

Omega Tool Corporation

Supplier Requirements Manual

SRM Release 01



2010

INTRODUCTION

Realizing that communication and cooperation are key elements in maintaining high-quality standards, this manual has been developed as a guide for aiding suppliers to understand Omega Tool Corporation's requirements. The Supplier Requirements Manual outlines the minimum practices that Suppliers must be effectively implementing at their facilities. By outlining common global policies, Omega hopes to simplify procedures for suppliers.

The Supplier Requirements Manual applies to all suppliers, distribution centers, internal and external suppliers of manufacturing materials, sub-contracting services, and manufacturers of machinery or any component thereof. Machinery consists of tooling and equipment to perform such processes as assembly, plating, machining, casting, stamping, measuring, molding, forming, packaging, gauging, welding, painting/coating or other related manufacturing technologies.

Increasing quality and delivery expectations, cost reduction pressures from customers and globalization of markets are putting tremendous pressures on our business to identify new ways to deliver high quality products and systems and to continually improve on our processes.

It is Omega's mission to globally supply our customers with zero defects and the lowest total cost. The goal is simple — be the benchmark supplier in every market in which we participate. This goal can only be achieved with the support and commitment of you, our supplier. Clear and concise expectations and requirements should make the supplier- customer relationship more productive.

1. SCOPE

- 1.1 The Supplier Requirements Manual (SRM) shall govern all contracts with the Buyer/Omega Tool Corp. Representative (wherein referred to as "Buyer")
- 1.2 The SRM shall prevail over and override any general conditions of sale as well as any provision contained in any invoices and in any other document issued by the Supplier. The SRM shall control each contract unless their application is otherwise limited by express provisions of a Purchase Order or particular conditions issued by the buyer.

2. SELECTION, ASSESSMENT AND DEVELOPMENT OF SUPPLIERS / SUB-CONTRACTOR

- 2.1 A Supplier / Sub-Contractor (wherein referred to as "Supplier") may qualify to be included in the approved supplier list through the following processes:

OEM or Customer Directed: After the OEM identifies the Supplier as the selected source for a specific part or commodity, the approval process will start. There will be no special exemptions for these Suppliers and all requirements must be met in order to be approved. Should the supplier not be approved, a letter will be required from the OEM instructing use of the supplier. Details surrounding these circumstances will be handled on a case-by-case basis.

Competitive Bidding: Quotes and proposals may be solicited from potential new suppliers who are not included on the approved Supplier List. Tentative sourcing decisions to award business to a new supplier may be made with the requirement that the Supplier has completed all selection requirements prior to the issuance of a purchase orders. Following receipt from supplier of a completed request for quotation, for goods or services, approval process starts.

The approval process is as follows:

- A Supplier Assessment needs to be completed and approved.
- Documentation of the assessment will be maintained in their supplier file.
- Positive recommendation from the Buyer's Finance Department.
- Acceptance of the Supplier Requirements Manual
- An acceptable quote must be received from the Supplier. If these conditions are satisfactorily met, the Supplier may be added to the approved Supplier List.
- An Omega Tool Corp Representative may choose to visit the Suppliers facility to validate Suppliers capability.

An approved Supplier List is maintained by the Purchasing Department. This list will contain

suppliers of manufacturing related materials and services. The approved Supplier List will be updated on a continuous basis in order to reflect input from the assessment, development and performance monitoring systems. This data will be used to establish a supplier performance rating as well as to aid the assessment of Suppliers for future business.

3. PURCHASING

3.1 Conditions of Business and Purchase Orders

3.1.1 As a Condition of Business, all Suppliers must be prepared, on request, to provide any information required to substantiate the capability to provide the necessary products, commodities and services. This shall include, but is not limited to, technical capability systems/procedures to evaluate key product characteristics, price structure, capacity and financial information. In addition, the Supplier must be prepared to provide proactive initiatives such as cost reduction proposals and recycling programs.

3.1.2 The extent of the purchase contract and order of precedence shall be:

- Compliance with all relevant local, provincial, state and federal government legislation with special emphasis on hazardous waste and other environmental requirements
- The purchase order with its terms and conditions
- Requirements as stated in the supplier guidelines
- Statement of requirements
- Any additional requirement(s) specified in writing by Omega Tool Corporation

3.1.3 All suppliers must provide country of origin certification and other documentation required under the US/Canada free trade agreement and the North American Free Trade Agreement (NAFTA). All customs requirements must be met in a timely manner to ensure efficient transportation of goods.

3.1.4 Any Purchase Order/Contract may be cancelled by the Buyer at any time prior to the commencement of work by either written or verbal notice given to the Supplier. The Supplier shall not be entitled to any compensation or damages of any nature whatsoever in the event of such cancellation.

3.1.5 Suppliers are expected to provide Continuous Improvement cost reductions along with a continued commitment to year over year cost improvements.

Omega has implemented a SCSS Program (Supplier Cost Savings Suggestions Program). It is an approach designed to identify process cost drivers and to implement simple, common sense process changes and reduce overall costs.

