



Supplier Quality Manual
Document Number: QOP3-3
Revision: A
Approval: Ref. DCN D22-10

Extruded Aluminum Corp.

SUPPLIER QUALITY MANUAL

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Receipt and acknowledgement:

Dear Supplier:

Please sign below (from authorized personnel Quality or Plant Manager) to demonstrate that you have received this Supplier Quality Manual and submit a copy of this page to Justin Beery, EAC Supply Chain Manager.

Sign-off

Date

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Purpose

Extruded Aluminum Corp. (EAC) recognizes the important role that our suppliers have in the value we provide to our customers, and we view them as an extension of our own operations. This Supplier Quality Manual (SQM) was developed to communicate the core requirements associated with all products and services provided to EAC by our suppliers.

Supplier Approval

To ensure consistency and effectiveness, EAC employs a structured process for the review and approval of Suppliers. This process involves the evaluation of:

- EAC’s Supplier Quality System Survey completed by the Supplier.
- Supplier’s quality system – current certification to an internationally recognized quality standard such as ISO 9001 is preferred.
- Supplier’s compliance to national and/or international standards and regulations for health, safety, and environmental impact relative to its business, as applicable.
- Site visits by EAC or a contracted third party as required.

Since product specifications and quality assurance requirements are not always defined while product is being developed, there may be unique assessment requirements for potential suppliers of prototype and test parts. EAC’s Supply Chain Manager may give temporary approval status to a supplier to produce parts for research and development work.

Disqualification: Poor performance may lead to a review and implementation of an improvement plan. A supplier may be disqualified from EAC’s Approved Vendor List (AVL) if improvement targets are not met.

General Requirements

EAC suppliers are responsible for compliance to all engineering drawings, specifications, Terms and Conditions, and other requirements as may be specified on a Master Supply Agreement and/or purchase order. In the event of any conflict between this document and other agreements (i.e., Terms and Conditions, Master Supply Agreement, Purchase Order, etc...) the document with the more stringent requirements will apply.

All EAC documents, drawings, and specifications apply to the Supplier when specified or referenced in the purchase order and must be used at all levels by the Supplier and flowed down to sub-tier suppliers.



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EAC suppliers are responsible for meeting all requirements, including work performed by the Supplier's sub-tier suppliers.

Suppliers should inform EAC of any anticipated delay in the delivery schedule and offer a recovery plan for review and approval.

EAC has developed a Supplier Portal to support the documentation of supplier activities within our system. Suppliers may be required to use this portal at EAC's discretion.

Suppliers are required to provide current proof of insurance with Extruded Aluminum Corporation listed as an additional insured.

Production Part Approval Process (PPAP)

Occasionally, EAC may require a PPAP for new or revised parts prior to the shipment of production lots of material. EAC will do their best to inform the Supplier of a PPAP requirement at the time a quote is requested. Typical PPAP requirements include, but are not limited to:

- Part Submission Warrant (PSW)
- Process flow diagram
- PFMEA
- Control plan
- 6-pc. full dimensional inspection report with ballooned drawing
- Sample parts (qty. determined by EAC)
- Material test reports
- Capability Study Report
- Gauge R&R Study Report
- Functional test reports
- Any other requirements as specified by EAC

EAC will provide a signed PSW to Supplier as evidence of approval of the PPAP package. Such approval does not release Supplier from liability for failure to adhere to drawing and/or other order requirements, nor does it imply or ensure that rejections will not be made against future shipments.

In the event of a rejected PPAP submission, all relevant material shipped to EAC will be rejected and returned at the Supplier's expense.

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Purchase Order Requirements

Additional requirements, independent of part drawing(s), will be documented on EAC's Purchase Order to Supplier, as applicable.

Tooling and Fixtures

There shall be no additional tooling charges above those at the beginning of the program, as applicable. Suppliers are responsible for tooling replacement costs and day-to-day routine maintenance.

Tooling, drawings, and documentation owned by EAC shall be permanently marked as the property of Extruded Aluminum Corporation, and may be used solely for EAC production, unless otherwise authorized in writing. Suppliers shall maintain all tooling and fixtures to the latest engineering revision. EAC reserves all rights of inspection or removal of all tooling and fixtures at any time, at no additional cost (excluding freight charges).

