULATED REJECTED PRODUCT

Due to the processing cost of daily scrap, if the value is less than $50.00 per part number, per month, the parts will be deemed as scrap as generated by the supplier and will be disposed of at Schafer Driveline. The part numbers and value will be reported, at least monthly, to the Supplier, on a “Debit/Credit Request” Form. This Form requires approval by the Supplier and will be sent to accounting for processing. Suppliers will be debited on a periodic basis.

NOTE: The Schafer Driveline Quality Department reserves the right to initiate a “Supplier Corrective Action Request” if the quantity and/or type of nonconformance warrant such action.

The Supplier agrees that when product(s) are scrapped at Schafer Driveline, the products need not be returned to the Supplier unless other agreements are made between the Supplier and the Schafer Driveline Quality and Purchasing departments.

REJECT LABOR

If nonconforming product is discovered after receipt at Schafer Driveline and the condition is expected to impact Schafer Driveline’s quality or production requirements, Schafer Driveline reserves the right to apply labor sources to the inspection, sorting, and/or rework of the suspect product until negotiations with the Supplier are complete. The rate charged will be $50.00 per man-hour.

PRODUCT REWORK CHARGES

Product rework charges apply when assembly of finished units has been completed and a nonconformance identified as the result of a supplier part. The nonconformance is usually detected through dock audits, functional testing, assembly to a Customer mating part, etc. If the units are at a Customer location, recall, transport back to Schafer Driveline, unpackaging, inspection, rework, inspection/test, repackaging and transportation back to the Customer applies. If the product is in finished goods inventory (at Schafer Driveline), the units will require unpackaging, inspection, rework,

inspection/test and repackaging. Fees for these activities, if Schafer Driveline personnel are used, are $50.00 per man-hour. Additionally, if other assembled parts have to be scrapped, due to the rework process, the Supplier will be charged the actual cost of those parts.

LINE SHUTDOWN DUE TO DELIVERY

Downtime charges are used when assembly of finished product is interrupted due to shortages, late deliveries, quality issues, etc. The fees will be calculated by multiplying the number of hours down by $500.00.

PRODUCTIVITY LOSS

When deviated (nonconforming) product has been used on the production line and causes production inefficiencies, the Supplier shall be charged back at the rate of $500.00 per hour.

EXPEDITED SHIPMENTS

Expedited shipment charges are used when Schafer Driveline incurs additional transportation and logistics cost when Supplier failure-to-deliver is imminent and Schafer Driveline must attempt to complete the scheduled Supplier on-time delivery to avoid late shipment to our customer(s). The Supplier will be debited for the actual cost of the shipment above the normal shipment cost for the scheduled delivery.

BAR CODE LABELS

Suppliers will be notified of the administrative fee for bar code labels that are missing on all of the containers in the lot, have incorrect information or will not scan.

SUPPLIER QUALITY INDICATORS

Suppliers shall be rated utilizing quality indicators. These indicators help to determine which Suppliers are eligible for expanded business. They are:

- PPM (Parts Per Million)
- Number of Supplier Corrective Action Requests initiated
- Delivery Performance Issues
- PPAP on Time Delivery
- PPAP First Pass Yield

FOUR-STEP CERTIFICATION PROCESS

The Schafer Driveline Division has implemented a four-step approval process for all Suppliers. The following is the outline of the four-step process with requirements for each step identified:

STEP 1 – Supplier Consideration:

- Valid quote for product submitted to Purchasing
- Significance of commodity
- Reason for the change
- Confidentiality agreement signed
- Supplier Product Liability Insurance information submitted
- Site audit (optional)

Step 2 – Supplier Selection:

- Change Management Board review
- Supplier self audit answered
- Quality System Approval (ISO 9001/QS9000/TS16949 or formally documented)
- Site visit (optional)

Step 3 – Supplier Performance evaluation:

Performance tracking for:

- Quality Parts Per Million (Number of Nonconformance Reports and Supplier Corrective actions issued.)
- PPAP on time delivery
- PPAP first pass yield
- Delivery

Step 4 – Supplier Certification:

- Meets the scoring requirements for delivery/support/commercial/quality.
- Site visit results are satisfactory

Certified status may be downgraded in the event of continuous quality issues indicating processes out of control.

SUPPLIER RATING SYSTEM

SCHAFER DRIVELINE has developed a rating system to communicate how Suppliers are performing. The rating system will keep suppliers and Schafer Driveline current on key performance indicators. Rating results will be sent to Suppliers at intervals agreed to between Purchasing and Quality. The rating sheet will specify the time frame (quarterly, monthly, etc.) and become part of a 6-month rolling average.

