

SOUTHCO QUALITY POLICY MANUAL

Introduction

Southco, under the leadership of W.C. Hale, was formed at the end of World War II as an offshoot of the South Chester Tube Company. Due to capable engineering, quality manufacturing, aggressive marketing and sound financial management, Southco has developed into, we believe, the access hardware and latching system industry leader in the world.

Vision

To be the Leading and Trusted Global Source of Engineered
Access Control Hardware, Services & Solutions.

Mission

Our mission is to *create* continuous growth opportunities through strong customer connectivity
and
engineering excellence

We will *seize* these opportunities through seamless teamwork and by leveraging our operational
excellence and supply chain management.

Together, we will *drive* leadership, growth and extraordinary value for our customer, associates
and shareholders.

Southco Key Objectives

- *Drive* Profitable Top Line Growth
- *Achieve Best in Class* Customer Service & *Operational* Excellence
- Strengthen Financial Performance & *Gross Margin %*
- Engage & Invest in Our Associates

Quality Policy

By focusing on customer satisfaction, we strive to...

- *Design our products to meet the needs of our customers*
- *Control our processes using appropriate techniques*
- *Manufacture our products to be defect free*
- *Involve all employees in continuous improvement*
- *Deliver our products in a timely manner*
- *Provide our customers with exceptional quality service*

Our success will be measured by the ultimate judge, our customers.

Environmental Policy

Southco is committed to the environmental safety and health of its employees, customers and neighbors and to the protection of the environment.

Southco is committed to an effective environmental management system designed to support our strategic business objectives.

The following principles shall apply to all Southco business practices

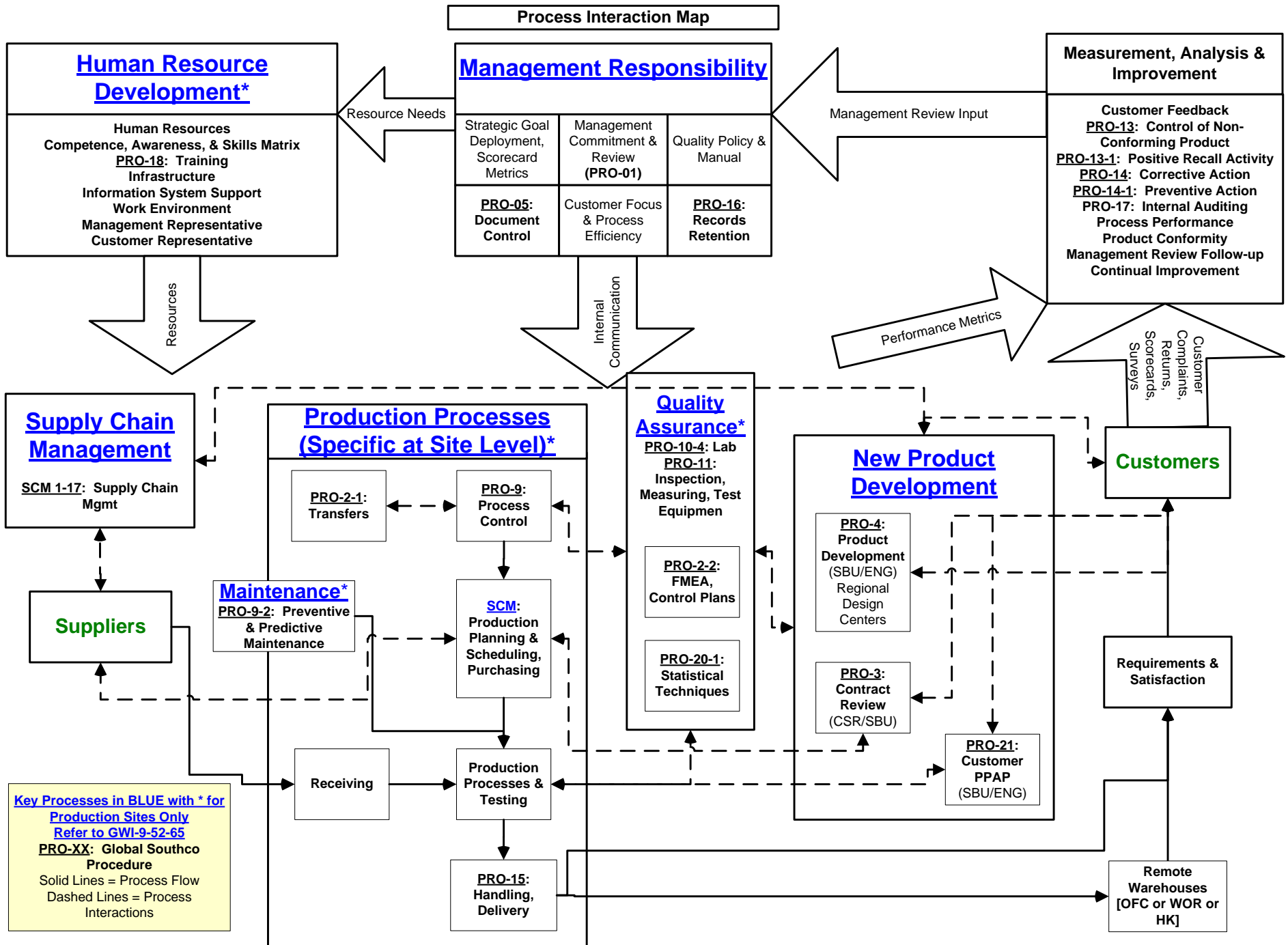
- Conduct business so that environmental challenges are managed as an integral part of current and changing business strategies.
- Recognition that all Southco associates must be trained to perform their jobs in a safe and environmentally responsible manner.
- Commitment to the full compliance with applicable governmental requirements and Southco standards.
- Dedication to prevention of pollution and continuous improvement of our environmental management systems.
- Establishment of objectives and targets which consider environmental aspects and impacts as an integral part of our business decision-making process.

