



EUROSPEC MANUFACTURING INC.

130 Harry Walker Parkway, Newmarket, Ontario L3Y 7B2
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SUPPLIER MANUAL FOR EUROSPEC VENDORS Revision: May 2023

The purchase order terms and conditions outlined below pertain to all parts supplied to Eurospect by your organization.
Other conditions may be unique to certain parts and may supersede some of the conditions outlined below. These conditions will be specifically addressed on the individual part purchase order.
Any Eurospect Purchase Order will be governed under Eurospect's Supplier Purchase Order Terms and Conditions, notwithstanding any Supplier terms and conditions to the contrary.
This revision supersedes all previous supplier manuals

TERMS AND CONDITIONS

- **Eurospect Standard Supplier Purchase Order Terms and Conditions Dated Effective May 1, 2020, will apply to all Eurospect Purchase orders**
- **Please reference Attached document**

EUROSPEC STANDARD SUPPLIER PURCHASE ORDER TERMS AND CONDITIONS Effective Date: May 1, 2020.

Communication:

It is the responsibility and obligation of the supplier to proactively communicate with Eurospect regarding any conditions that could put Eurospect or our customers at risk. These conditions could be related, but are not limited to:

- Potential Quality issues identified by supplier that present ANY risk to Eurospect or our customers.
 - Manufacturing condition changes such as manufacturing location or source material change
 - Changes to manufacturing capability / capacity
 - Shipping or Manufacturing Location closures for any reason
1. Steel certifications (chemical and mechanical) are required with each shipment of material and must include mill of origin information. Material certs must include a statement such as: *"We certify that the material listed on this document has been tested and meets the specifications for the material standard (referenced on this document)"*
 2. All blueprint requirements must be met
 3. SPC & inspection reports must be supplied as requested
 4. All material shipments must include the item description and part number specified on this purchase order
 5. 100% on time delivery is required and expected
 6. Supplier must ship according to weekly releases, over / under shipments must be communicated



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7. We reserve the right to refuse any quantity of material shipped above the quantities stipulated on the supplier release
8. 0 defects is required
9. Our NCR system will be used to document any charge backs to the vendor for any quality or delivery concerns which results in additional costs incurred by Eurospect
10. Administrative Fee will be applied to all NCR's issued
11. Supplier must maintain on hand, a 'contingency plan' to protect Eurospect in the event of production interruption.
12. Supplier is responsible to maintain lot traceability for a minimum of full program life + 15 years. Traceability information must be available to Eurospect upon request
13. Supplier to provide a 24 hour contact list to Eurospect including Quality & Materials contacts and update when changes occur
14. Material source changes are not permitted without approval from Eurospect
15. Material certificate must accompany all requests and a sample coil may be requested prior to approval
16. Any delays or changes in material / process or quality aspects must be communicated to Eurospect immediately
17. PDF or other electronic copy of packing slip must be emailed at time of shipment to ASN@eurospectooling.com
18. Invoices for payment by Eurospect must be emailed to AP@eurospectooling.com
19. Automotive OEMs have mandated their suppliers to Control the Carbon Footprint of the entire value chain. Therefore, Eurospect Supplier must collect CO_{2e} emissions information and that of its suppliers (from cradle to gate) for complete calendar year, and submit to Eurospect before 31st May of the following year
20. Upon request, Supplier is required to take necessary actions and enforce same to sub-suppliers in order to reduce the carbon footprint of the entire value chain to the extent possible
21. Supplier must collect and submit any information to Eurospect upon request regarding its level of compliance to Corporate Responsibility, or any other Sustainability Factor and that of sub-suppliers

