



Business Policy Manual

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500 West Clinton Street
Logansport, IN 46949
Phone: 574-722-2814
www.callhti.com



Introduction

HTI, a commercial heat treating and deburr operation in Logansport, IN., is one of the leading specialists in continuous belt austempering in this hemisphere.

Since 1976, HTI specialist has provided quality heat treat services to our customers and has become one of the largest austempering heat-treating companies in the country. This has been accomplished by providing quality heat-treating with on-time delivery. In 2012, we have added deburring and tumbling to our operations to continue to serve our customers' needs.

The early vision and plan of having a well-managed, financially strong, customer driven organization exists today and continues to be the vision for tomorrow. HTI has four continuous belt-driven austemper heat treat furnaces. Each furnace has been modified to include an automatic loading system. The furnaces are computer monitored and controlled for complete traceability of customer orders. Deburr capabilities include (8) horizontal barrels and (3) vibratory bowls.

Purpose – Business Management System Integration

HTI has a strategically planned Business Management System that conforms to ISO 9001:2015. We have integrated our Business Management System (BMS) as part of our business, where management is the cornerstone and bears responsibility, accountability and required leadership in maintaining the BMS. We are committed to excellence in quality and strive to effectively mitigate risks and take advantage of opportunities. Focus on customer satisfaction as a foundation of our business. This Manual, our Quality Policy, operating procedures, process turtles, documents & forms are written in an easy-to-use manner to be useful and provide a relevant guide to our process integrated approach to conducting our business. These documents in their relevant sections are maintained to give more detail, definition, and clarify responsibilities for a process or procedure.

Throughout this manual, as well as other documents, the BMS is termed as a business management system, BMS, or business system to encourage the integration of our BMS into the day-to-day life of the business with no notable separation of the systems. Using our strategic direction to set our company objectives. This mature system provides the foundation to address our customers' expectations. However, we understand that it takes more than a foundation to demonstrate an ability to provide a level of excellence and consistent results that lead to overall customer satisfaction. Everyone at HTI is committed to skillful execution and continual improvement of our manufacturing processes. This includes but not limited to-customer, corporate, product, statutory, and regulatory requirements.

The relevant and interested parties monitor climate change that could adversely impact supply chains. Considering but not limited to production of materials, employee travel, and resource consumption. See Figure 1

This business policy manual including the Quality Policy is available to and gives our employees, customers, suppliers, subcontractors, and any other relevant interested parties an overview and outline of our business, BMS and the framework for the requirements, as discussed mentioned above and described in Figure1 below. Our senior management team is dedicated to communicating the importance of meeting these requirements, as well as regulatory and legal requirements. Throughout this manual and our procedures, the terms *Senior Management* and *Top Management* are used interchangeably. We define our Senior /Top Management team as the General Manager to managers who are responsible for all aspects of HTI including respect for financial, quality, & production.

Scope

Austemper heat treating, stress relieving and deburring of customer supplied metal components.