Scope

The scope of Southco activities is the design, manufacture and assembly of access control hardware following the guidelines of ISO 9001:2008, ISO 14001:2004, SAE AS9100:2009, and ISO/TS 16949:2009 Requirements Worldwide. Southco has issued this Policy Manual, effective October 1, 1993, to establish uniform practices to better satisfy the needs of our customers. This manual adheres to the guidelines of the standards above.

The system applies to all Southco processes, goods and services for contract fulfillment and our internal use worldwide and directs the activities for all Southco sites.

Exclusion: Post Delivery Support (7.5.1.4). Southco does not provide post delivery support in terms of physical on-site service.



**Addendum A – Table of Contents for Procedural Manual Linked to Elements
(Controlled Copy of Revision Levels and Revision Dates in PRO-00 on Sharepoint)**

SOUTHCO, INC. WORK INSTRUCTION ISSUER: ISO DOCUMENT CONTROL TEAM						DOC NUMBER: PRO-00 ISSUE DATE: 05-JAN-94 REV. LEVEL: GE REV. DATE: 28JAN13 MONTHS OF: JAN 2012 - JAN 2013	
TITLE : TABLE OF CONTENTS FOR PROCEDURE MANUAL							
PRO NUMBER	REV LEVEL	ISSUE	REVISED	ELEM No.	WORK INSTRUCTION TITLE	ADDITIONAL INFORMATION	DEPT NAME
PRO-00				4.2.2	Table of Contents for ISO Procedure Manual		Corp. Operational Excellence
PRO-01				5.1.5.6, 6.1, 6.2, 6.2.1	Management Review		Corp. Operational Excellence
PRO-02-1				6.3, 7.2	Product & Technology Transfer	Form 1196, Form 1157, Form 1161, GWI-9-52-54, PRO-16	Corp. Operational Excellence
PRO-02-2				7.5.1.1 7.3.2.3	FMEA, Control Plans & Special Characteristic Designation	Form 915, Form 1086, GWI-9-52-27, PRO-04, PRO-09, PRO-09-2, PRO-16, Local forms 1204-1207, WI-QALA-05, WI-400-05, WI-3009.4, WI-3009	Corp. Prod. Development & Corp. Operational Excellence
PRO-03				7.2.2	Contract Review	GWI-9-65-05, GWI-9-65-08, GWI-9-65-12, PRO-15, PRO-16	Corp. Customer Service
PRO-04				5.2 7.2 8.2.1 7.3	Product Development Projects (located on the Web)	See Links, GWI-9-52-54	Corp. Prod. Development
PRO-05				4.2.3	Document and Data Control	GWI-9-55-1, GWI-9-55-2, GWI-9-55-6, GWI-9-52-42, PRO-04, (Form 368 database), HR-46	Corp. Operational Excellence
PRO-09				6.3.2 7.5.1 7.3.3.2	Process Control	GWI-9-52-27, Form 514, PRO-02-1, PRO-02-2, PRO-04, PRO-09-2, PRO-16, PRO-21, WI-4-00-09, WI-3-27-23, WI-3009.6	Corp. Operational Excellence
PRO-09-2				7.5.1.4	Preventive and Predictive Maintenance	Form 514, PRO-16, WI-4-00-09, WI-3-27-23, WI-3009.6	Corp. Operational Excellence
PRO-10-4				7.6.3	Laboratory Procedure	GWI-9-48-01, GWI-9-48-06, Form 1054, Form 1293, PRO-11, SCM-005	Corp. Engr. Services
PRO-11				7.6	Inspection, Measuring & Test Equipment	GWI-9-52-28, Form 827, Form 1315a, PRO-14	Corp. Operational Excellence
PRO-12					Inspection and Test Status	No longer used	Corp. Operational Excellence
PRO-13				8.3	Processing Quality Complaints / Notifications	GWI-9-52-02, Form 828, PRO-14	Legal & Quality
PRO-13-1					Positive Recall Activity	Form 826, Form 1227, PRO-14	Corp. Operational Excellence
PRO-14				8.5.2	Corrective Action	GWI-9-52-28, Form 826, Form 1137, Form 1172, PRO-13, PRO-14-1, PRO-15, PRO-16, Policy Manual	Corp. Operational Excellence
PRO-14-1				8.5.3	Preventive Action	Form 1161, PRO-14	Corp. Operational Excellence
PRO-15				7.5.5	Handling/Storage/Packaging/Pres./Delivery	GWI-9-28-01, GWI-9-28-02, GWI-9-28-03, GWI-9-28-04, GWI-9-28-05, GWI-9-28-06, GWI-9-28-12, GWI-9-28-13, GWI-9-63-06, GWI-9-65-5, GWI-9-65-33, PRO-08, PRO-14	Corp. Shipping
PRO-16				4.2.4	Records	86-01, GWI-9-83-02, PRO-04, FORMS: 109, 813, 816, 817, 818, 822, 843, 888, 915, 1018, 1086, 1109, 1137, 1147, 1161, 1196, 1227, 1243, 1293, 1315, 1416	Legal & Quality
PRO-17				8.2.2	Audit of Southco Management System	Form 1137, Form 1147, Form 1298, PRO-16, EMS-GWI-002	Corp. Operational Excellence
PRO-18				6.1, 6.2	Training of Southco Employees	Form 63, EHS Policy	Corp. Operational Excellence
PRO-20-1				8.2.3.1	Statistical Techniques	GWI-9-52-27, PRO-04, PRO-09, PRO-14, PRO-14-1, Policy Manual, APQP, PPAP, SPC	Corp. Operational Excellence
PRO-21				7.3.6.3	Customer Production Part Approval Process (PPAP)	GWI-9-52-54, GWI-9-55-22, (Form 368-ECP database) Form 1201,	Automotive Services & Quality

