

**UNITED INDUSTRIES & UNITED STAINLESS, INC.**  
**SUPPLIER/SUBCONTRACTOR MANUAL**

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INTRODUCTION

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**INTRODUCTION:**

Quality Policy:

The employees of UNITED INDUSTRIES and UNITED STAINLESS are committed to meeting customer requirements.

We will be guided by our Quality Objectives in our effort to improve our products and services.

The Mission Statement for United Industries & United Stainless is:  
**THE STANDARD OF EXCELLENCE**

To attain this level of quality requires teamwork and cooperation among our employees, suppliers, and subcontractors. We have prepared this manual as a guide to the expectations and performance standards expected of the suppliers and subcontractors. United Industries & United Stainless will only use approved suppliers and subcontractors. Through the approval process and through supplier development, we are committed to improving quality throughout the supply chain.

**APPROVAL OF SUPPLIERS AND SUBCONTRACTORS:**

Suppliers and subcontractors must be registered to ISO 9001:2000 unless specified by the customer. A current copy of the applicable certificate must be provided to United.

Supplier and subcontractors without a registered quality system must complete the "Self Assessment Audit" form (#OP-06-01-B). The supplier/subcontractor may also be requested to participate in the United Industries' Quality System Assessment and Development Program. Self Assessment Audit Results, and audits by United quality representatives will be reviewed during Management Review for possible inclusion on the company's Approved Supplier or Subcontractor lists.

**CONTACTS:**

United Industries  
(608) 365-8891

United Stainless  
(731) 645-8467

Inventory	Ext. 205	Ext. 2272
Shipping	Ext. 239	Ext. 2204
Quality	Ext. 283	Ext. 2203
Purchasing	Ext. 610	
Accounts Payable	Ext. 281	

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**SUPPLIERS:**

Suppliers are vendors that supply stainless steel coils or tubing.

All incoming raw material and/or tubing are subject to incoming inspection and testing according to OP-10-01 Inspection and Testing.

All suppliers are required to provide material certifications for each heat/lot received. This requirement is included on all purchase orders.

**Stainless Steel Suppliers:**

Stainless steel suppliers not on the Approved Supplier List shall have trial material evaluated by Mill Operators in the areas of: weldability, surface finish, line speed, and overall performance. Results will be documented and reviewed at Management Review. If the performance, price, and delivery criteria are acceptable, the supplier may be added to the Approved Supplier List.

Approved steel suppliers are monitored in area of: quality, price, and delivery. Once a month, the Purchasing Department publishes the Steel Delivery Evaluation Report. Raw material suppliers are notified of their performance with this report.

**Stainless Steel Tubing Suppliers:**

Stainless steel tubing suppliers not on the Approved Supplier List shall have material inspected and documented upon receipt. This evaluation will be reviewed at Management Review. If the performance, price and delivery criteria are acceptable, the supplier may be added to the Approved Supplier List.

Approved tubing suppliers' delivery is monitored in Purchasing.

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**SUBCONTRACTORS:**

Subcontractors are defined as a company that either modifies our products or manufactures them from our drawings and specifications.

**Evaluation of Subcontractors:**

Secondary Operations (i.e. cutters) are monitored in the areas of nonconforming material. A PPM is calculated and published on the monthly Summary Report – Cutters by the Purchasing Department. The report is made available to subcontractors for their review.

Q100% on-time delivery performance is required of secondary operations that ship directly to our customer on our behalf. Shipping performance is monitored by the Traffic Manager with respect to our customer's expected delivery date. If delivery dates are not met, if necessary, the Quality Coordinator will request a corrective action from the subcontractor.

Incidents of Premium Freight are tracked by the subcontractor and reported to the Quality Department monthly on the Customer Shipment Log form #OP-15-01-G.

QFinishing Sources (i.e. electropolishing, slitting) are monitored during incoming inspection according to OP-10-01 Inspection and Testing.

Tooling Sources are monitored for quality according to the Tooling Instructional Standard and bi-annual audits.