Areas of SCSS Program include:

- Payment terms
- Material Content/Utilization
- Year-Over-Year Price Reductions
- Consignment Inventory Programs
- Inventory/Lead Time Reductions
- Process Improvement
- Alternative Materials
- New Technologies
- Freight/FOB Changes

To Submit a SCSS proposal, please visit our supplier section of our website at: www.omegatoolcorp.com (website still under construction, suppliers will be notified when this section will be available)

3.1.6 Suppliers may be required to sign a bailment agreement where the purchase agreement requires Omega/Customer Tooling to be used and stored in Supplier's facility.

3.1.7 Suppliers may be required to sign a non-compete/non-disclosure agreement at the Buyer's discretion.

3.1.8 The buyer reserves the right at any time to modify the purchase order/contract (such as technical specifications of the supply or the scope of the work covered), and the Supplier agrees to promptly make and implement any such changes.

If such changes have an impact on costs, lead-times or quality, the Supplier shall promptly (within 24 hours) send to the Buyer a technical and financial proposal accompanied by the appropriate supporting documentation indicating such effects, and the Buyer may consider, in its discretion, such proposal as an amendment to the contract.

Should the parties be unable to reach an agreement on such proposal for amendment or the supplier fails

to comply with above, the buyer expressly reserves the right to either:

- Have the modifications implemented by another company, in which case the Supplier agrees to provide the buyer with all drawings, technical specifications, 3D surface data, mold component data and any other documents needed to implement such modifications;
- or terminate all or part of the contract

The Supplier shall not modify the requested commodity (including but not limited to by changing its components, material, the processes used for its manufacture, its place of manufacture or substitute) without prior written approval of the buyer.

3.1.9 Intellectual Property Rights

The Results shall be the exclusive property of the Buyer.

Therefore, the supplier shall transfer exclusively to the Buyer the ownership of the results, irrevocably and for the whole duration of the protection of the intellectual property rights, in the entire world, without scope or purpose limitations. Such transfer shall occur progressively, as the Results are being obtained.

The price of the Supply includes the remuneration of the Supplier for such transfer of ownership.

Pre-existing rights

To the extent required for the use of the Results by the Buyer, the Supplier shall grant a non-exclusive, fully paid-up, irrevocable, worldwide license of its Pre-existing Rights.

Such license shall include a right to use, represent, reproduce, adapt and modify the Pre-existing Rights, as well as the right to sublicense to others and/or transfer or assign such license.

The price of the Supply includes the remuneration of the Supplier for the grant of such license.

Infringement

The Supplier undertakes not to use, for the performance of the Contract, intellectual property rights of any third part without the express prior written consent of such third party and disclosure of such use and consent to the Buyer. All royalties of

fees based on the use of such third party's intellectual property rights shall be at the sole cost of the Supplier.

The Supplier agrees to indemnify, defend, and hold the Buyer harmless against all claims, action, losses, damages and expenses arising out of actual or alleged infringement, unfair competition or similar claim related to the use (a) by the Supplier of any third party's intellectual property rights for the performance of the Contract and/or (b) of the Supplier and/or the Results by the Buyer or its customers or suppliers.

In the event that the Buyer or its customers or suppliers are obligated to cease the use of all or part of the Supply and/or the Results, then without prejudice to any other claim or right that the buyer may have under the Contract or at law, the Supplier undertakes to immediately implement one of the following remedies, all its sole expense and at the choice of the Buyer.

- obtain for the Buyer and its customers and suppliers the right to continue to use the Supply and/or results without restrictions and at no additional expenses; or
- replace or modify the Supply and/or the results so that it will no longer be infringing but it remains in full compliance with the requirements of the contract.

3.1.10 Confidentiality

The parties undertake to keep strictly confidential and secret all information (including but not limited to business or financial or technical information), belonging to, or held by one of the parties and disclosed to the other party, or to which the latter has access to, in connection with the contract. Such confidential information shall not be used for another purpose than carrying out the contract.

However, information shall not be considered as confidential if such information:

- is already known by the receiving party or has been developed by the receiving party independently from its access to the information;
- has been legally obtained by the receiving party from a third party not subject to a confidentiality obligation with the disclosed part; or
- is already or becomes public knowledge without fault of the receiving party.

The receiving party shall not be liable for the disclosure of confidential information where such party is under legal or regulatory obligation to make such disclosure (including but not limited to is such disclosure is made to a competent judge or tax authorities), but limited to the extent of that legal or regulatory obligation.

Except as otherwise specified in “Intellectual Property Rights” above, the receiving party undertakes not to claim any intellectual property rights whatsoever based on the confidential information.

The parties undertake to comply with these obligations of confidentiality and non-disclosure, and shall ensure that their employees and agents do the same, throughout the duration of the contract and a further period of the five (5) years after expiry or termination of the contract.