REVISION HISTORY

Contact Corp. QA for prior Revision History

REV	REV DATE	DESCRIPTION OF CHANGE
D	01JUN01	Removed 'Global Environmental Health, and Safety Manager' throughout Policy. Replaced with 'Director, Risk Management'. Section 1.4 removed obsolete PRO-01-2. Section 18.0 removed L&D and replaced with 'HRD'. Section 19.0 removed "Inside Sales". Section 21.1 changed the significant criteria. Appendix B added OFC Quality Policy Poster "3". Added Hong Kong "2". Combined Worcester/Staverton "10". Changed Albany from '10' to '7'. HF changed from '4' to '5'. Korea from '1' to '3'. Vb
E	07MAY02	Revised entire Policy Manual. Removed redundancy. Added QS9000 and ISO9001:2000 information. Vb
F	22JAN03	Pg. 12 – added Standard Handbook Product flowchart. Vb
G	27JAN03	Pg. 5 added Form 63 to flowchart. Vb
H	04APR03	Revised Southco Key Objectives for 2003. Added ISO/TS 16949 throughout policy. Added information to "Responsibility & Authority", "Provision of Resources", "Develop. /Training". Added "Acceptance & Maintenance". Added Form 827 to "Measurement Sys. Analysis". Added All facility Process Flow charts. Added "Document Cross Reference Table". Vb
I	14APR03	Added "Southco Business Operating System". Vb
J	06MAY03	Added 'Bridgeport Facility Process Flows'. Added WORC Cross Reference Table. Vb
K	04AUG04	Removed individual process flows. Replace with Process Flow applicable to any Southco Facility. Added ISO14001 Matrix to appendix. Environmental policy added. Vb
L	21MAR05	Revised Southco Vision, Mission & Key Objectives for 2005. Vb
M	23JUN05	Scope section: Added exclusions apply to facilities OFC, Fu Yong, Tecate. Vb
N	08AUG05	Table in appendix – updated with link to each facilities home page. Scorecard – Updated to link back to table of elements and explain 14001 requirement Internal Audits – Added ISO14001 standard to list of standards required for audits Monitoring and Measuring – Updated to include ISO14001 requirements. Updated exclusions table to include Justifications. Updated Supplier section to clarify that supplier and supplier of outsourced process and product are the same. Vb
O	17JAN06	Added AS9003 Cross Reference to Document reference table. Removed reference to ISO/TS in manual title. Page 9 Each facility develop their own training procedure using the following. Vb
P	02FEB06	Pg 1 - Revised 2006 Key Objectives. Added to Scope: 'hinges'. Pg 2 – Added Farnham & Honeoye Falls facility. Removed Germany to design and replaced with Worcester. Vb
Q	21APR06	Minor changes to the Southco Environmental Policy to reflect Globally.
R	01JUL06	Completely reconstructed Policy Manual. (Removed ALL except) 1. Introduction, Vision, Mission, Southco Key Objectives, Customer Quality Policy & Scope. 2. Added a Process Interaction Map
S	25JAN07	Updated Key Objectives for 2007
