



137 W. Forest Hill Avenue
Oak Creek WI 53154
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Appendix C: Non Conformance Notification and Corrective Action Request

The purpose is to define Master Lock LLC., and Waterloo Industries Inc. specific requirements for documenting and distributing corrective/preventive actions. This process applies to all Domestic and International suppliers.

Responsibilities:

- A. Master Lock and Waterloo are responsible for effectively communicating CAR's (Corrective Action Requests)/ PAR's (Preventive Action Requests) to the Supplier. A due date for corrective/ preventive action implementation is mutually agreed upon. Master Lock and Waterloo will also act to contain the inventory per their internal processes (material review board (MRB)).
- B. Suppliers will provide containment action (advising Master Lock and Waterloo Industries of product in transit), determining the root cause, and implementing corrective action. These steps are to be documented on the CAR form prior to the due date.

Procedure:

- A. NCs and CARs are sent to a supplier by e-mail.
- B. Master Lock and Waterloo Industries may initiate a CAR/PAR for any issue that compromises the quality of the product. We will supply pictures, purchase order, line item, container numbers, and when available samples. Master Lock and Waterloo Industries will discuss NCs with you and determine disposition. This may include accepting the product as it is, reworking, scrap or return of the material. Standard rework costs performed by Master Lock and Waterloo Industries are \$30 per hour plus materials.
- C. Master Lock and Waterloo Industries will request corrective action from the Supplier by using one of the CAR forms shown on pages 4 – 6.
- D. The corrective action cause (s), and implemented corrective and preventive measures, should be determined using a "team" approach by persons most directly involved in the process with emphasis on determining root causes and methods to prevent re-occurrence.
- E. A corrective action response needs to address **ALL** the following areas:
 - 1. **Cause of Discrepancy:** Identify the root cause(s) and the degree of contribution each identified cause contributes to the nonconforming characteristic identified by us. Be sure to identify the ROOT cause and not associated symptoms.
 - 2. **Actions Implemented to Prevent Recurrence:** Identify actions needing correction and/ or implemented to assure all product from notification date forward meets requirements. Be sure to identify action, effective



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implementation date, and percentage of effectiveness for each action in preventing recurrence. Attach follow-up data validating effectiveness of implemented actions as appropriate.

3. How Did Non-Conformance Avoid Detection: Identify how and why the non-conformance was not detected prior to WI finding the occurrence? Include process checks and balances implemented to prevent future occurrences, should they re-occur, from not being detected.

4. Disposition of Inventory: Identify what actions were performed to assure 1) product in transit, 2) completed finished goods, 3) in-process product, and 4) raw materials: meet requirements. The Supplier is responsible to investigate the root cause of the problem, document the corrective and preventative action within three weeks. A date for full implementation should be provided in the CAR response. If the corrective action response will take longer than three weeks, the Supplier must notify Master Lock and Waterloo Industries and request an extension prior to the due date.

- F. After the corrective/ preventive action has been implemented, the CAR originator will review the written corrective action for effectiveness. A Master Lock and Waterloo Industries Engineer will validate the CAR answer via an audit and/or product inspection. When objective evidence exists that the corrective action is effective, the CAR will be closed.
- G. Upon closure, re-submit the CAR to Master Lock LLC., and Waterloo Industries Inc. Identify the actual implementation date(s), enclosed within parenthesis, next to the closure date initially anticipated. Do not remove the original anticipated closure date.
- H. CAR's with open action items are not closed until the open action has been completed and verification data received. CAR's determined as ineffective or incomplete are returned to the supplier for further action(s).
- I. Failure to get a CAR closed may affect a supplier's ability to participate in future purchases.



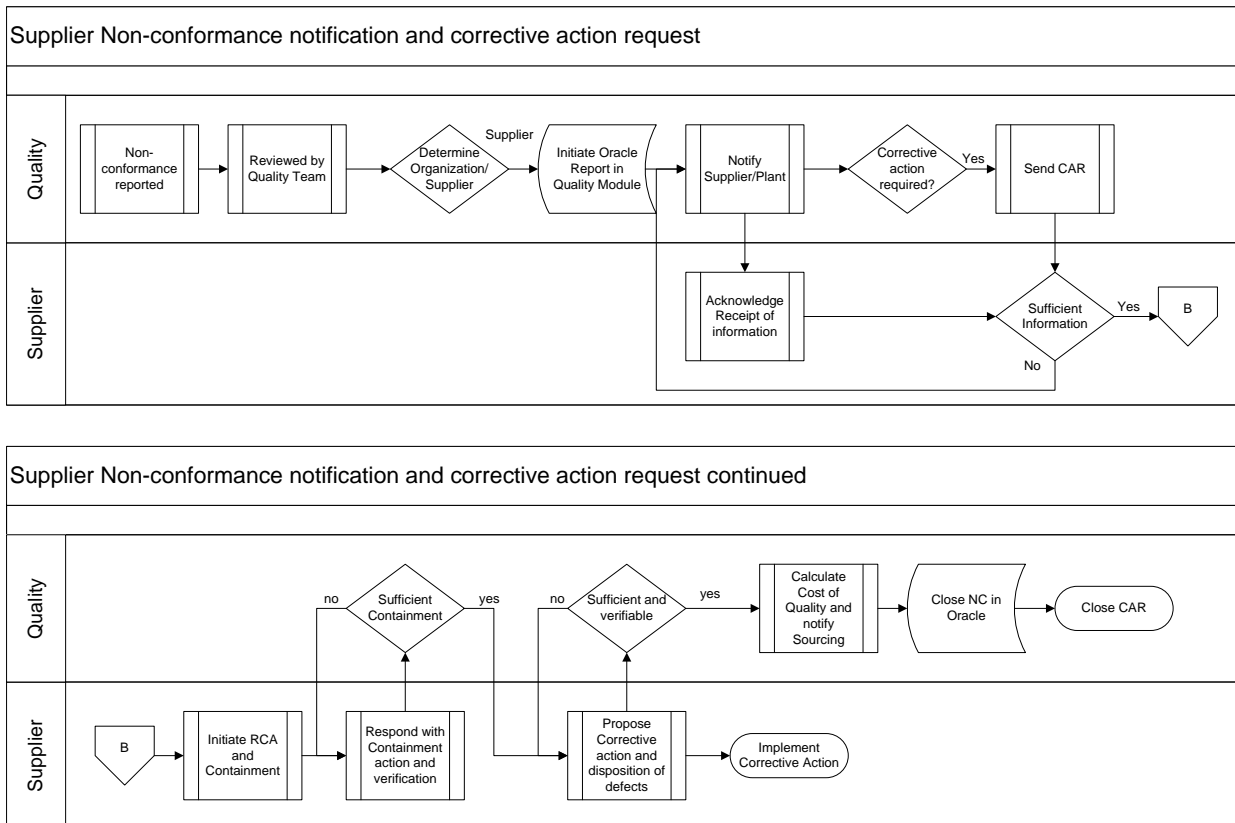
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Here is a process flow diagram to illustrate the required steps:





