

QUALITY ASSURANCE INSTRUCTIONS TO SUPPLIERS

QAIS NO: Q5B-005B

SUBJECT: CONTROL OF SUBCONTRACT WORKPACKAGE CHANGES

1 PURPOSE

The purpose of this Instruction is to detail when and how the approved Subcontractor is to notify Hawker Beechcraft Corporation (known as HBC hereafter) of significant changes to the work package presently being undertaken for HBC, or its approved Subcontractors.

2 SCOPE

This Instruction is applicable to all Subcontractors and all Subcontracted Work Packages placed by HBC and/or its approved Subcontractors. It applies to all manufactured goods (except proprietary items) supplied in fulfilment of HBC orders.

3 REFERENCES

QSDC Doc Ref : Q7B-544 "Subcontractor Workpackages Change Notice" (2 pages)

Download from www.hawkerbeechcraft.com/about_us/supply_chain/qa/proforma/

4 PROCEDURE

4.1 INTRODUCTION

4.1.1 When major changes to original workpackage agreements are proposed by our Subcontractors, HBC require details of the change to be documented and submitted to HBC for approval **prior** to implementation. The following definition will be used when establishing criteria for major changes to workpackages.

4.1.2 Changes to Personnel

A personnel change is a change in the people performing the manufacturing processing, assembly, inspection, and/or testing work, it's supervision or management such that a substantially new or different group of people are assigned to producing an article for HBC which may result in loss, displacement or replacement of previous learning capability, art or other factors important to success.

4.1.3 Changes of Location

A location change is a change in location of the place where some or all of the work or items for HBC is being performed. It may be as little as moving an assembly fixture or it may involve re-location of the entire plant. A location change may or may not include a change in facilities, procedures, personnel

Hawker Beechcraft European Supply Chain Office - Chester
Serial No: _____

SUBCONTRACTOR WORKPACKAGES CHANGE NOTICE
TO BE COMPLETED BY SUBCONTRACTOR

COMPANY NAME: _____ HBC APPROVAL NO: _____
CHANGES PROPOSED: _____

REASONS: _____

Add contribution checks as required
COST SAVINGS/INCREASES EXPECTED: _____
SIGNED: _____ TITLE: _____ DATE: _____
MANAGING DIRECTOR: _____ DATE: _____

FOLLOWING SECTIONS TO BE COMPLETED BY HAWKER BEECHCRAFT ONLY

HBC SUPPLY CHAIN SPECIALIST COMMENTS

NON RECURRING COST TO HBC € _____
RECURRING COST TO HBC € _____
SIGNED: _____ TITLE: _____ DATE: _____
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and/or processing sources and may involve movement of the workpackage within the Subcontractors own facility as well as external re-location.

4.1.4 Changes to the Supply Chain

Where the Supplier wants to change the agreed Subtier Supplier workshare or have new Subtiers activated/deactivated by HBC or have their Approval Scope modified. This includes strategic resourcing and joint cost reduction initiatives.

4.1.5 Changes to Procedures

A procedure change is a change in or to the methods, procedures, planning and/or sequencing used in or applicable to the manufacturing, processing, assembly, inspection and/or testing of a product for HBC.

4.1.6 Changes to Cost

A cost change is a reduction/increase to HBC of greater than 10% of the original agreement. Cost changes may be incurred through movement of material/ equipment, vendor appraisal, re-training of personnel etc. and should be assessed accordingly.

4.2 NOTIFICATION

Any one or combination of the above is deemed a major change of workpackage; formal notification of a change to current workpackages will be documented on HBC form "Subcontract Workpackage Change Notice" (QSDC Doc Ref: Q7B-544) **see Appendix A.**

4.2.1 Completing the SWCN.

Having obtained a blank SWCN from the HBC Website (see Section 3), the Subcontractor shall complete the Form with the following information:

- Company name and HBC approval number.
- Proposed change to include part no's/equipment description/location changes etc.
- Reason(s) for the change Proposed.
- Details of any expected cost savings/increase to HBC (in £ GBP).

Important Note:

It is usual to provide supporting attachments to the SWCN – obviously, by well researching the application and providing the necessary information, a speedier response is more likely.

