



Supplier Change Control and Communication Requirements

Doc Number: 10-14866 (QSP-7.4.10)
Revision B

PURPOSE: To define the level of communication required from Watlow's suppliers in regard to changes initiated by them, or their sub-tiers, which will allow Watlow the opportunity to assess any risks and avoid any unintentional consequences associated with the change, in advance of the supplier's implementation of the change.

1.0 DEFINITIONS / REQUIREMENTS

- 1.1 Scope:** Documents the communication required between Watlow's Suppliers, their sub-tier suppliers, and Watlow regarding product and process changes related to the parts, assemblies, or services they supply to Watlow. This document is a supplement to the requirements detailed in the Watlow Supplier Requirements Manual. All suppliers are required to comply with the requirements detailed in the Supplier Requirements Manual.
- 1.2 Change:** Those changes to material, manufacturer, design, or process as listed in section 4.2.
- 1.3 Supplier Change Control and Communication:** Process which requires advanced communication of changes, including obsolescence notifications, encountered by the supplier and a system to control change implementation to ensure that the effects on Watlow's, and Watlow's customer's, product can be evaluated and approved prior to implementing the change.
- 1.4 Control Level:** Each material/part/service/process expected to comply with this requirement shall have a Control Level (Level 1, 2, 3, or 4) defined on an appropriate procurement document, such as a print/specification sheet and/or purchase order which will reference this document. QSP-7.4.10. The Control Level, which will be defined by Watlow, will influence whether "Approval Required" or "Notification Required" is needed based upon the type of change being considered.
- 1.4.1 Control Level 1: Catalog or "off the shelf" items purchased by generic part descriptions, or Industry Standards
 - 1.4.2 Control Level 2: Catalog or "off the shelf" items purchased by specific manufacturer and part numbers and only purchased through authorized sources to avoid counterfeit risks.
 - 1.4.3 Control Level 3: Custom parts manufactured and purchased to Watlow drawings/specifications
 - 1.4.4 Control Level 4: Custom parts manufactured and purchased to Watlow drawings/specifications AND documented manufacturing processes.
- 1.5 Notification Required:** Parts affected by these changes require advanced notification to Watlow prior to shipping.
- 1.6 Approval Required:** Parts affected by these changes require advanced notification to Watlow and written approval of product requalification by Watlow prior to shipping.
- 1.7 Advanced Notification Method:** Watlow form 10-33882 must be submitted to the Watlow buyer along with any data to support product/vendor re-qualification (e.g. FAIR and/or updated PPAP submission.) For Level 1/2 products only, in lieu of the watlow form, it is acceptable to provide the output of the the manufacturer's Product Change Notification (PCN) along with a transition schedule.
- 365 days advance notice is requested, if not possible, submit as soon as possible. In lieu of 365 days notice, the supplier shall take action to assist Watlow in securing a 365-day last time purchase of the current revision/version (prior to the changes being implemented). This will be used to satisfy the production requirements during the material requalification process.
- 1.8 Process Control Documentation:** This is the supplier's manufacturing documentation which defines the manufacturing sequence of events. Documents should include: process controls, product monitoring and test



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processes, inspections used in producing and verifying the supplied product. It is always expected that these documents be maintained in a system to control the current revision and to prevent unauthorized changes.

Note: This documentation may include: customer/internal drawings, process manufacturing plans, process control plans, work instructions, production traveler/routers, approved PPAP, etc.

2.0 ASSOCIATED DOCUMENTS

- 2.1 10-33882 **Supplier Change Request and Approval Form** shall be used to identify and describe a change which needs to be communicated to Watlow for notification or approval. This form can be found at the supplier change communication website listed below in section 2.3.
- 2.2 Watlow prints, drawings, purchase orders, and any other Watlow procurement documentation that will identify the control level expected from the supplier and reference this document.
- 2.3 The Supplier requirements manual and training materials needed, can be found here:
<http://www.watlow.com/about/supplier.cfm>

3.0 Responsibilities

Role	Responsibility
Watlow	<ul style="list-style-type: none"> • Determine, document, and communicate to the supplier the control level required. • Respond to supplier’s notifications and approval requests in a timely manner. • Ensure suppliers are trained and aligned with this procedure when applicable. • Support the supplier’s protection of their intellectual property, if applicable.
Supplier	<ul style="list-style-type: none"> • Conform to the requirements of this procedure and appropriate procurement documentation provided by Watlow. • Exert <u>effective change control</u> for the sub-tier suppliers of components, materials or services purchased for inclusion in Watlow product covered by this policy. • Supplier shall not ship product incorporating changes without appropriate notification or Watlow approval as required by this procedure. • Submit notifications and requests for approval as defined by control level and this document 365 calendar days in advance or as soon as possible.