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Here is an example of an NC report:

NONCONFORMANCE SUMMARY:
Nonconformance Owner: Kennedy, Dale This is the point of contact

MATERIAL INFORMATION:
Item: 650201
Item Description: WALL CABINET
Component Item:
Supplier: Your Name should appear here
PO Number: 6017190 Job:

DEFECT INFORMATION:
Quantity Nonconforming: 15
Nonconformance Severity: MAJOR
Defect Category: MISC
Defect Code: WIMSG194
Defect Description: not enough packing material per BOM A cursory description at best. Pictures will be attached when possible
Cause Code: SUPPLIER

SOURCE INFORMATION:
Shift:
Department:
Operator:
Shifts Requiring D-stop(s):

ACTION INFORMATION:
Action Assigned to: Usnick, Brecket
Action Type:
Description:

Action Executed: CONTAINMENT
Action Executed by: Bredehoeft, Greg

CIAR Needed? The official notification that formal corrective action is required

Note Type:
Notes:

Comments: Comments are generally added following a response from the supplier



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Here is an example of a CAR from Waterloo:



Waterloo Industries, Inc.

Corrective Action Request

Pictures Sent: Sample Sent:		
CAR Number:	Source:	P.O. Number:
Item Number:	Description:	Date:
Noncompliant Qty:	Defect Category:	Defect Code:
Problem Description:	Resolved Problem Level:	
Current Problem Level:		

*Corrective Action Request to be completed and returned to Waterloo Industries, Inc.,
by to hector.jimenez@wi.com.*

Containment and Short Term Actions: (Immediate actions taken to ensure only acceptable product ships)

Cause of Discrepancy: (Root Cause Analysis: Consider Man, Material, Machine, Methods, and Design Issues)

How Did Non Conformance Avoid Detection: (Review Quality Plan and Control Points)

Action Implemented to Prevent Recurrence: (Long Term Corrective Action – including effective dates)

Disposition of Inventory: (Report Action Taken Such As: Sort, Rework, or Scrap – including effective dates)

Name / Title: _____ Date: _____



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Here are examples of CARs from Master Lock:

CARXXXX

Master Lock Company

Page 1 of 1

CAR Date (Fecha) Originator (Originador) Supplier (Proveedor) Dept/Loc (Localización del Depto) MCR#

Originating Site Phone # (Telefono) Fax # Contact (Contacto)

Part # (# de Parte) Part Name (Nombre del Producto) PO # (# de PO) Lot # (# de Lote)
Date Code (Fecha de Código) Hold Ticket # Qty. (Cantidad) %NC (% de NC) Codes (Codigo de Defectos)

Nonconforming Condition (Condición de la No-Conformidad)

Containment Action Due Date Root Cause Due Date Impact Status

Containment Action (Acción de Contención)

Root Cause (Causa Raíz)

Corrective Action (Acción Correctiva)

Verification (Verificación)

Implementation Date Verification Due Date Verification Date Verified By

Disposition ECN # Deviation # RGA # For Credit

Other
Corporate Citizenship

Closeout

MLC Originator

Site Quality Manager

sign, date

title

comments

COR-QUA-FR-CAR

Master Lock Company
Milwaukee Nogales Louisville

Tuesday, October 04, 2005

AND [see page 6]



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Corrective Action Request (CAR)

Department/Supplier:	Date:	
Contact:	Due Date:	
PO/ERMS#:	CAR No.:	11
MasterLock PN: QUANTITY: Received: Rejected:		
Part Number Description:		
Problem Description:		
Team Members:		
Immediate Containment Action (include whether other items where this part is used have been checked):		
Root Cause (include why your Control/Inspection Plan & inspection cert. process failed to catch this error):		
Corrective Action (include the revision to your Control/Inspection Plan to catch such an error in the future):		
Verification of Corrective Action:		
SUPPLIERS ONLY: Revised Control Plan sent to Master Lock: YES <input type="checkbox"/> / No <input type="checkbox"/> If NO, state the date Control Plan will be sent?:		
Approved by: Title: Date:		
MasterLock Only: Approved by: Date:		

Form #MLQ-CAR

Last Revised: 12/10/10

Location: Sharepoint/Quality/CAR/PAR System