Exclusions – Product Design /Development and Post Delivery Activities

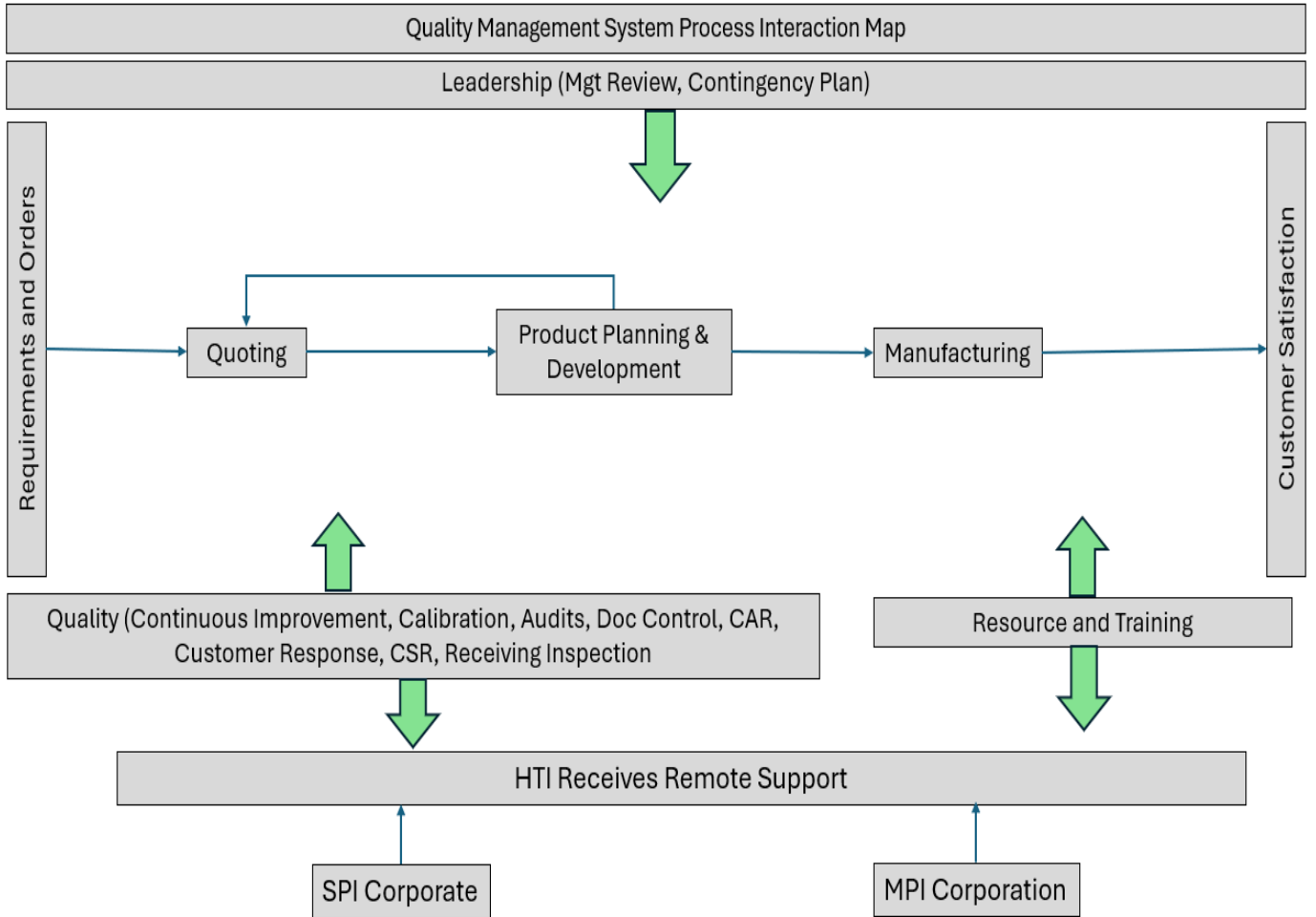
The quality system conforms to the requirements of the international standard ISO 9001:2015, but with the following which are non-applicable; Product design & development and post-delivery. HTI does not design or develop products. Customers specify product characteristics. We are committed to and are focused on using the best industry standards and practices in our manufacturing processes. In addition, HTI does not have any customers that require any post-delivery activities.