Five rating categories will be graded having a combined total of 100% possible:

- PPM (Parts Per Million) – 40%
- Number of Supplier Corrective Action Requests initiated – 20%
- Delivery Performance as the number of issues
- PPAP on Time Delivery – 10%
- PPAP First Pass Yield – 10%

PPM is based upon the total number of parts rejected divided by the total parts received multiplied by 1,000,000. The list below will be used to calculate the percentage value.

RATING	PARTS PER MILLION DEFECTIVE
40%	Equal to ≤450 PPM
30%	Greater than 450 PPM and ≤ 600 PPM
20%	Greater than 600 PPM and ≤ 800 PPM
10%	Greater than 800 PPM and ≤ 1000 PPM
0%	Greater than 1000 PPM

If PPM totals more than 1,000 in a one-month period, no points will be awarded and Schafer Driveline may request to audit your facility.

A Supplier Corrective Action (SCAR) is the record that may be generated when an nonconformance is found. The list below will be used to calculate the percentage value.

Rating	Number of SCAR initiated
20%	0
16%	1
12%	2
8%	3
4%	4
0%	5

If a total of more than five corrective actions, in a six month period, no points will be awarded and Schafer Driveline may request to audit your facility.

SUPPLIER RATING SYSTEM (Continued)

DELIVERY PERFORMANCE

This category's score is based on the number of On Time Delivery issues that were experienced during the rating period that caused disruptions or delays to our production processes:

Rating	Number of Delivery Issues
20%	0
15%	1
10%	2
5%	3
0%	More than 3

PPAP ON TIME DELIVERY

This category's score is based on the "as scheduled" delivery date. The actual delivery will be compared to delivery schedules and will be scored as either a hit or a miss and will be rated as follows:

Rating	Number of misses in 6 months
10%	0
7%	1
4%	2
1%	3
0%	>3

PPAP FIRST PASS YIELD

This category's score is based on PPAP acceptance as submitted and is rated as follows:

Rating	PPAP results
10%	Pass 1st time
0%	Fail

Summary of scoring:

Parts per Million	Number of SCARs open	On time delivery issues	PPAP on time delivery	PPAP first pass yield
≤450 = 40%	0 = 20%	0 = 20%	All = 10%	1st time = 10%
451-599 = 30%	1 = 16%	1 = 15%	1 missed = 7%	Fail = 0%
600-799 = 20%	2 = 12%	2 = 10%	2 missed = 4%	
800-1000 = 10%	3 = 8%	3 = 5%	3 missed = 1%	
>1000 = 0%	4 = 4%	>3 = 0%	>3 missed = 0%	
	5 = 0%			

SUPPLIER RATING SYSTEM (Continued)

SUPPLIER RATING WORKSHEET

SUPPLIER: _____ DATE: _____

CATEGORY	MAX SCORE	RESULTS	SCORE
PPM Rating	40%	_____	_____
SCARs in last 6 mos.	20%	_____	_____
DELIVERY Issues	20%	_____	_____
PPAP on time delivery Misses in 6 mos.	10%	_____	_____
PPAP 1st Pass Yield Pass or Fail	10%	_____	_____
		TOTAL PERCENTAGE	_____

Overall Score	Comments
95-100%	Supplier with 95-100% overall performance score for four consecutive months will be granted Certified status.
80-94%	Supplier with acceptable performance rating in all reported areas with potential for improvement. Self directed improvement activity is advised for Suppliers with the score below 85%
60-79%	Supplier must conduct internal improvement activities documented in SCARs.
Less than 60%	Supplier does not meet minimum performance standards. Over six months with the overall score below 60% will result in presentation of formal corrective action plan to recover. Any award of new business for Supplier with score below 60% must be approved by the Change Management Board.

The Purchasing and Quality Managers shall initiate corrective action to assist the supplier in meeting Schafer Driveline expectations.

SHIPPING/PARTS IDENTIFICATION LABEL

All Suppliers shall conform to AIAG's (*Automotive Industry Action Group*) Shipping / Parts Identification Label Standard B-3 on all containers.
A copy of the standard can be ordered through AIAG at www.aiag.org.

- **Label size shall be a minimum of 4" high and 5" wide.**
- **Text and barcodes shall be black printing on white background.**
- **All text shall be human readable.**
- **All barcoding shall be in Code 39 format with a minimum height of ½".**
- **Each Box/Container/Pallet should be labeled.**

Please contact your purchasing agent if you have any questions regarding label requirements.