4. PERFORMANCE MONITORING

4.1 Monitoring Methods

All Suppliers should maintain an up to date copy of Buyer’s quality documents.

4.1.1 **Quality Performance** will be monitored by tracking quality incidences annually. Quality Performance will make up 30 % of the Supplier’s overall performance rating. Performance data will be captured in the Supplier Assessment. **The Requirement For Quality Performance Is 100%.**

4.1.2 **Delivery Performance** will be monitored by tracking compliance to shipment due date(s) and quantity accuracy from the receipts and will make up 30% of the Suppliers overall score. Performance data will be captured in the Supplier Assessment. Any deviations from timeliness and quantity accuracy requirement(s) must be approved by the appropriate Buyer in advance. Any resulting agreements will be reflected with written authorization.
Delivery Performance Requirement Is 100%.

4.1.3 **Responsiveness** will be monitored and makes up 25% of the Supplier’s Overall Performance Rating. Performance data will be captured in the Supplier Assessment Responsiveness includes, but is not limited to, packing slip accuracy, complying with packaging requirements, timely and effective response to Corrective and Preventative Action

Reports (CPAR’s) and Requests for Quote (RFQ’s) and lead time in responding to technical concerns raised by the buyer’s representatives and where applicable by the buyer’s customer.
Responsiveness Accuracy Goal is 100%.

4.1.4 **Price** will be monitored and makes up 15% of the Supplier’s Overall Performance Rating. Performance data will be captured in the Supplier Assessment. Price includes, but not limited to, any price increases received, competitiveness, LTA or continuous cost reduction ideas offered.
Price Goal is 100%

4.1.5 The Supplier Assessment rating will be issued annually to all Suppliers/Sub-Contractors by Omega Purchasing.

4.1.6 Unsatisfactory Supplier Performance will be monitored and reported for Senior Management Review with the following steps being taken:

- Corrective actions submitted as requested and monitored.
- On-Site Supplier review, as required.
- Notification to Supplier of De-Sourcing due to continued non-compliance.

5.0 QUALITY AND DELIVERY PROBLEM REPORTING AND RESOLUTION

5.1 Notification from Supplier/Sub-Contractor to Omega Tool Corporation

5.1.1 In the event that a supplier has reason to believe that a non-conforming condition exists in the areas of:

- Quality
- Delivery
- Other

Immediate action must be taken to contact the Buyer’s representative. Contact shall be by telephone for emergency issues.

5.1.2 Notification shall be followed up by:

- immediate action plan for resolution
- long term corrective action to prevent any further occurrence of similar non-conformance

5.2 Notification from Omega Tool Corporation to Supplier/Sub-Contractor

5.2.1 In the event that the Buyer's personnel identify a non-conformance exists in the areas of:

- Quality
- Delivery
- Other

A CPAR shall be issued as it relates to the issues. The supplier has **7 Business Days** from receipt of a CPAR to respond unless special instruction has been requested.

Delivery and quality problems will negatively affect the Supplier's annual performance rating. Continued problems could result in de-sourcing.

5.2.2 We reserve the right to send the appropriate purchasing; planning representative; and/or quality department representatives to visit the Supplier/Sub-Contractor's facility to establish 100% compliance and ensure that corrective action has and is currently taking place. This also includes spot check visitation as required by the Buyer's representative to ensure continued compliance that the expected quality and delivery requirements remain ongoing.

5.2.3 Our Customer must also have the right to accompany any of the Buyer's Representative(s) into the Supplier/Sub-Contractor's production facility for 100% Compliance and to ensure that any corrective action has and is currently taking place.

6.0 REQUIREMENTS SCHEDULING

6.1 Ship only quantities released unless the Buyer's representative has authorized other arrangements in writing. Over shipments may be subject to return at Supplier's expense and without receipt of a Return Material Authorization. Excess transportation charges resulting from unauthorized shipments, past due requirements will be debited in full to the Supplier.

6.2 Suppliers who are unable to meet all requirements for delivery date; time, quantity and quality as requested must notify the Buyer's representative immediately. Note that this communication, although appreciated, does not alleviate the Supplier of any of the related costs and penalties associated with being past due or shipping defective material.

7.0 PACKAGING/LABELING/TRANSPORTATION

The supplier must ensure satisfactory protection against damage, contamination and corrosion during shipment

7.1 Delivery Terms

7.1.1 Unless otherwise specified in the contract, the products shall be shipped DDP – place of delivery (Delivered Duties Paid, Incoterms, latest edition)

7.1.2 The Supplier shall bear all risks of loss of products in transit and shall properly insure shipments.

7.2 Packaging and Labeling

7.2.1 The Supplier is responsible for packaging and labeling of products.

7.2.2 Each packaging unit must legibly show on the outside each of the following information (the following list not be limitative):

- Sender and recipient exact names and addresses and contact numbers
- Exact name of the products
- Purchase order number
- Omega job number (if applicable)
- Quantity delivered or the net or gross weight
- For equipment, the number of packages delivered; and
- Instructions concerning specific storage and safety conditions
- WHIMIS & MSDS documentation as required.