Packing Slip Requirements

The packing slip must contain:

- PO number
- Supplier name
- Address
- Lot number
- Heat number
- Gross weight
- Net weight
- Quantity
- Number of containers
- Shipping date
- EAC's name and address
- Part number and revision

If there are more than one (1) heat/lot numbers in the Supplier's shipment, the Supplier's packing slip must indicate the different heat/lot numbers and their respective quantities.

Right of Access

Supplier shall provide EAC, EAC's customers, or a specified third party, right of access to the applicable areas of all facilities, including sub-tier suppliers' facilities, and to all applicable records related to product ordered by EAC.

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Extruded Aluminum Corporation reserves the right to conduct an audit of the Supplier's Quality Management System (QMS).

Chemical and Mechanical Test Reports

The Supplier furnishing components or assemblies to EAC shall maintain a complete file of results of all chemical and/or mechanical test reports (i.e., chemical analysis, tensile tests, impact tests, bend tests, fillets, etc.), metallurgical analysis, or any other reports necessary to substantiate that all material used in the manufacture of components or assemblies, whether purchased or manufactured by the Supplier, meet the drawing(s) or specifications. The Supplier must furnish copies of these reports with each shipment as applicable.

Painting and Finishing Requirements

The Supplier furnishing materials, component parts, or assemblies that require protective coatings such as primers and enamels, must accomplish all cleaning and surface preparations as outlined on the drawing or the purchase order prior to the application of the finish coatings. The primer and/or enamel/polyurethane/epoxy applications must be accomplished using products that are procured in accordance with the applicable purchase order.

In certain instances, the purchase order may contain specific instructions regarding paint applications to facilitate subsequent operations.

Certifications and Supporting Documentation

When certificates of conformance, material certificates, or other functional certifications are required, the requirement(s) will be noted on the EAC Purchase Order to Supplier. Certificates shall include the following information, as applicable:

- Part Name
- Part Number
- Revision Level
- Purchase Order Number
- Lot Number
- Heat Number
- Drawing Number(s)
- Specification(s)
- Test Results
- Supplier Name

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Packaging and Preservation

Packaging shall be robust and able to protect product from physical damage and environmental conditions from the point of shipment to the next subsequent supplier, EAC or its customer. This requirement applies to all modes of transportation that may include multiple handling operations.

All products shall comply with packaging requirements as provided by EAC. Supplier is responsible for the purchase and management of all packaging materials unless otherwise agreed upon in writing.

Inspection and Data Retention

The Supplier is responsible to conduct inspections and tests at frequencies sufficient to achieve engineering requirements. Unless otherwise specified, the Supplier may utilize its facilities, or those of any accredited laboratory to conduct such tests. Where PPAP's have been approved for specific part numbers the inspection data shall track to the corresponding process control plan.

The Supplier shall provide and maintain gauges and other measuring and testing equipment considered necessary to meet engineering requirements. The inspection gauges, devices, etc. shall be calibrated periodically with suitable calibration equipment traceable to National Institute of Standards and Technology (NIST).

Quality records shall be retained for a minimum of ten (10) years, unless otherwise specified, and available to EAC upon request.

Supplier Inventory

Supplier shall make every reasonable effort to adhere to a First-In-First-Out (FIFO) inventory system.

Nonconforming Product and Corrective Action

Supplier is required to maintain a process for the containment of nonconforming product, ensuring that such product is identified, reported, documented, and dispositioned to prevent the unintended use and/or delivery to EAC or its customers.

Supplier must notify EAC immediately if they suspect nonconforming or potentially nonconforming product has been shipped. Written notification must be made to EAC's Quality Manager and/or Supply Chain Manager.

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In the event nonconforming material is identified at EAC or its customer’s facility, EAC and Supplier will work together to verify the noncompliance and disposition affected product. Common dispositions include:

- Scrap nonconforming product at EAC
- Issue Supplier RMA to EAC for return of parts
- Authorize EAC or third-party designee to sort parts at EAC’s or at EAC’s customer’s facility, with Supplier assuming responsibility for all sort costs.
- Authorize EAC to rework affected product, with Supplier assuming responsibility for all rework costs.

