CHANGE CONTROL TABLE

Rev No.	Date	By	Description of change
00	29-May-2014	M. Mora	Initial.
01	12-Nov-2014	M. Mora	Annual revision.
02	12-Nov-2015	M. Mora	Annual revision.
02	18-Nov-2016	M. Mora	Annual revision. Revision change does not apply.
03	04-Jul-2017	Jo. Navarro	Restructuring.
04	26-Jan-2018	Jo. Navarro	Example references to MRB decision was changed to HAP's decisions.

1. PURPOSE

The purpose of this procedure is to define the process for managing Supplier Corrective Actions with the goal of correcting non-conformities of purchased components and bulk materials, and to prevent re-occurrence.

2. SCOPE

This procedure describes activities used by Hutchings Automotive Products in order to develop corrective actions directed towards its suppliers. This procedure applies to all sites of Hutchings Automotive Products.

3. DEFINITIONS

- HAP: Hutchings Automotive Products
- SCAR: Supplier Corrective Action Request
- SQE: Supplier Quality Engineer

4. PROCEDURE

4. 1. SCAR Investigation

SCAR investigation starts when a non-conformance is found on a purchased component, bulk material, when a supplier fails to meet the requirements established by Hutchings Automotive Products and agreed upon upfront, or when the supplier fails to meet an industry requirement. For this reason, the objective at this stage is to determine and document the risk of the detected non-conformance for HAP and its customers.

This is done by a risk analysis that takes into consideration the severity of the non-conformance, and also the frequency (last 12 months) of non-conformances found linked to purchased component. The analysis is done on and according to F-7.4.3.2-012 SCAR Investigation, which concludes in a final action to take: Notification, Correction or Full SCAR.

In case of repeated non-conformities over the same issue with the same supplier, during the last year, the level of SCAR will grow up to the next level, in this case: Notification to Correction, Correction to Full SCAR, if originally it is a Full SCAR, this will remain in this same level.

Finally, the investigation form has to be approved by SQE and Quality Manager.

4. 2. SCAR

Once the Investigation form is finished, the request of SCAR is done. The supplier has to fill out the SCAR form F-7.4.3.2-013, when applicable. This form is the formal way to report any action and result developed from the supplier to HAP.

4. 2. 1. Notification

Notification level is a warning to suppliers about an issue detected but it does not have an impact to HAP's customers or low impact to HAP's requirements as it is determined by F-7.4.3.2-012. Notifications do not require a supplier answer documented on F-7.4.3.2-013. However, the supplier still has the responsibility for any consequence and necessary action due to non-conformities stablished by HAP.

4. 2. 2. Correction

Correction happens when the required action asked to the supplier requires only an immediate containment of the issue, which has to be documented on F-7.4.3.2-013.

4. 2. 3. Full SCAR

Full SCAR is used when the solution involves an immediate containment, root cause analysis, corrective and preventive actions and effectiveness verification, all documented on F-7.4.3.2-013.

It should be noted that this action is the only one that requires HAP's verification of corrective actions in order to verify the prevention of re-occurrence of the non-conformance incident, for this reason HAP may:

- Check the correct implementation of the actions at supplier's facility.
- Check received batches after implementation of actions according to Incoming Inspection Process.
- Request and review evidence of actions taken.

To start the verification and close the SCAR, the proposed actions have to be implemented completely, including any process, equipment, inspection or plant change.

If according to the effectiveness verification the actions taken by the supplier are ineffective, a justification about the reason will be documented on the SCAR form and send to the supplier. This issue cause the open of a new SCAR to the supplier.

To finish any SCAR, whether rejection or approval, this will check by SQE and Quality Manager.

4. 2. 4. SCAR Timeline

In next chart are defined the duration per each phase of the SCAR, considering the conclusion of each one as the approval by HAP.

From	To	Duration
Issue date	Supplier response approval	- For correction: 5 calendar days - For Full SCAR: 30 calendar days
Supplier response approval	Final disposition of SCAR	It is recommended 60 calendar days after implementation of corrective and preventive actions by supplier. However, this duration can vary according to proposed actions.

5. RESPONSIBILITIES

5. 1. Quality Manager (or assigned)

- Review and approve of SCAR Investigation form before starting required actions.
- Review and approve SCAR form before closed it.

5. 2 Material Manager (or assigned)

- Assist the Supplier Quality Engineer (SQE) in communications with suppliers along SCAR process, if required.

5. 3. Supplier Quality Engineer (SQE) (or assigned)

- Start and complete SCAR Investigation form to determine required actions to solve the non-conformance issue.
- Start, communication and follow-up and approval of SCARs.
- Update SCAR status.
- Check supplier's record in order to increase the SCAR level, if is required.

6. REFERENCES

- M-7.4.3.2-001 Supplier Quality Manual
- F-7.4.3.2-012 Investigation form
- F-7.4.3.2-013 SCAR form