7.2.3 The packaging shall be suitable for the product and means of transportation used to ship the product, so as to prevent any potential damage to the products during transportation, handling and storage at the destination site.

7.2.4 Packaging and labeling shall be in compliance with the specifications set forth in the contract as well as any applicable laws and regulations.

7.3 Packaging Slip Requirements

7.3.1 Buyer requires only one (1) copy of the packing slip.

The packing slip must be attached to the shipment in a visible location.

The packing slip must be neat and legible and include the following information:

- Supplier information
- Date shipped
- Ship via
- Purchase order number
- Part description and critical characteristics or information
- Omega job # with revision level (if applicable)
- Number of cartons per part and number of parts per carton
- Total quantity for each part clearly identified
- Indicate freight terms (Incoterms)

7.4 Bill of Lading

7.4.1 The Bill of Lading must include the following information:

- Total number of containers shipped
- Number of cartons per skid and/or the number of loose cartons
- Indicate freight terms (Incoterms)
- Purchase order number
- Omega Job # and revision level (if applicable)

7.5 Hazard / Non-Hazard Chemical Requirements

7.5.1 All Suppliers/Sub-Contractors supplying goods which are considered to be “Controlled” under W.H.M.I.S. (Workplace Hazardous Material Information Systems) **must** be familiar with and comply to all such regulations, for packaging and shipping Material Safety Data Sheets (M.S.D.S.) **must** accompany all initial shipments from all Suppliers/Sub-Contractors and marked to the attention of the Health and Safety Coordinator. Updates to all Material Safety Data Sheets (M.S.D.S.) are required every three (3) years and should be sent to the attention of the Health and Safety Coordinator.

7.6 Delivery Performance Review

7.6.1 CPAR’s may be issued, at the discretion of the Omega Tool Representative, for any noncompliance to the above specifications. Refer to the disposition on the form for action to be taken and required response date. If you do not agree with the discrepancy, you must notify the Purchasing Department in writing within 48 Hours from receipt, if no written response is received within the time frame specified it will signify your agreement.

7.7 Date Lead Times

7.7.1 Delivery/Quality Problems/Downtime Costs

Deliveries are preferred on working days and during normal working hours, on the due date referenced on the purchase order. Supplier must notify your Omega Tool Corp. Representative if delivery is outside these times to ensure that adequate resources are available to receive the supply.

Contact your Omega Tool Corp. Representative regarding any questions you may have with your shipping schedule(s). If for any reason you are unable to ship as scheduled or you experience quality problems that affect our components, you must inform your Omega Tool Corp. Representative immediately. Past due requirements or defective material could result in down time at our facility and/or our customer’s facility. It is your responsibility to inform us of any concerns related to your ability to supply quality parts delivered on-time.

If past due deliveries or defective material are deemed the fault of the Supplier, the Supplier shall bear the cost of all expedited freight required to meet the Omega Tool Corp requirements. It is the Supplier’s responsibility to automatically expedite should the Supplier foresee or incur a past due situation. The Supplier shall also be liable for all costs associated with downtime or compressed delivery costs and/or downtime costs billed by our customer and/or subcontractor.

7.7.2 Delivery Times

In order to ensure an uninterrupted material supply, these requirements must be met. Suppliers not meeting the above criteria will be required to Supply a Corrective Action Plan and will be held financially responsible for all applicable freight charges.

7.7.3 Excess Transportation Charges

Any expenses, including premium shipping expenses, necessary to meet the required delivery dates shall be the Supplier's sole responsibility. In addition, the Supplier shall be liable for any costs or expenses which the buyer shall incur as a result of late deliveries, including all costs or expenses resulting from disruptions to buyer's or customers production facilities (i.e. line shutdowns, off-lined products etc.) Excess costs may be debited back in full to the Supplier for reasons including, but not limited to the following:

- Unauthorized shipments
- Expedited freight as a result of past due requirements
- Expedited freight utilized to avoid past due requirements
- Expedited freight as a result of defective material
- Customer or Buyer downtime as a result of delivery non conformance

7.7.4 Nonconforming Supply

The Buyer reserves the right to reject the Supply in any of the following events:

- Non-compliance or non conformity of the Supply with the contract
- Incomplete or excess quantities
- Quality issues; or
- Failure to observe delivery lead times or completion deadlines

Upon rejection of the Supply, the Buyer may exercise any or all of the following remedies, without prejudice to any other rights at law or under the contract:

- Request from the Supplier timely replacement of nonconforming supplies with conforming supplies
- Procure supplies from a third party of the Buyer's choice;
- Suspend any payment due to the supplier
- Request a refund of any partial or full payments previously made for the supply, as the case may be; and
- Charge the supplier for any costs or expenses incurred by the buyer as a result of the nonconformity (including without limitation costs of inspection, sorting, testing, storage or rework) and a fee for the

administrative costs associated with nonconformity,

8.0 CONTROL OF DATA

8.1 All engineering data, surfaces, files etc, used for complete tool builds or engineering changes is regarded as part of Buyer's purchase order and is thus sole and exclusive property of the Buyer..