ALL OUTSIDE VENDORS MANAGING EUROSPEC-OWNED MATERIAL

- We reserve the right to charge the vendor for any parts scrapped, lost or damaged at the vendor's facility
- Charges would include the stamping cost, the material cost, and any applicable administration fee
- It is the supplier's responsibility to report any scrap or defect parts in the process on a monthly basis.
- Reports to be submitted to Eurospect Materials contact
- Inventory counts are required to be submitted when requested
- Physical counts are required when requested
- Supplier will allow Eurospect employee(s) on site to visit for the purpose of inventory counts
- Supplier will assist where needed with equipment and personal with advanced notice to perform inventory counts as needed

STEEL SUPPLIERS

The goal for all steel supplied is to receive material at the minimum allowable thickness and largest OD possible as per specs. Steel suppliers will be asked to supply product with the intent of meeting this goal. Suppliers will be provided and updated coil max weight and OD



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All suppliers must follow the provided max weight and OD. Coils supplied over weight or over the max OD will be required to accept return of the material to meet the requirements at no additional charges

Steel Packaging and Labeling

Unless otherwise specified specs below are to be followed

- Coil max weight 18,000 lbs.
- Max OD 62" Min ID 20"
- Coils to be delivered standing up where safe
- Eurospect max overhead crane lift capacity 18, 000 lbs.
- If steel is skidded, it is to be loaded to facilitate a rear unload with forklift, using a loading dock.
- Skid coil max weight 8000 lbs.
- All suppliers must have a bar code labels sample submitted and approved by Eurospect Materials team
- Coils banded together must have 4 x 4 wooden spacers between them
- Coil width tolerance is +/- .005 inches
- Each coil must be individually tagged, tags must include lot# traceability
- Material Tags to be applied to the Open End of the skid and or outside of the coil for easy access
- Steel hardness must be tested on each individual coil and reported on each individual coil tag

COMPONENT SUPPLIERS

- Suppliers are required to have all packaging concepts including labels approved by Eurospect
- All packing slips must include part number, quantity, and lot number by part as well as identify the purchase order number
- Additional identification may be required on the label for identification of key product characteristics as identified by the part specific design record (drawing) Please communicate with the Eurospect quality assurance representative as appropriate for clarification

Component Packaging and Labeling

- Each container must be individually tagged, tags must include lot# traceability
- Mixed lots within same container are not permitted
- Max allowable per box is 35 lbs.
- Max allowable lift is 3500 lbs. per skid
- All skids must be 48" x 40" 2 way skid
- Labels must be applied to each box and must have
 - Eurospect Part number as per purchase order
 - Total quantity
 - Lot number
- Additional identification may be required on the label for identification of key product characteristics as identified by the part specific design record (drawing). Please communicate with the Eurospect quality assurance representative as appropriate



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- Components which have been heat treated must have a BLUE identifier label applied to the package indicating heat treated material
- Any component with a product safety characteristic on the drawing must have a safety symbol on the shipping label, it is the supplier's responsibility to request precise symbology / nomenclature information from the Eurospeg quality department
- Any product with an engineering change must be specifically communicated prior to delivery to the Eurospeg quality assurance department and identified with 8.5 x 11 label on each container

CAPACITY PLANNING

The supplier shall maintain capacity calculations on a monthly basis. Any potential capacity constraints shall be communicated to Eurospeg Materials department immediately

FABRICATION AND MATERIAL PLANNING

Suppliers are authorized to **fabricate goods** in order to meet Eurospeg's Requirements

The firm order period will consist of the first 2 weeks of a valid and current release

Suppliers are authorized to purchase **raw materials** in order to meet Eurospeg's requirements

The Planned order period will consist of the first 4 weeks after the firm order period of a valid and current release

Eurospeg will not be liable for authorization to supplier for production beyond 12 weeks, unless otherwise agreed

It is the supplier's responsibility to review releases provided and monitor for end of production

Releases will be issued on a weekly basis by Eurospeg, these are subject to change based on Eurospeg customer demands

TOOL/EQUIPMENT OWNERSHIP

Suppliers must provide Eurospeg with a Bailee bond for all tools and fixtures owned by Eurospeg or Eurospeg's customer