Relevant Interested Parties – Figure 1

Interested Parties	Needs	Risks	Risk Management Process	Organizational Knowledge	Monitoring & Measuring	Opportunities
Customer	<ul style="list-style-type: none"> • Parts to spec • Parts packaged correctly • Parts on time • Supplier quality requirements • PPAP on Time • Accurate Capacity • Climate change 	<ul style="list-style-type: none"> • Parts not to spec • Parts not packed right • Parts late • Requirement noncompliance • Late PPAP • Capacity constraints 	<ul style="list-style-type: none"> • Process Flow • Production Procedure • Identification and Traceability Procedure • Customer surveys 	<ul style="list-style-type: none"> • Customer Specific Requirements • PFMEAs • Control Plans • Trac Sheets • Subject Matter Experts 	<ul style="list-style-type: none"> • KPI Data • Management review • Customer survey data 	<ul style="list-style-type: none"> • Increased sales from top customers • New customers
Employees	<ul style="list-style-type: none"> • Proper hiring practices • Proper orientation • Proper training • Compensation • Benefits • Safe workplace • Climate Change 	<ul style="list-style-type: none"> • Unqualified individuals hired • Poorly trained individuals • Unsafe workplace 	<ul style="list-style-type: none"> • Safety Committee • Resources Training and Safety Procedure 	<ul style="list-style-type: none"> • Training Matrix • Work Instructions 	<ul style="list-style-type: none"> • Safety Data • KPI Data • Management Review • Staff meeting 	<ul style="list-style-type: none"> • Reduced turnover
Owners / Shareholder	<ul style="list-style-type: none"> • Correct margin • Process Efficiency • Transparency • Climate Change 	<ul style="list-style-type: none"> • Lack of profitability • Loss of resources 	<ul style="list-style-type: none"> • Shareholder meeting 		<ul style="list-style-type: none"> • Management Review • KPI Data • EBITDA • ROIC 	<ul style="list-style-type: none"> • Increased profit • Increased share price
Local Government	<ul style="list-style-type: none"> • Fire Inspection Compliance • Wastewater compliance • Increased water consumption 	<ul style="list-style-type: none"> • Fire • Contaminated Water • Permit change 	<ul style="list-style-type: none"> • Wastewater treatment system • Fire Dpt. Walkthroughs 	<ul style="list-style-type: none"> • Work Instructions • Training Matrix 	<ul style="list-style-type: none"> • Compliance Reports 	<ul style="list-style-type: none"> • None currently
State of Indiana	<ul style="list-style-type: none"> • IDEM Compliance • OSHA Compliance • Tax Compliance 	<ul style="list-style-type: none"> • Unsafe working conditions • Unpaid taxes • Contaminated environment 	<ul style="list-style-type: none"> • Compliance Audits • Safety Committee 	<ul style="list-style-type: none"> • Training Matrix • Work Instructions 	<ul style="list-style-type: none"> • Compliance Reports 	<ul style="list-style-type: none"> • None currently
Public Community	<ul style="list-style-type: none"> • Clean environment (water & air) • Quiet environment 	<ul style="list-style-type: none"> • Contaminated air or water • Disruptive environment 	<ul style="list-style-type: none"> • Compliance Audits 	<ul style="list-style-type: none"> • Training Matrix • Work Instructions 	<ul style="list-style-type: none"> • Compliance Reports 	<ul style="list-style-type: none"> • None currently
Outside Services	<ul style="list-style-type: none"> • Consistent product received • Product delivered on-time 	<ul style="list-style-type: none"> • Defective products received could lead to nonconformance • Late product delays production • Unsafe working conditions 	<ul style="list-style-type: none"> • Approved contractor list • Applicable credentials 	<ul style="list-style-type: none"> • Subject Matter Experts 	<ul style="list-style-type: none"> • Management Review • Staff meeting 	<ul style="list-style-type: none"> • None currently

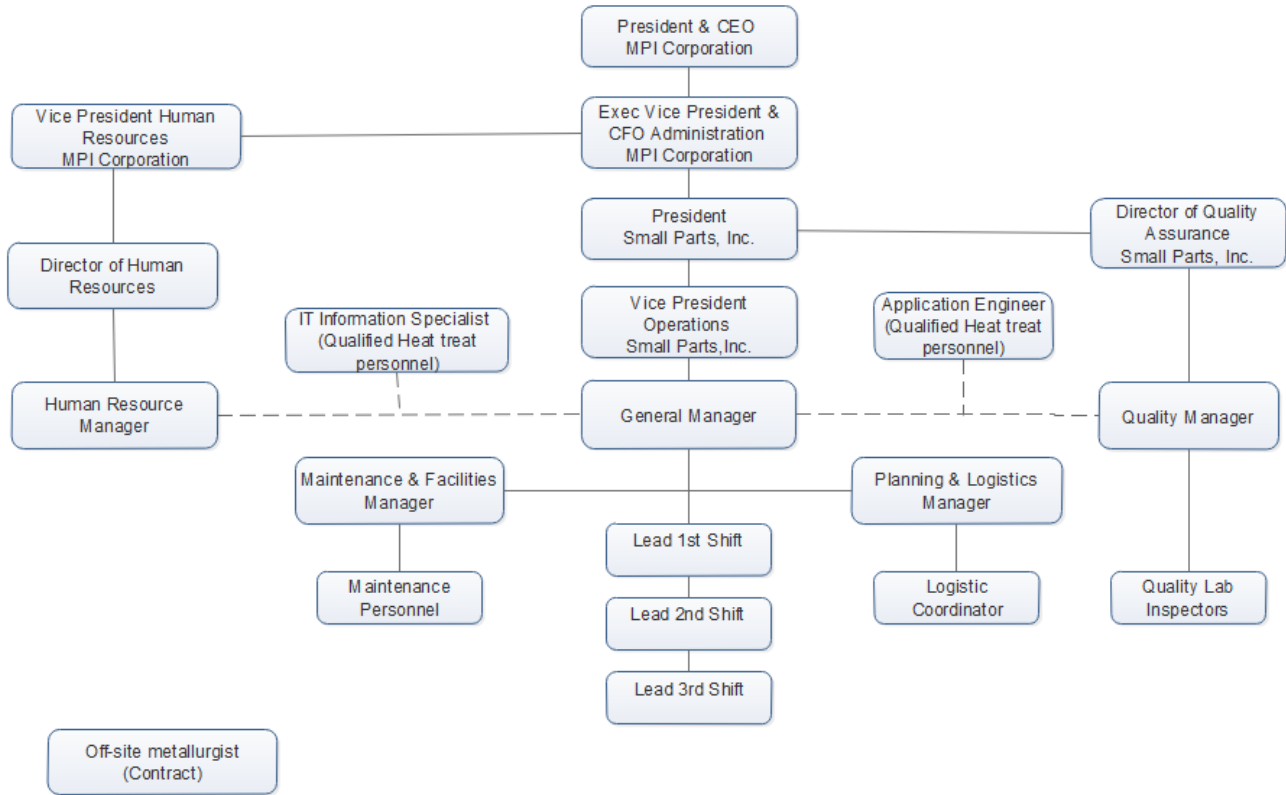
Process Approach - Process Interactions – Figure 2