8.2 Prior to cutting of steel, design proposals and files must be signed off by Omega Program Management

8.3 All engineering change quotes must be accompanied by a feasibility study highlighting any and all tooling issues concerning but not limited to draft, ejection, water and demolding or part quality concerns or where cycle time may be negatively impacted.

8.4 All full-build sub-contractors will be required to provide cavity verification to tool data (CMM), to be delivered along with tool, or prior to tool delivery, to ensure sourced shops are working to Omega Tool Corp. standards.

8.5 No delivery will be considered as complete until such time as complete 3D tool, fixture, EOAT designs and any purchased components (i.e. manifold systems) are received reflective of the as built status at the Buyer's facility and are subsequently signed off by the Buyer's technical and purchasing representatives.

9.0 Engineering Changes

9.1 Omega Tool Corp. Customer, Supplier Request

9.1.1 All Supplier requests for engineering change will be processed via the appropriate Buyer's Representative.

9.1.2 Any requests affecting price of a Supplier component will utilize a cost breakdown sheet to itemize applicable cost and timing. No quotation will be considered complete without this accompanying detailed breakdown sheet that must reflect actions and labour rates per hour. For any required purchased components or outsourced actions to complete the engineering change, these items must be detailed in full with accompanying documentation to justify the charges prior to award of the work.

9.1.3 Cost and timing response to all RFQs are expected within 1 business day, unless otherwise arranged with the designated buyer or program manager.

9.1.4 Status of Engineering Change Notification (ECN) will be provided to Supplier via the designated buyer or program manager.

9.2 Approved Engineering Changes

The designated buyer and/or program manager will communicate approved ECNs, with available documentation and data, to the Supplier. All instructions and required documentation changes will also be communicated at that time.

9.3 Prior to cutting of steel, design proposals and files must be signed off by Omega Program Management

10.0 SOURCE SPECIFIC REQUIREMENTS

10.1 Steel Suppliers

- Supply mill certificates upon delivery of each block. Blocks will have ¼” of stock on all sides larger than requested finished size.
- Any variance must be approved prior to shipment.
- The steel must be of good quality and free from any imperfections and pitting.
- Any imperfections that are found that negatively impact the part appearance or tool quality will be the responsibility of the Supplier. Any and all corrections as required to obtain the full satisfaction of the Buyer and their customer which may include replacement of the block will be charged to the Supplier.

10.1.1. Outsource Machine Shops

Tolerances maintained per supplied info with cutting files supplied back to Omega

10.1.2 Gundrilling

- All holes are chamfered
- All holes are tapped to a consistent and correct depth
- All NPT lines are checked with thread gages to make sure the plugs sit 1 thread below the surface
- Must have the capability to bore freeze plugs, spotface steep angles, counterbore, square up

- Capable of producing the SAE ports for hydraulic lines
- Machines have the capability of drilling holes from 0.187 up to 2.500” diameter and can tap and thread up to 3” NPT and SAE (if Suppliers machines do not have this capability, notify Omega Tool Representative when quoting)
- Ensure that no holes are lost when files are imported
- Are not allowed to use bondo or wood crating to create flat surfaces to drill from, if this is required the Buyer must be notified immediately and is required to give written authorization and all material used must be removed prior to shipment to the Buyer.
- Clearing all gundrilled holes / lines of all debris
- All spot faces must be machined
- Capable of reading Omega’s 3D data

10.1.3 Outsource Full Build Shops

- Build to the supplied Buyer and Buyer’s customer standards as applicable and outlined by the Buyer’s representative.
- The steel material must be as specified and steel certificates must be supplied. No steel other than North America or European grade are allowed, if alternative steel is used Supplier will be responsible for the costs associated with manufacturing new tools and all costs associated to contain the tool timing.
- The steel must be of good quality and free of any imperfections and pitting as well as capable of producing a good quality part. The Supplier will take full responsibility for the quality of the steel and will make any and all corrections as required to obtain the full satisfaction of the Buyer and their customer. This may include replacement of the block.
- Breakdown of costs to be provided with quote submission, including hourly rates and material.
- Total timing in weeks must be from kickoff approval to 1st shots.
- Verify the number of actions (mechanisms) required within your quotation.
- Include as many (minimum of 2) tryouts (50 shots) in your quote as necessary to get a flash free, visual & dimensionally correct part. Any trials required beyond the RFQ to

verify any quality issues are completed are at the Suppliers expense. If repeat issues are found at the 2nd tryout please note that this may constitute a failed tryout by the Buyer and a repeat trial may be required at the Supplier's cost. Negotiation of the failed tryout will occur thru a raised CPAR from the Buyer's representative as outlined previously in this document.