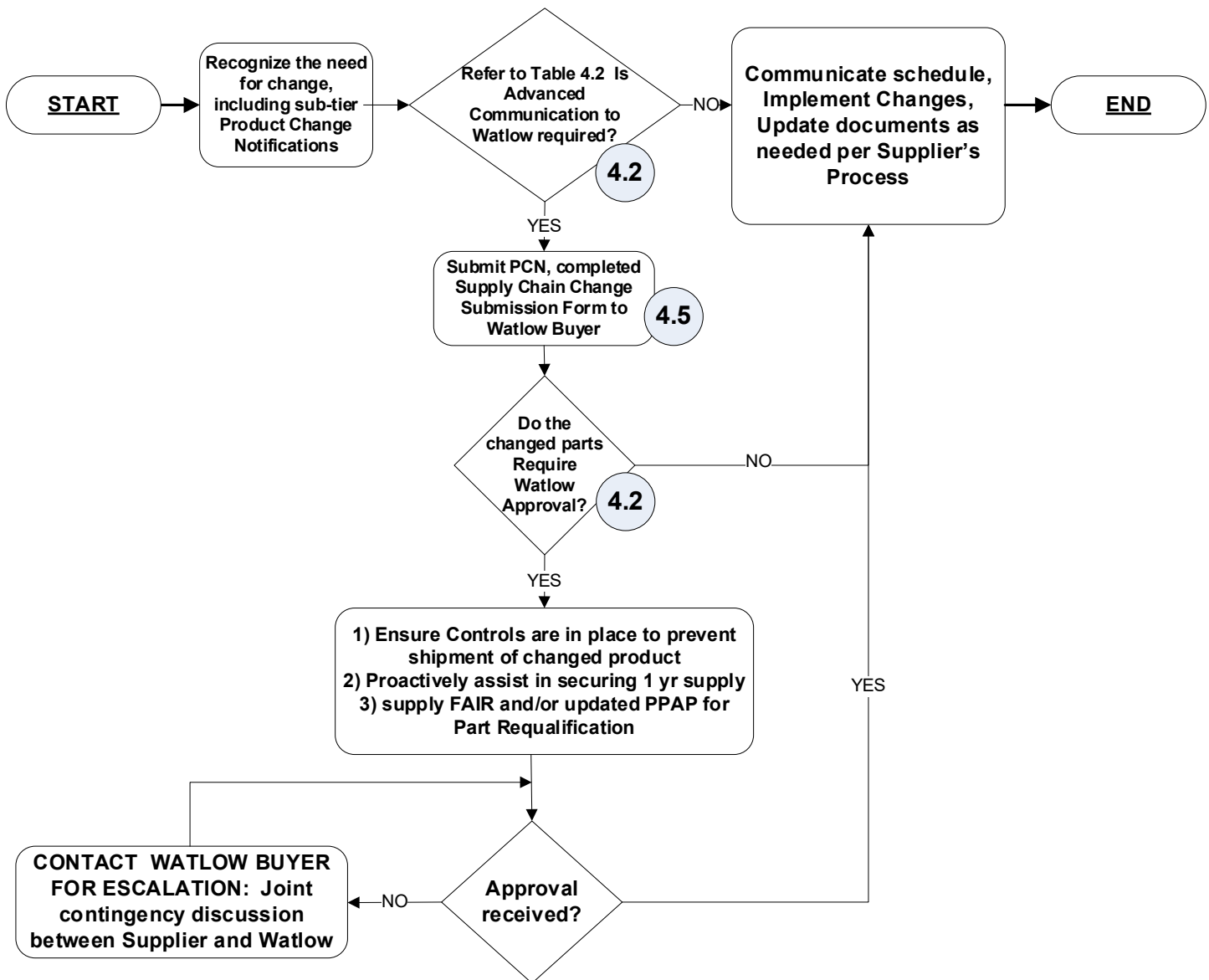


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4.0 PROCEDURE: It is the suppliers responsibility to apply controls to conform to these Watlow requirements both internally (Sec 4.3) and to subtier suppliers (Sec 4.4) as required.