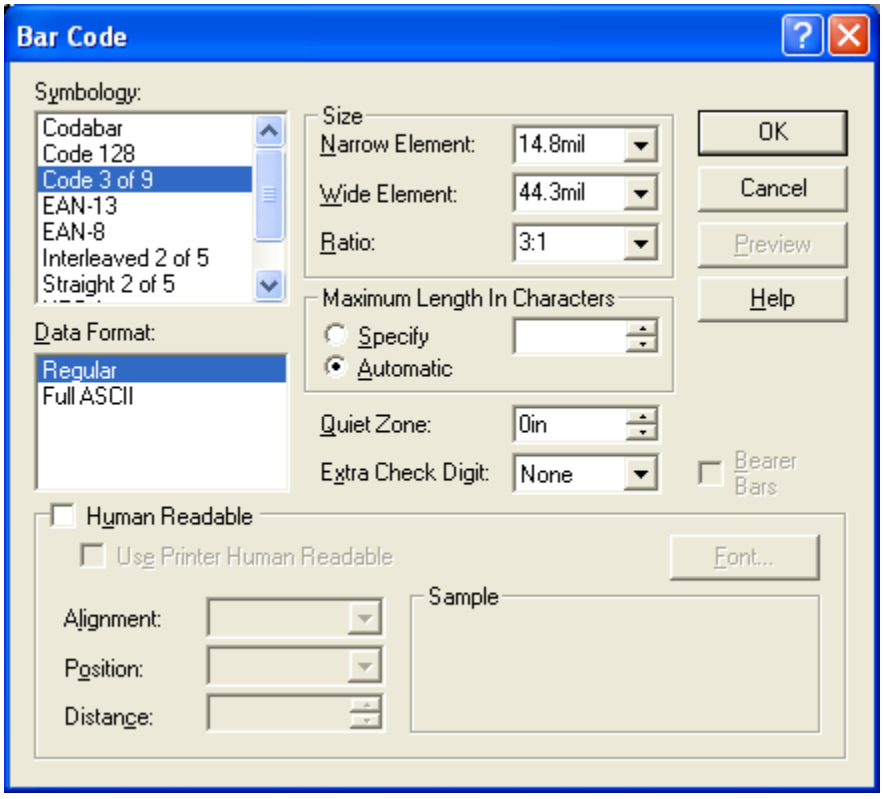
Notice the barcode (not the Human Readable above the barcode) is prefixed with a letter P for PART NO.; a letter Q for QUANTITY; and a letter K for PO #.

Note: P.O. # may be issued in a different format. Contact your buyer for current information.

Printer Settings

Here are the actual Bar Code settings to ensure our scanners can read them.

If you have any questions regarding printer settings contact Schafer Driveline IT Dept.

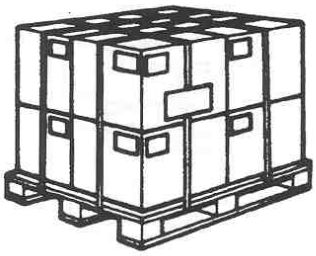


SHIPPING / PARTS IDENTIFICATION LABEL (Continued)

LABEL LOCATIONS ON VARIOUS SHIPPING PACKS

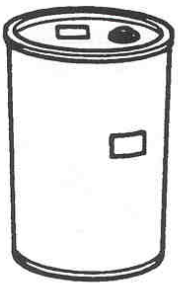
CARTONS ON PALLET

Each carton **SHOULD** be individually labeled as described above. One Master Label mav be used or one Mixed Load Label.



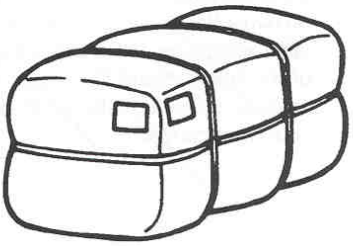
DRUMS, BARRELS, OR CYLINDRICAL CONTAINERS

Identical labels **SHOULD** be located on the top and near the center of the side.



BALES

Identical labels **SHOULD** be located at the upper corner of an end and the adjacent side. (Wrap around label acceptable.)

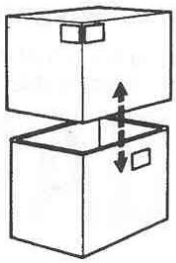


SHIPPING / PARTS IDENTIFICATION LABEL (Continued)

LABEL LOCATIONS ON VARIOUS SHIPPING PACKS

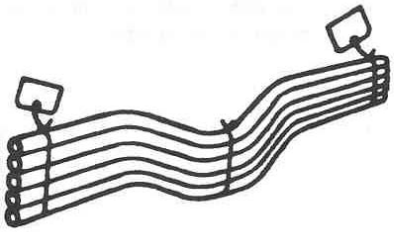
TELESCOPIC OR SET-UP CONTAINERS

Identical labels **SHOULD** be located on two adjacent sides of the outer box. Some applications may also require identification of the inner box.