- Unless otherwise noted in the Buyer's RFQ all resins will be supplied to the Suppliers for the tool trial requirements. The Supplier is responsible to supply all required packaging for the resulting product produced at tryout, including but not limited to foam wrap, plastic bags and disposable dunnage (cardboard boxes), to ensure that the parts will not be damaged during transportation. Where any special packaging requirements are required this will be discussed during the design approval phases of the tool build or will be noted specifically on the buyer's RFQ.
- The Supplier will be responsible to ensure that the correct materials are used during the trial at the Supplier's trail facility location.
- Verify approximate mold base size.
- Please state prices in US or CDN Dollars.
- Quote best payment terms after Buyer approves the mould at the Buyer's facilities.
- Tryout parts & mold delivery will be Omega Tool Corp, Tecumseh, ON, Canada, unless otherwise specified.
- DME or readily available North American equivalent components must be used.
- Copy components allowed only with written approval from the Buyer's Representative
- Include grain costs, shipping and labour associated to graining, including additional post grain tryout. If graining is listed as TBD, assume a budget cost as a separate line item.
- Include the cost of Valve Gate, Hotrunner, Hot Drop, Cold Sprue etc., and specify name of manifold supplier.
- All Tools must be identified with Omega Tool Corp. I.D. Plaques.
- Photo's of the tool need to be taken of all 4 sides and include a close up photo of the ID plaques.
- These photos's need to be supplied to the Buyer's representative at T1.
- Supply of the technical manual as applicable to the Buyer's customer's standards is required for T1.
- Supply of the tool steel CMM report is required at T1. Delivery post T1 without advanced written agreement with the Buyer's representative will result with incomplete trial requirements being fulfilled and will negatively impact the trial scoring for the Supplier.
- Attend local tryouts for support when requested.
- All 3D model and engineering files to be provided to Omega Tool Corp
- Weekly timelines to be provided in Microsoft Project with date stamped digital pictures reflective of the tool build progress is required to be submitted weekly before 2 PM each Monday to your Buyer's Representative.
- All correspondence / documentation must be provided in English
- The supplier shall provide any design feasibility studies, math data overlays, part draft studies, seal off draft studies, part concession documentation as required.
- The supplier shall provide to the buyer's representative for signoff documentation for the approvals of the parting line (3D data file with the parting line position clearly identified as a line file and or shaded images in a PowerPoint format may be acceptable as outlined by the buyer's program management representative). Approval of the parting line and mechanisms does not relieve the supplier of responsibility.
- The supplier shall provide to the buyer's representative fully detailed gate & runners for approval prior to beginning any rough cutting work on the build.
- The supplier shall provide to the buyer's representative all steel certifications including stress relief certifications and texturing certifications as applicable.
- Tool shrinkage and gate locations will be provided by the buyer.
- No deviations to the buyer's and or their customer standards will be permitted without advanced written approval from the buyer.
- The buyer will not accept any additional costs for mechanisms unless new math data is supplied by the buyer's customer and the

accompanying data overlay supports the requirement for additional mechanisms. This supporting documentation along with the updated detailed quotation and accompanying breakdown sheet are required to be received by the buyer's representative within 24 hours of data receipt.

- The supplier shall provide a program manager exclusively for this program. This program manager shall be dedicated and available for all design, engineering, program management requirements, tool build follow-up and tryout support as required by the buyer.
- The supplier's program manager will be the actual / functional leader for all processes related to the design & build of the required equipment in all coordination, timing and engineering efforts. All other support activities performed by other entities on this project will be considered as "support" and those entities will be deemed a vendor to the supplier and all quality and delivery issues will be managed and controlled the supplier without affect to the buyer's cost, quality & delivery expectations. The buyer may be required to participate and support the supplier where issues develop that will affect the buyer's requirements. It will be the responsibility of the supplier to contact the buyer for any and all requested support (whether purchasing, program management or technical in nature).
- The buyer reserves the right to deduct any and all costs incurred due to poor workmanship and materials on all tooling and components for a period of one (1) year after the start of production (SOP) from any amounts owing to the supplier.
- The supplier guarantees the delivery as agreed to in the contract with the buyer. Any deviations to this delivery are not permitted unless prior approval is received from the buyer in writing and are the direct result of an engineering change or delays directly attributed to the buyer's customer.
- In the event of a delay in the completion of off tool samples from any or all tools, a penalty charge of two percent (2%) per week of the tool price, limited to a maximum of ten percent (10%) of the total tool price, shall be applied per tool concerned. Any change / deviation from the Buyer's schedule must be agreed to in

advance by Buyer in writing. Please note that this late charge will not apply should the reasoning for the delay be properly documented in writing back to the buyer's program manager well in advance of the issue and or is related to the buyer's customer delays in approvals that have been documented in the timeline as a critical path item that will directly affect the deliverables.