Delays are often caused by poorly researched/supported applications necessitating numerous questions having to be answered before the SWCN can be progressed.

The form is then signed by the Originator and endorsed by the Subcontractor's Managing Director. The completed SWCN is forwarded to the HBC Chester - European Supply Chain Office f.a.o. **your allocated Supply Chain Management Specialist** for initial review, and registering/serialisation using the ESCO Supplier Information System (SIS).

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4.3 PROCESSING

4.3.1 Refer to **Appendix B of this QAIS.**

The SCM Specialist will review the proposal for possible impacts to the overall build programme requirements and/or additional risks such as interruption to deliveries, increased lead times higher transport costs.

4.3.3 The SCM Specialist will also review the proposal in line with current Hawker Beechcraft Corporation purchasing policies and ethics.

4.3.4 The Hawker Beechcraft Quality Support Company (known hereafter as HBQSC) Quality Manager, or nominated delegatee, will review the proposal for potential impacts upon agreed quality procedures, such as First Article Inspection, limitations of Subtier Scopes of Approval, Source Inspection, additional receipt inspection, process/part qualification testing etc.

4.3.5 The Quality functionary will also ensure the scopes of quality approval are adequate to cover the proposal. Similarly, a check will be held to ensure the movement will not increase the risk of non conformity and HBQSC Quality and Conformity Management team's workload.

4.3.6 Upon completion of the Quality comments, the form will be certified and passed onto HBC Manufacturing Engineering. The HBC Manufacturing Engineering Function will assess the SWCN for approval for impacts upon tooling, interchangeability, engineering and process capability etc.

4.3.8 Similarly, the HBC Manufacturing Engineering Function will report if the proposal places an increased support burden on their function.

4.3.9 Upon completion of the Manufacturing Engineering comments, the form will be certified and passed to the Design Engineering function who will assess the SWCN for potential effect on design procedures/workload .

4.3.10 Upon completion of the HBQSC Design Engineering comments the form will be passed on to the HBC ESCO Manager for final assessment and comments.

4.4 Final Review and Return of the SWCN

4.4.1 The HBC ESCO Manager may elect either to consult with the HBC Wichita Supply Chain Management office for their assessment and adjudication of the proposal, or alternatively autonomously review and return the SWCN recourse to HBC Wichita.

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- 4.4.2 In both cases, the ESCO Manager may hold an impromptu meeting of all functionaries involved above and a decision to approve or otherwise made based on the joint inputs made.

- 4.6.3 Where the final adjudication is to be made locally in the UK, formal notice will be given to the Subcontractor directly after this meeting by the HBC SCM Specialist of the ESCO decision.

- 4.6.4 Where the adjudication of the HBC Wichita is sought, the SWCN will be forwarded to the SCM department at HBC Wichita for their decision. The Subcontractor should note that this may inevitably cause to some delay in getting a response back to the SWCN.

- 4.6.5 In all cases, it is envisaged that a formal response to an application will take **no longer than 28 working days** dependent upon the level of preliminary research and supporting information provided by the Subcontractor. Where a delay is unavoidable, the SCM Specialist will inform the Subcontractor of the status of the SWCN, and reason for the delay.

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Appendix A – Completing the SWCN

Hawker Beechcraft European Supply Chain Office – Chester



Serial No: _____

SUBCONTRACTOR WORKPACKAGES CHANGE NOTICE

TO BE COMPLETED BY SUBCONTRACTOR

COMPANY NAME: _____ HBC APPROVAL NO: _____

CHANGES PROPOSED:

REASON(S):

Add continuation sheets as required

COST SAVINGS/INCREASES EXPECTED: _____

SIGNED: _____ TITLE: _____ DATE: _____

MANAGING DIRECTOR: _____ DATE: _____

FOLLOWING SECTIONS TO BE COMPLETED BY HAWKER BEECHCRAFT ONLY

HBC SUPPLY CHAIN SPECIALIST COMMENTS

NON RECURRING COST TO HBC £

RECURRING COST TO HBC £

SIGNED: _____ TITLE: _____ DATE: _____

PASS TO QUALITY MANAGER, HBQSC

Appendix B – SWCN Process Flow