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**QUALITY SYSTEM REQUIREMENTS:**  
**Secondary Operations**

Approved Subcontractors should move to participate in the following quality system:

- Initiate development of Control Plans that summarize the method for controlling the process and product to insure compliance to specification. (ref: AIAG Advance Product Quality Planning and Control Plan manual).
- Initiate development of Failure Mode and Effects Analysis (FMEA) (ref: AIAG Potential Failure Mode and Effects Analysis manual) that evidence efforts are taken to improve the process to achieve defect prevention rather than defect detection.
- Perform Capability Studies on the manufacturing process being used (ref: AIAG Statistical Process Control manual).
- Demonstrate ability to Control Quality Records that are defined as in-process and final inspection documents. These must be available to United upon request. Minimum retention time shall be 7 years.
- The ability to perform PPAP if required. A PPAP requirement will be called out on the Purchase Order. PPAP samples and the corresponding documentation will be forwarded to the Quality Departments of either United Industries or United Stainless for their review and approval before production can begin.
- Packaging and Identification according to the requirements of United. United is developing the barcode label identification system compliant with AIAG requirements. Subcontractors will be required to adhere to this system as it is developed and implemented. Usual and customary packaging requirements such as the use of Gaylord boxes apply unless otherwise specified.
- The vendor is to unload, load, move, process and store tubing in such a manner that it is not damaged, subjected to corrosion or dimensionally changed. Some examples would be storing it in a dry place, free from acids or caustics, and with adequate dunnage suitable to gauge, OD and stack heights. United reserves the right to inspect its material at vendor's facility to assure compliance.
- Subcontractors must provide evidence, upon request, of training and periodic review of training effectiveness for all personnel performing activities affecting the quality of our product. The subcontractor may define "periodic" as annual or more often.

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United Industries is currently spending a substantial amount of money on outside processing. The performance of all Secondary Operation (i.e. cutters) subcontractors will be reviewed and evaluated to determine how well the business arrangement is working. Subcontractors will be expected to agree to the following financial guidelines:

- When preparing a quotation, subcontractors should address the affects of random lengths usage. Random lengths are a part of our normal process.
- When preparing a quotation, subcontractors must state disposition of the scrap (end pieces, drop, etc.). If the processor disposes of the scrap at their location, United should be receiving the scrap credit.
- Automotive Tier II fabricators are our largest customer group. Subcontractors need to be aware of the severe penalties imposed on United for late deliveries and be willing to make every conceivable effort to meet our deadline. Failure to meet the required delivery may result in back charges to the subcontractor.
- **Q**Automotive customers will expect an initial response to an 8D corrective action within 24 hours after notification. We will need the subcontractor's assistance in meeting this requirement. This situation could also result in United's customer conducting an audit at subcontractor's facility.
- If subcontractor produces defective parts, United reserves the right to withhold payment and issue a Subcontractor Rejection Notice. Issuance of a SRN will result in \$250 debit to the subcontractor in addition to any costs passed on to United from our customer.
- Packing slips must be emailed or faxed to United's Inventory Control by 10 A.M. the day following the shipment. Failure to comply with this requirement will result in \$100.00 debit to the subcontractor. This deduction will be made for each occurrence.
- Weekly inventories must be communicated to United's Inventory Control by Noon on Friday. Failure to comply with this requirement will result in \$100.00 debit to the subcontractor.

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**INVENTORY SYSTEMS REQUIREMENTS:**

Packing Slips for Shipments to Customer or to United Industries

E-mailed daily (for previous days shipment) directly to Inventory Control for invoicing of customer and/or adjustment of inventory.

Weekly Inventory

E-mailed Fridays directly to United Industries – Inventory Control.  
Detailed inventory sheet filled out (supplied by United Industries, to be explained upon cutter being approved)  
Contact person - if problems with inventories arise.

Problems with Inventory

Suspect material or scrap material information – forwarded to Inventory Control.  
Phone: 608-365-8891 ext. 205

New Parts Added or Depleted

An updated inventory sheet will be faxed or e-mailed to cutter with new parts or parts that have been depleted or discontinued.

Invoicing from Outside Cutter to United Industries

Invoices mailed to: United Industries, 1546 Henry Ave., Beloit, WI, 53511

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**Nonconforming Product Handling Requirements**

The subcontractor is responsible to ensure that product which does not conform to product requirements is clearly identified and controlled to prevent its unintended use or delivery.

This includes tubing that is shipped directly to the subcontractor from a customer or in-stock tubing at the subcontractor facility that is deemed "suspect".

The subcontractor is responsible to notify the Quality Representative and Inventory Representative of the part number and quantity of nonconforming tubing.

Authorization to use, release or rework will be notified to the subcontractor in writing by the Quality Representative.

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## Supplier/Subcontractor Manual Acknowledgement

I, \_\_\_\_\_, representative for

\_\_\_\_\_,  
(Please Print Name)  
(Company Name)

acknowledge receipt of the United Industries, Inc. Supplier/Subcontractor Manual. I understand that it is the responsibility of \_\_\_\_\_ to keep this manual up-to-date.  
(Company Name)

Received by: \_\_\_\_\_  
(Print Name)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_