The Bailee bond must be submitted to Eurospeg upon receipt of payment for the tool and/or Fixture

Photographs of the tool/fixture must be included with the Bailee Bond

The supplier must also provide Eurospeg with a certificate of Insurance for all tools/fixtures maintained at the supplier's facility

The insurance coverage must be adequate so that the tools/fixtures can be Replaced/fixed, should they be destroyed/damaged, with no additional Cost to Eurospeg

Tooling charges will only be paid with photos of tooling and fixtures along with approved PPAP warrant with invoices

It is the supplier's responsibility to maintain the tool in good working order with regular PM for the life of the program and 15 year service period

SERVICE REQUIREMENTS



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When a part/item is no longer required for mass production but is required for service orders - the item must be supplied to Eurospeg at the mass production price for a period of 5 years
The price for service orders can be re-negotiated after the initial 5 years have passed
The Supplier must inventory and maintain all tooling/fixtures for items that have become service parts/items for a period of 15 years after mass production orders have ceased
Service tools/fixtures can only be transferred to another location or Scrapped by the supplier if written authorization has been provided by Eurospeg

CERTIFICATE OF ORIGIN (NAFTA)

A certificate of origin for all parts/items supplied to Eurospeg must be provided on an annual basis or at any time if requested by Eurospeg
The Information on the certificate must be accurate as the supplier will be solely responsible for any damages occurring as a result of incorrect information on the certificate
Supplier is responsible to have a process in place to ensure 'Statutory & Regulatory' requirements for all products provided to Eurospeg
Any charges or costs to Eurospeg associated with any errors in customs documentation and certificates will be charged back to the supplier

PPAP REQUIREMENTS

**** PPAP MUST BE SENT AND APPROVED PRIOR TO THE FIRST SHIPMENT ****

FOR INITIAL PPAP - MATERIAL TEST DATA MUST INCLUDE:

1. Original mill certification
2. Coating weights
3. Test data as per specifications outlined for the item
4. Level 3 AIAG requirements based on the latest AIAG standards
5. Hard copy of the IMDS entry for the item
6. Completed CQI as related to the product or process
7. IMDS submitted to Eurospeg for approval through IMDS web site
8. Photos of tooling and fixtures to be submitted with asset tags
9. Pass through characteristic (PTC) summary / controls, for characteristics identified by Eurospeg to supplier through APQP

The AIAG PPAP manual defines the requirements for part submissions

PPAP level -3 is the default level for all submissions unless otherwise advised by the Eurospeg quality assurance department

It is the supplier's responsibility to obtain to adhere to the latest AIAG PPAP manual

For multiple cavity tooling, samples from all cavities and / or operations must be included in documentation, dimensional studies etc. All test documents shall be <1 year old



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Material certification must include the original mill certification and shall be traceable to the material specified on the drawing. Coating weight must be included as applicable

Annual re-validation submission is required to be submitted by the supplier before the anniversary date of the initial submission or the last engineering change (if any). The supplier is responsible to collect annual revalidation submission from its supplier(s) to verify product compliance to specifications and produce the same to Eurospect upon request.

SUPPLIER QUALITY POLICY

Supplier score cards will be issued by Eurospect personal quarterly to supplier contact

If supplier does not maintain the acceptable performance as indicated on the score Eurospect may request any or all of the below:

- Supplier to submit an 8D corrective action
- Participate in a meeting at Eurospect
- Allow Eurospect staff to visit manufacturing site to perform an onsite audit
- CS1 or CS2 escalation will follow, depends on the severity of the issue(s).
- If the Supplier Scorecard falls below 80% in a single quarter, Supplier will be required to provide Eurospect Supplier Self-assessment Audit Form and where applicable onsite Audit can follow.
- **Prior to Rework or Repair on the components supplied to Eurospect, Supplier needs to get approval from Eurospect**