HTI Organization

HTI Organization Structure 12/2/2024





Our Commitment to Excellence: Business (Quality) Policy & Objectives

Quality Policy

HTI is committed to strive for zero PPM, on-time delivery, meeting customer requirements, and continual improvement of our services

Quality/Business Objectives

Cost of Poor Quality (COPQ) less than 1% for FY25
Decrease Internal PPM (*IPPM*) less than 15,000 for FY25
Have no more than 3 Customer Complaints for FY25
Customer satisfaction performance is 80% or greater for FY25

Our Vision and Values

Through the development and application of our core values of *safety, integrity, excellence, and service*, HTI will continue to be a leader in our market, providing superior value in our relationships with our customers, employees, owners, and others.

What do our values mean to our customers?

Safety

- Doing what's right for our employees

Integrity

- Doing the right thing

Excellence

- Doing things right

Service

- Doing things with the right attitude

Corporate Responsibility:

Built on these values, is a safe and ethical work environment which supports our social responsibilities. Our policies, including the ones listed below, ensure our employees work in this ethical environment without fear of reprisal.

- Code of Conduct Policy
- Anti-Bribery Policy
- Ethics Policy



HTI Communication Table

Type of Communication	Purpose of Communication	Owner	To Whom	Frequency	Documentation (How)
Process Changes (Recipe)	Notification of changes made to product or processing requirements	General Manager & Quality Manager	Quality, Production, Logistics	As needed	Internal Deviation form
Procedure and Document Changes	Notification of changes made	Quality	All Employees	As needed	Change log on relevant document
Staff Meeting	Review of: Finance, HR, Safety, Maintenance, Production, Logistics, Quality, Sales,	General Manager	HTI Staff	Bi-weekly	Staff meeting notes
Operational Reviews	Review of the BMS (Business Management System) to ensure its continuing suitability, adequacy, effectiveness, and alignment with the strategic direction	General Manager	HTI Staff	As scheduled	Operational review electronic folder
Management Reviews	Review of the BMS (Business Management System) to ensure its continuing suitability, adequacy, effectiveness, and alignment with the strategic direction	General Manager	HTI Staff	Quarterly/Annually	Management review electronic folder
Request for Quote (RFQ)	Respond to RFQ	General Manager	Customer	As needed	Quote package
Quality Policy	Communication of Quality Policy	Quality Manager	Relevant Interested parties	As needed	Bulletin boards, TV monitors, Website, employee meetings, BPM
Quality Objectives	Communication of Quality Objectives	Quality Manager	Relevant Interested party	As needed	Bulletin boards, TV monitors, Website, employee meetings, BPM
Nonconformances	Action steps required when suspect or nonconforming material is produced in manufacturing	Quality Manager	Production Employees	As needed	Employee meetings, signs throughout manufacturing areas, TV monitors
Interested parties	Communication and status of relevant issues to the interested party	Organization (Various departments)	Interested party	As needed	Communication may be done through various methods, including but not limited to- verbal
Safety Committee	Safety items and walk-throughs	EHS-Coordinator	Safety Committee	Monthly	Safety committee checklist
Employee Meeting	To communicate safety, quality, productivity, business status, and other items	General Manager (HTI managers)	All employees	As scheduled	Power point and verbal



Revision History

	Brief Description	Date
	Removed mitigation table and bridge table for later review	12/9/2020
	Completed Manual for Management review	4/14/2021
	Updated organizational chart	1/7/2022
	Updated organizational chart	7/5/2022
	Updated Processes, Support Procedures and Work Instruction Reference Table	1/9/2023
	Updated Processes, Support Procedures and Work Instruction Reference Table	10/16/2023
	Updated organizational chart, Communication table, Interaction Map	12/19/2024
	Added climate control change and relevant issue should be addressed	1/27/2025
	Adjusted/ Changed Objectives for HTI	4/3/2025