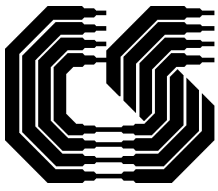




**Custom Stamping Inc.**

# Supplier Terms and Conditions

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## **1. General Requirements**

### **1.1. Management System for Quality**

The supplier agrees to implement, verify and maintain a quality management system according to ISO 9001 (according to the currently effective version) in order to ensure the quality of the product it supplies.

### **1.2. CONFIDENTIALITY AND INFORMATION SECURITY**

CUSTOM STAMPING considers as confidential all matters dealt with its Suppliers and requires of them the same treatment, as well as its commitment of confidentiality.

The issues are:

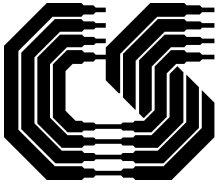
- Economic conditions
- Technical aspects
- Technological Trends
- CAD Drawings / Designs
- Prototype parts and any pre-part parts
- Others that CUSTOM STAMPING expressly defines

These issues cannot be brought to the attention of third parties without CUSTOM STAMPING's written authorization.

The exchange of information shall be made exclusively through the channels established by CUSTOM STAMPING, which ensure the correct control of access to the shared information.

The Supplier is responsible for maintaining the Confidentiality of all matters related to the Projects assigned to it by CUSTOM STAMPING.

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## 1.3. Quality Goals

The supplier agrees to develop a “Zero defect strategy” as part of quality planning and to take all the action necessary to achieve the “Zero defect” quality objective.

To measure and evaluate the achieved quality, the supplier will define internal and external quality objectives. In that connection, the following minimum requirements shall apply:

- Determination of the internal and external complaint quota (number of complaints and PPM (parts per million))

## 1.4. Machine and Process Capability

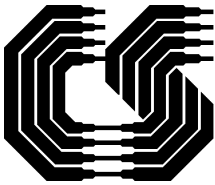
The supplier shall evaluate the machine and process capability in compliance with the latest versions of (i) the VDA volume 4 and (ii) the AIAG along with statistical process control (SPC).

For specification of the capability index, the measurement readings must be checked systematically for normal distribution. In the event of deviations from the specified normal distribution, the results must be analyzed and corrective measures must be taken. In the case of non-normally distributed characteristics, the appropriate distribution model must be determined and the analysis must be made accordingly.

The following limits apply for special characteristics (SC):

- Machine capability / short-term capability  
„cmk“ > 1.67
- Provisional process capability  
„cpk“/„ppk“ > 1.67
- Long-term capability  
„cpk“/„ppk“ > 1.33

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## 1.5. 8D Report Requirements

The 8D report must comply with at least the basic requirements stipulated in the latest version of VDA Volume “8D – Problem Solving in 8 Disciplines”.

Complaint-specific methods and requirements by Custom Stamping’s customers and by CUSTOM STAMPING must be complied with.

Communication between the supplier and CUSTOM STAMPING shall be in English.

Appropriate verifications must be documented and submitted to the CUSTOM STAMPING complaints processor upon request.

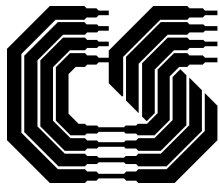
## 1.6. Deadlines for Complaint Processing

Complaints must be processed within 10 working days and the following applies to every single 8D report:

- Processing D1 - D3, (D1 problem-solving team, D2 problem description, D3 Containment) within 24h (1 working day)
- Processing D4 – D5, (D4 root cause analysis, D5 Develop Corrective / Preventative Action Plan), including, when necessary, root cause analysis, creating an Ishikawa diagram and ‘5 Whys’ analysis tools. Within 5 working days
- Processing D6 – D8 (D6 Implement and Verify Corrective / Preventive Action Plan , D7 Prevent Reoccurrence, D8 completion and acknowledgement of team success) within 10 working days.

The relevant corrective action must be implemented and documented within two (2) weeks for mid-term action and six (6) weeks for long-term action. In order to complete a complaint, the effectiveness of the corrective action must be confirmed and documented. A photo of the reference sample with full labeling must be attached to the test report upon request by CUSTOM STAMPING.

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## **1.7.CHANGES IN DEVELOPMENT**

Supplier is NOT authorized to make any changes to Product-Process without the written approval of CUSTOM STAMPING, including changes in the Supply Chain.

## **1.8. WARRANTY AGREEMENTS**

The warranties given by a Seller are set forth in the Contract Documents including the CUSTOM STAMPING General Terms of Purchase in force in the applicable market.

In the case of productive material/special services (to customer) Suppliers, (unless made clear to the contrary) the following additional conditions apply:

General terms and conditions warranty Material productive / Special Services to Customer:

**The Seller warrants to Purchaser that the goods, tools, equipment and/or services sold:**

- Strictly conform with the specifications, drawings, instructions, advertisements, statements on containers and labels, descriptions and samples furnished or specified by Buyer, its customer or Seller.
- Are free from defects in workmanship and material and shall be new and of the highest quality and the goods are merchantable.
- They are suitable for your marketing and the performance of defined functions.
- They are made to comply with the specifications, tender conditions, maps and other requirements defined by CUSTOM STAMPING.
- Comply with all applicable regulations.
- They are manufactured in accordance with all procedures required by CUSTOM STAMPING'S Quality Terms and Conditions.
- They have been produced under supervision and control, according to the Control Plan agreed between the supplier and CUSTOM STAMPING during the development of the project.

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- The results of these controls will be available for CUSTOM STAMPING if it is requested.
- Any change in the control plan during serial production shall be submitted for approval by CUSTOM STAMPING.

The Supplier agrees to indemnify and hold CUSTOM STAMPING harmless from any demand, complaint, claim, campaign, or any other action resulting directly or indirectly from a failure or defect, attributable to the Supplier.

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