If the Supplier's scorecard does not meet minimum standards for 2 quarters in a row or 3 quarters in an 8 quarter period they may be removed from the opportunity to quote on future business

It is Eurospect manufacturing's policy to purchase production materials, components & services from companies (and their sub-suppliers) that have a registered quality management system that conforms to one of the following standards:

[ISO 9001:2015](#) (Warehouse Distributors / Service Providers)

[ISO / IATF16949:2016](#) - Quality system for Automotive Suppliers including organizations who provide production materials, service parts, assemblies, heat treating, welding, painting, plating, molding or other finishing services

We encourage all of our suppliers to achieve IATF 16949 where applicable

Suppliers that do not achieve IATF 16949 will be required to participate in an audit by Eurospect personal as requested
It is the supplier's responsibility to submit renewed certificates for each location at time of renewal.

The supplier shall notify Eurospect in writing if there is any interruption or change in certification status of the supplier or sub-suppliers

[AIAG CQI Special Process Assessments](#) – Suppliers providing the following services or products including these processes must be in compliance and assessed annually and the results submitted to Eurospect Manufacturing at least 2 weeks prior to the



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anniversary date. Corrective actions for “not satisfactory” & “needs immediate action” items must be addressed within the timelines specified in the document.

CQI-9 – Required for all suppliers of Heat Treat process / products

CQI-11 – Required for all suppliers providing plating services and / or products which are pre-plated

CQI-12 - Required for all suppliers providing coating services and / or products which are pre-coated

CQI-15 - Required for all suppliers providing welded products

CQI-17 - Required for all suppliers providing soldered products

CQI-23 - Required for all suppliers providing molding services and / or products which are pre-molded

CQI-27 - Required for all suppliers providing castings products

GP12

The supplier is responsible to implement and maintain a GP-12 process for all items shipped until the supplier receives authorization from Eurospect to eliminate the GP-12 process

The supplier can contact Eurospect's quality department representative at any time to request that the GP-12 process be eliminated

The Supplier must be prepared to provide evidence that the GP-12 process is No longer required

The vendor will be held financially responsible for all costs related to a rejection in the supply chain which was caused by non-conforming product supplied by the vendor

SUPPLIER COMPLAINTS

Supplier must promptly respond to all complaints received from Eurospect including warranty claims

Supplier must immediately confirm in writing the receipt of the complaint and issue formal response including containment information within the first 24 hours of receipt, in 8D format

Supplier is required to include *risk analysis* in the 8D report

Root cause analysis is required within 5 days with permanent actions to be implemented within 10 days after receipt of complaint

Supplier is responsible for all costs incurred related to the issue including Eurospect Standard admin Fee of \$350

Supplier is required to provide all relevant supporting data and documentation to Eurospect with the final 8D

Containment actions shall remain in place until the corrective action has been approved for closure by Eurospect

CAR will only be considered for closure when satisfactory evidence has been provided by the supplier and accepted by the Eurospect Quality department. Supplier is responsible for all the costs incurred by the Supplier issue at Eurospect and at subsequent Customer(s) that includes sorting, reworking, logistics, downtime, administrative, etc.

QUOTING

- It is the supplier's responsibility to request any specifications as stated on drawings at time of quote
- If deviations are not specified on quotes when provided then supplier accepts all terms as per print



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- Through part development it is the supplier's responsibility to request and deviations that might be required
- Eurospec Quality team will then evaluate with our customer to determine if acceptable
- Prices are to be quoted firm for life of program
- All price requests for change must be submitted with minimum of 30 days' notice and are not guaranteed to be accepted
- Supplier must provide evidence to justify any price change requests
- Supplier must be willing to entering into a long term agreement with annual give backs
- All suppliers are required to perform a Run @ Rate prior to PPAP to ensure annual volume can be achieved
- Eurospec personal may request to be present when Run @ Rate is done at supplier's location

For any questions or concerns, please contact:

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