T	04FEB08	Updated Key Objectives for 2008 and included AS9100 as applicable standard. Added PRO-13 to Process Interaction Map
U	19JAN09	Updated 2009 Key Objectives
V	27APR09	Removed Farnham from the exclusion table
W	19AUG09	Removed the table which declared exclusions to the Scope of the registration. Added: "There are no exclusions" statement to the SCOPE paragraph. Updated ISO guidelines (under 'Scope') to reflect current standards.
X	1OCT09	Updated Process Interaction Map. Added PRO-14 Corrective Action and updated Preventive Action to PRO-14-1. Added "2009" to scope for SAE AS9100:2009.

Y	13DEC09	Added PRO-01 to Process Interaction Map
Z	3FEB10	<p>Updated Southco's Key Objectives. <u>Removed:</u> <i>Protect the Core Business & Target Market Share Growth, Drive Lean & Green Thinking, Action & Results, SAP Implementation & Development Support, and Continue to Invest in Our Future.</i> <u>Added:</u> <i>Drive Profitable Top Line Growth, Strengthen Customer Confidence, Continue to Strengthen Financial Performance, and Engage and Invest in Our Associates</i></p> <p>Added Remote Sites: Southco, Inc - Corporate Headquarters and Southco, Inc – Warehouses – OFC, WORC, or HK. Moved PRO-04 Product Development to be shown in both “Product Realization” at Facilities and in Regional Design Centers. Added “Information System Support” to Resource Management.</p> <p>Added Addendum A: Table of Contents for Global Procedures to highlight elements.</p>
AA	16MAR10	<p>Added exclusion for 7.5.1.5 “Control of Service Operations” (AS9100 Rev. B clarification required).</p> <p>Updated Process Interaction Map and clarified Key Processes.</p>
AB	31JAN11	Updated Southco's Key Objectives for 2011. Updated Addendum A: Table of Contents for Global Procedures to highlight elements.
AC	11MAR11	Renamed exclusion to “Post Delivery Support” as per AS9100 C requirement. S. Patel. Updated Addendum A. K. Hogan
AD	29DEC11	Updated Addendum A, blocked out revision levels and revision dates, and added “Controlled Copy of Revision Levels and Revision Dates in PRO-00 on Sharepoint”. K. Hogan
AE	27JAN12	Updated Key Objectives for 2012. The second objective changed from “Realize End-to-End Performance Improvements” to “Consistently Drive Customer Service & End-to-End Excellence”. Updated Addendum A. K. Hogan
AF	28JAN13	Updated Key Objectives for 2013. The first objective changed from “reinvest in” to “drive”. The second objective changed from “Consistently Drive” to “Achieve Best in Class” and “End-to-End” to “Operational”. Added “and Gross Margin %” to the third objective. Updated Addendum A. K. Hogan
AG	21FEB13	Removed red highlighting from addendum section “Controlled Copy of Revision Levels and Revision Dates in PRO-00 on Sharepoint”. Added page numbers. K. Hogan