All material that is reworked by Supplier must be reinspected for compliance and the test report supplied to EAC. Reworked material(s) must be identified as such upon their return to EAC or its customers.

EAC reserves the right to issue a Supplier Corrective Action Request (SCAR) in response to a product nonconformance. Standard 8D methodologies are preferred, but Suppliers may use any method provided containment, root cause analysis, corrective action(s) implementation, and verification activities are completed.

Shipping Requirements

Extruded Aluminum Corp. expects 100% on-time delivery from all its suppliers.

All orders should be shipped complete unless otherwise approved in writing by EAC.

All scheduled due dates are subject to change.

If the suppliers are unable to adhere to scheduled due dates, they must advise EAC as soon as possible.

All material shipped to EAC must bear full identification as specified by EAC. Labels must permit traceability to specific supplier manufacturing and inspection records.

Safety Data Sheet (SDS) sheets and Workplace Hazardous Materials Information System (WHMIS) labels must accompany every shipment that contains hazardous materials.

All material used in past manufacture shall satisfy current government and safety constraints on restricted toxic and hazardous materials, as well as environmental, electrical, and electromagnetic considerations applicable to the county of manufacture and sale.

All packing slips and invoices must reference the following:

- Part number and revision
- Purchase order number
- Quantity shipped
- Open (balance) quantity remaining to complete



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Sub-Tier Suppliers

EAC suppliers may utilize sub-tier suppliers. EAC suppliers are required to:

- Ensure the flow down of all EAC technical documents and requirements, as applicable.
- Ensure the control of flowed down requirements by the sub-tier supplier.
- Conduct periodic reviews of sub-tier suppliers to ensure continued conformance with all applicable requirements.

Records of these activities shall be maintained and available to EAC upon request.

Supplier Scorecard

EAC has developed this rating system as an objective, data-based measurement system to monitor and develop supplier performance in the areas of **Quality, Delivery and Order Accuracy**.

The Supplier Scorecard is intended to provide EAC and its supply partners with information to support the continuous improvement our systems and processes to provide the highest quality products and services.

A copy of the "Supplier Scorecard" will be e-mailed to critical suppliers informing them of their current overall rating. The goal of this program is to have all suppliers achieve "Passing" status.

Rating Criteria:

A. Quality:

This is determined by the number of Quality Concerns and Supplier Corrective Action Requests (SCARs) issued. The criteria for issuing a SCAR are:

- Repeated unacceptable score in any area
- Customer spill resulting from a supplier nonconformance
- Any supplier nonconformance deemed by EAC or its customer to require a corrective action.

0 CARs = 5; 1 – 2 CARS = 3; ≥ 3 CARs = 1

B. On-time Delivery:

This represents the percentage of on-time shipments

100% - 95% = 5; 94% - 90% = 4; 89% - 85% = 3; 84% - 80% = 2; , 80% = 1

C. Order Accuracy:

This represents the percentage of orders that are shipped accurately

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100% - 95% = 5; 94% - 90% = 4; 89% - 85% = 3; 84% - 80% = 2; , 80% = 1

D. Billet Slice Analysis (raw material suppliers only):

This indicates if a billet slice analysis report been provided to EAC within the agreed time frame per the contract.

Yes = 5, No = 0

Cumulative scores and status:

- 20** **Maximum score for raw material supplier**
- 15** **Maximum score for standard supplier**
- ≥ 90%** **Acceptable - GREEN**
- 89% - 75%** **Fair - YELLOW**
- ≤ 74%** **Unacceptable - RED**

Repeated scores in the unacceptable range may require a written corrective action plan.

The provisions of the Supplier Scorecard are for the exclusive benefit of EAC and may be varied or modified by EAC in its absolute discretion, without prior notice to any third party.

This Supplier Scorecard is a controlled document and the property of EAC. It is intended exclusively for use by EAC. It shall not be reproduced, electronically or otherwise, without EAC express prior written authority. All rights are expressly reserved by Extruded Aluminum Corp.

EAC suppliers are required to comply with EAC policies that include, but are not limited to:

- Supplier Code of Conduct
- Supplier Confidentiality Agreement