4.1 Process Flow





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4.2 Change Control Table				
TYPE OF CHANGE	Control Level			
	Level 1	Level 2	Level 3	Level 4
PRODUCT CHANGES				
Product/material or service does not conform to defined specification.	A	A	A	A
Notice of Obsolescence/ Substitution of supplied item or raw material or Bill of Material component	NR	A	A	A
Firmware/Software Changes within the product that is supplied	NR	N	A	A
Change in Manufacturing location (relocating to new/different factory)	NR	NR	N	A
Bill of Material component's specification/formulation changes.	NR	NR	N	A
New/different sub-tier supplier of custom components or outside processes.	NR	NR	NR	A
Revision level changes to manufacturer's product specification	NR	N	NR	NR
Company Ownership and name changes	NR	N	N	N
Change/Revision to packaging standard or materials	NR	N	N	N
PROCESS CHANGES				
Changes impacting the current revision of manufacturing documentation for the product supplied.	NR	NR	N	A
Product is to be run on a new/different Machine or Group of Machines other than currently defined in the manufacturing documentation.	NR	NR	N	A
Measuring/Inspection/Test Methods Changes (CMM programs, metrology methods, gage equipment, fixture gages, inspection	NR	NR	N	A
Manufacturing Process Changes: (Combining, separating, re-sequencing routings and/or technology/efficiency/safety changes)	NR	NR	N	A
Automated Process Control changes (Parameters, Set Points, CNC, NC Programs, process calculations, PLC logic)	NR	NR	N	A
Fixture/Jig Re-design: (Performs same function, but is of a different design)	NR	NR	N	A
Process Changes reported by sub-tier component or outside service providers.	NR	NR	N	A
Processing/Measuring equipment rebuild (when issues drive work beyond the anticipated scheduled maintenance.)	NR	NR	N	N
Fixture/Jig Replication or replacement (Another of the same design)	NR	NR	N	N
Changes to Consumable Materials as defined within the manufacturing documentation.	NR	NR	NR	A
	NR= Not Required		N= Notification Required	A= Approval Required



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- 4.3 Understanding and Implementing the Requirement: All Watlow's suppliers are subject to the requirements in this standard. Suppliers will be trained to this requirement during the onboarding process or soon after and Preferred / Category Approved suppliers will be required to retrain annually thereafter. Training will be completed either directly by Watlow or through self-training and the following will be expected of the supplier in order to continue to comply to the requirement:
- 4.3.1 The supplier shall have appropriate systems in place to control implementation of changes internally prior to notification and/or approval.
 - 4.3.2 The supplier shall ensure their personnel supporting Watlow, and those involved in managing their own supplier requirements, are trained and their work also aligned to this requirement.
 - 4.3.3 The supplier shall self-train between Mar 1 and Apr 30 of each year using training materials and logs in the website identified in section 2.3 above.
- 4.4 Effective control of Sub-Tier Suppliers: The suppliers shall have systems in place to ensure that they receive advanced knowledge and maintain effective control of changes at sub-tiers. This includes materials, components or services procured for inclusion in Watlow products.
- 4.5 Documentation for Communication to Watlow: When submitting form 10-33882:
- 4.5.1 **"Description of change"** section must include proper detail to specifically define both the current state of the part/process versus the proposed state of the part/process. All necessary supporting documentation shall be attached. Examples of supporting documentation include:
 - 4.5.1.1 Change in Material or Component:** Technical documentation/data sheet/specifications for the current and proposed material or component shall be provided, noting the differences to the final product.
 - 4.5.1.2 Change in Manufacturing Process and Equipment:** Technical description of current and proposed processes/equipment, including the differences between current and proposed outputs, and any alternate process flows/steps (ie. change in sequence of manufacturing steps) should be provided.
 - 4.5.1.3 Change in Sub-tier:** A description of the service or sub-component affected by the change, data collected to document supplier qualification/approval shall be attached.
 - 4.5.2 **Re-qualification of product** after the change must be provided. A First Article Inspection Report (FAIR) or an updated Production Part Approval Process (PPAP) shall be attached to form 10-33882. This is mandatory if Watlow approval is required.
- 4.6 Rejection by Watlow of Approval Requests Submitted: Should Watlow not approve a change request and continuation of the current process or supplying material to the current specifications is not acceptable or feasible to the supplier, the supplier should request that the issue be escalated within Watlow for final resolution.

5.0 DOCUMENT APPROVALS

- 5.1 Director(s) of Supply Chain
- 5.2 Director of Quality
- 5.3 Engineering Manager Supplier Quality



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6.0 DOCUMENT AMENDMENTS

REVISION DATE	DESCRIPTION OF CHANGE	ORIGINATOR
06-11-13	Combined Winona 7415 and Watlow QA-7.2.45 into Corporate level 2 QSP	J. Rickenbaugh
04-22-14	Added to the definition of Process Control Documentation (Sec 1.8) and Updated Definition for "Chg to New/Different Manufacturer " Table in 4.2	J. Rickenbaugh
3/4/2015	Clarification Updates and to align terminology to QSP-7.4.10 training system standard work	M. Gappa
12/16/15	Annual Update: new Watlow logo, 180 to 365 day notification expectations, web site link added, grammatical corrections, removed criticality notes, as needed	M. Gappa
12/11/17	Annual Update: Added 1.8 requirement for Business Continuity Plan	A. Piecko
2/27/19 REV A	New PLM document number, Annual update and revision to 4.2 Table Added Form 10-33882 for supplier change submittal	A. Piecko, SQE+D team
2/20/2020 REV B	Annual Update and additional reference to Supplier Requirements Manual. 1.7, 4.3, 4.4 were also updated	A. Piecko, SQE+D team