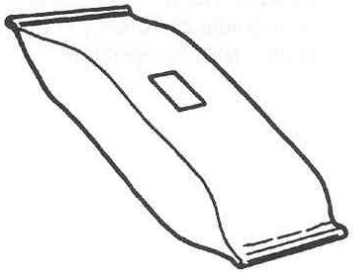
BUNDLE

Identical tags **SHOULD** be located at each end.



BAG

Place one label at the center of face.

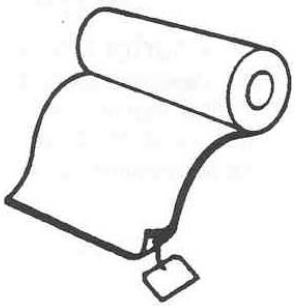


SHIPPING / PARTS IDENTIFICATION LABEL (Continued)

LABEL LOCATIONS ON VARIOUS SHIPPING PACKS

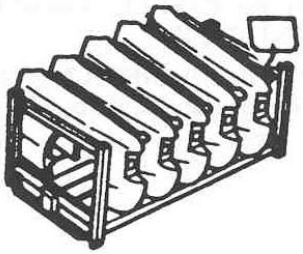
ROLL

Hang one tag 2.0 in. (51 mm) from end of the material.



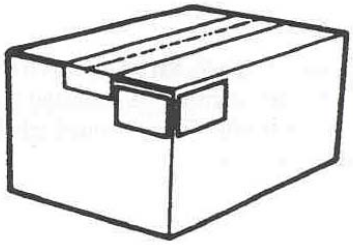
RACK

Tag one visible piece near top, or use a label holder.



BOX OR CARTON

Identical labels **SHOULD** be located on two adjacent sides. (Wrap around label acceptable.) The upper edges of the labels should be as high as possible up to 20 inches from the bottom of carton.

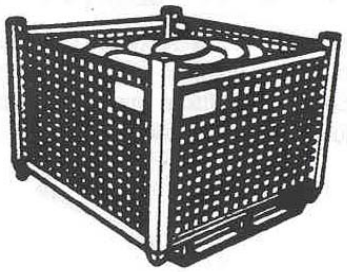


SHIPPING / PARTS IDENTIFICATION LABEL (Continued)

LABEL LOCATIONS ON VARIOUS SHIPPING PACKS

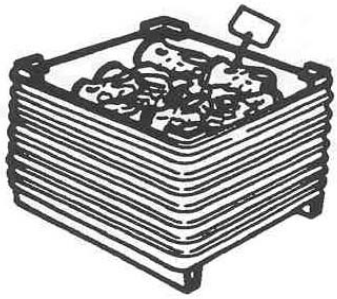
BASKET, WIRE MESH CONTAINER

Identical labels **SHOULD** be located on two adjacent sides.



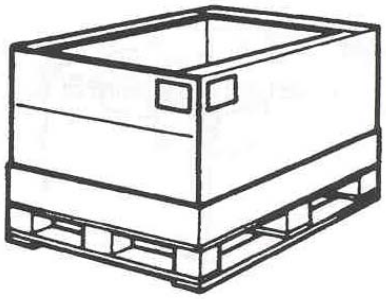
METAL BIN OR TUB

Tag one visible piece near top, or use a label holder.



PALLET BOX

Identical labels **SHOULD** be located on two adjacent sides, (wrap around label acceptable).



ENGINEERING DEVIATION REQUEST FORM (sample)

ENGINEERING DEVIATION REQUEST

DEV. NO. **D-**

PRINTS ATTACHED ☐

PART NAME _____ PART NO. (S) _____

CUSTOMER AFFECTED _____

SUPPLIER _____ SHIPMENT NO. _____ QTY. _____

EFF. DATES: { FROM: _____ TO: _____

DESCRIPTION OF DEVIATION:

Sample

Request current form from SDL Purchasing or Quality.

REQUESTED BY _____

ENGINEER CONTACTED _____

REMARKS/CONDITIONS _____

THE FOLLOWING MUST BE COMPLETE TO RECEIVE ENGINEERING CONSIDERATION AND / OR APPROVAL

REASON FOR DEVIATION _____

WAS CORRECTIVE ACTION TAKEN? ☐ YES ☐ NO

EXPLAIN _____

ROUTING	APP'D	REJ'D	SIGN.	DATE	REMARKS
PURCHASING MGR	☐	☐			
PRODUCTION MGR	☐	☐			
MANUFACTURING ENG	☐	☐			
QUALITY MGR	☐	☐			

ENGINEERING RESOLUTION ☐ APP'D ☐ REJ'D

ENGINEERING COMMENT _____

ENGINEERING AUTHORIZATION _____ DATE _____