- All tool designs from any outside supplier must be submitted to the buyer at minimum of one (1) full business day in advance of the scheduled customer review meeting. The buyer reserves the right to provide approvals and changes to the design within three (3) business days of the customer review meeting without impact to the tool delivery timing.
- The buyer's representative will provide all required changes / approvals as generated from the design review meetings back to the supplier in writing via email.
- All design review meetings will follow the buyer's standard format. A copy of this is available to the supplier upon request.
- The supplier will be responsible for all tunings of the attachment features to the mating parts as noted in the buyer's RFQ.
- The supplier will take full responsibility for functional design changes suggested by them that result in unfavorable, incorrect or unacceptable part production requirements.
- Innovative cost savings ideas are expected from the supplier. These cost savings shall be shared equally between the supplier, the buyer and the buyer's customer as applicable.
- All verifiable engineering change costs will be considered legitimate and billable only should the end user agree to pay for them (i.e. we get paid, you get paid).
- Any changes initiated and directed by the buyer and or their customer (thru direct communication with the buyer only) that is outside the current scope of work will be subjected to additional costs. Each change will be discussed on a per item basis and will require a detailed breakdown sheet to accompany the quotation.
- Transfer requirement: final technical approval release will be given once tools have been transferred to the final production location and have met all required

specifications for quality, industrial and reliability, etc.

- General specifications include any aspect & visible part must be free of any cosmetic defect (flash, flow line, pressure line, sink marks, lifter read thru marks, surface waviness, border effects, drag marks, jetting, etc).
- It is the supplier's responsibility to ensure and provide the best possible solution for part demolding. Any input from the buyer and or their customer are only to be considered for recommendation and are not considered as directive in nature. The parts must be demolded without damage (i.e. drag / stress marks, scratches, part distortion, warpage, etc.). the lifter movement must be perfectly secure without risk of damage of any kind. The supplier must present demolding concept for buyer approval during the preliminary design review meeting.
- Parting line step must not exceed 0 +0 / - 0.15mm. all parting lines must be consistent (parallelism within 0.1mm). All parting lines must not be aggressive for the operator and occur potential injuries to said operator. Any parting lines must not impact gap & flushness specifications.
- Any and all modifications to the current contract will commence only upon approvals from both the buyer's purchasing and program management representatives. Any modifications begun without this complete buyer's approval process will be considered as being done at no charge to the buyer.
- The tool designs shall fulfill all expected quality and performance criteria as outlined in the buyer's RFQ. The tool design must anticipate any type of cosmetic issue and it's resulting recommendation (concession) for resolution. The tool design must further take into consideration any demolding concerns and the tool shall be designed in such a way as to ensure no damage or deformation shall occur to the part during the demolding from the tool whether manual or robotic extraction is chosen by the buyer's customer.
- Where multiple cavities are used in conjunction with a common core & interchangeable inserts a poke yoke system must be designed into the mold to ensure

adequate protection against tool damage during product change over. Please also note that the anticipated change-over time will be limited to 30 minutes.

10.1.4. Service Providers (including grain, texture, engineering support subcontractors)

- Work completed per supplied standards
- If additional tryouts are deemed necessary due to a graining / texturing issue, all costs associated with additional tryout are at the Suppliers expense, including but not limited to transportation, disassembly and reassembly, handwork, program management support, buyer's technical support team at tryout, customer travel requirements and back charge costs from the buyer's customer as applicable.

Surface Modeling

- Work to be completed utilizing NX6 adopting the Buyer's NX Template
- work needed to be completed in any other software requires prior written approval by your Buyer's Representative and will be supplied to the Buyer as a Solid Sheet Body (not surefaces)
- All if the Buyer's standards must be adopted with respect to standard levels and colours, clearance, vents and radius sizes
- The Buyer's cutting checklists must be completed and supplied with each data submission (rough and finishing stages)
- Sample surface model can be supplied for reference to the Buyer's standards when requested.

Design

- Work to be completed utilizing NX6 adopting the Buyer's NX Template
- The Buyer's Design checklists to be completed and supplied with data submission for each stage of the design process. If any points are unclear, communication with the relevant Buyer's Representative must occur prior to data submission for clarification
- All feature holes to be drawn to the Buyer's Standards for processing

through manufacturing without the need for data translation

- Sample designs can be supplied for reference to the Buyer's Standards when requested

LCC Engineering Work

- All of the above requirements apply for Surface Modeling and Design
- Must have a Project Manager that can communicate using fluent English in writing and verbally
- Must be able to attend web style meetings as necessary
- All written communication must be in Microsoft Office Software

10.1.4 Work Performed within Buyer's Site

- Before any work is undertaken within any of the Buyer's sites by the Supplier, the Supplier shall make contact with the Buyer in order to:
 - Determine the conditions in which the Supplier will perform such work; and
 - Agree on a prevention plan as to health and safety risks related to such work.
- The Supplier shall comply and ensure that all of its employees and representatives comply with the said prevention plan as well as all policies and procedures in force at the Buyer's site regarding health and safety. The Supplier shall provide any document evidencing such compliance, upon first request of the Buyer.
- If the Supplier does not comply with any of these obligations, the Buyer reserves the right to refuse the Supplier access to or continued presence on the site

10.1.5 Logistics Providers

- Shall be rack and tarp unless specifically noted.
- Shall bear all risks of loss of products in transit and shall properly insure shipments.
- Notify immediately logistics coordinator/program manager if load is delayed for any reason.
- Contact immediately the Buyer's logistics coordinator if unable to get off loaded in timely fashion upon arrival at destination.

- In the event of large freight (i.e. tooling, equipment, machinery etc.) transportation the logistics provider will provide advanced notice of 3 hours prior to the load's arrival at the Buyer's designated delivery location and the buyer's representative will provide assistance to ensure efficient off-loading of the applicable goods.
- Responsible to ensure load is properly secured corner protectors and chain protection used .
- Must be CTPAT Compliant
- The Buyer reserves the right to advise on damage to the shipments within three (3) business days from receipt of said shipment to either our facility or our customer's facility. This duration of time may be required to allow from complete inspection of the goods.

10.1.6 CMM Fixture Suppliers

- Must be manufactured to the buyer's standards
- Approvals are required to be received prior to the start of any builds
- The fixture validation will follow the buyer's customer standards including geometrical conformity and R&R with production manufactured parts.
- Part measurement plan will be discussed and outlined in the buyer's RFQ and during the design portion of the build.

10.1.6 EOAT suppliers

- Must be manufactured to the buyer's standards.
- Approvals are required to be received prior to the start of any builds.
- The EOAT must be designed to fit with the standard final injection manufacturer as well as the designated trial location.
- EOAT is to be available for use at T1
- The design specifics of the EOAT are to conform fully to the buyer's RFQ.

10.1.7 Painting suppliers

- Painting feedback is required within two (2) business days of the trial.

- Painting supplier should have the capacity to paint or to simulate the paint process as outlined in the buyer's RFQ.
- Quantity of parts required to be supplied will be outlined in the buyer's RFQ with details of the required colours and specific packaging details.
- Paint jigs will be supplied by the buyer's customer unless otherwise noted. Where paint jigs are not supplied by the buyer's customer temporary paint jigs will be required to be provided by the supplier at no cost to the buyer. This temporary paint jig concept will need to be presented to the buyer for agreement prior to usage.
- Parts to be measured to be noted in the buyer's RFQ.

10.1.8 Tryout Shops

- Responsible for proper packaging of parts, protecting class A surface and potential distortion
- Issues with lube and protectant on molds, notice of poor conditions or problems etc.
- Must hook up limit switches when required
- Responsible for any damages due to but not limited to running a tool of proper sequence including any indications of damage done thru tool transport (digital pictures are required to be supplied to the Buyer's representative immediately upon the findings of any damage to the equipment (mold and or EOAT / checking fixtures, secondary automation, dunnage racking, etc.

10.1.9 Manifold Suppliers

- Must be manufactured per the Buyer's Standards
- If additional tryouts are deemed necessary due to a manifold issue, all costs associated with additional tryout are at the Suppliers expense including any related back charge costs from the Buyer's customer and end product user.

11.0 Price, Invoicing and Payment Terms

11.0.1 General Provisions

The supplier acknowledges having received all information required for the determination of the price. Unless otherwise stated in the contract, prices shall be firm and non-revisable. No price increase shall become effective without the written consent of both parties.

Prices shall be understood DDP in accordance with Article 6.1.1 "Delivery Terms", and is assumed to compensate the supplier for all its expenses, disbursements, costs, charges and obligations of any kind under the contract.

11.0.2 Most Favored Customer

Notwithstanding the forgoing, the Supplier represents that the price of the contract shall be the lowest price offered by the supplier to any of its customers for the supply of items or services of similar characteristics, in particular for comparable quantities to those ordered by the buyer under comparable payment and delivery conditions, thus granting buyer "most favorable customer" status.

11.0.3 Invoicing

The invoice shall comply with all legal and regulatory obligations. In addition, it shall include all details that allow the identification and control of the supply. The invoice must be sent in (1) part to the billing address specified on the purchase order. The buyer reserves the right to return all unpaid invoices submitted incorrectly.

11.0.4 Payment Terms

The Supplies will be paid in accordance with the Buyer's standard terms of 90 days or otherwise agreed to and stated on the purchase order, provided that the supplies are recognized as being in full compliance with the contract.

Revision History

Release	Date
01	02/01/2010



Acknowledgement Sheet

Please retain this sheet and return a signed copy to the appropriate buyer, indicating that you have received, reviewed and accepted in principle the contents of this guideline. All communications with respect to the contents of this guideline are to be addressed initially in writing to your designated Buyer. If you have any comments or concerns please address those with the appropriate buyer prior to returning your acknowledgment sheet copy. This is a controlled document and revisions will be sent to the name indicated.

COMMENTS:

Supplier Information

Company Name:

Address:

Telephone number:

Fax number:

E-Mail address:

Contact:

Authorized Signature:

Name and Title:

Date Signed:
