

DESCH SUPPLIER MANUAL

Purpose

The purpose of this Supplier Quality Assurance Manual is to communicate the requirements for the structure of fundamental quality management systems of companies supplying goods and services to DESCH Canada Ltd.

General

DESCH Canada Ltd. has implemented a Quality Management System based on the ISO 9001:2015 standard. All suppliers of goods and services are required to achieve a minimum requirement of ISO 9001:2015 or an equivalent standard. These requirements supplement and extend the purchase order, providing a concise understanding of DESCH CANADA LTD's quality expectations.

All suppliers must demonstrate pursuit and implementation of quality systems conforming to ISO 9001:2015 unless otherwise exempted at the sole discretion of DESCH Canada Ltd.

It is DESCH Canada Ltd.'s responsibility to communicate the requirements outlined in this Manual to external providers. Supplier compliance with this Manual is essential to ensure quality is achieved at all levels of the supply chain.

Suppliers must ensure safety procedures are observed. DESCH Canada Ltd. aims to maintain a mutually beneficial relationship with its suppliers, based on reciprocal ethical and professional behavior.

Supporting Documents

Referenced supporting documents include:

ISO - Quality System Requirements
APQP - Advanced Product Quality Planning and Control Plan
FMEA - Failure Mode and Effect Analysis
PPAP - Production Part Approval Process
MSA - Measurement Systems Analysis
SPC - Statistical Process Control

Supplier Requirements:

DESCH Canada Ltd. requires suppliers to:

- Implement a Quality Management System.
- Manage facilities, processes, quality systems, and personnel to consistently produce products and services meeting DESCH Canada Ltd.'s needs.
- Develop, implement, and maintain FMEAs and Control Plans to assure product and service requirements are met.

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- Provide evidence of initial sample requirements and acceptable process capabilities.
- Commit to continuous process improvement and defect prevention.
- Utilize appropriate statistical techniques for process control and improvement.
- Implement a system to prevent the use of counterfeit parts.
- Ensure understanding of requirements prior to production.
- Ensure personnel are competent and trained as required.
- Adhere to customer requirements, including the utilization of suppliers approved by the customer.

Supplier Approval Process:

Potential suppliers and Buyer/Operations & Supply Chain Manager discuss mutual business opportunities. Potential suppliers may undergo an on-site audit by DESCH Canada Ltd. A quality system audit may be required prior to initial purchase agreement approval.

Supplier Evaluation:

DESCH Canada Ltd. maintains Supplier Performance Ratings (SPR) to evaluate key suppliers. Supplier performance is monitored using Key Performance Indicators (KPIs) including:

- PPM Defective
- On-time Delivery
- Pricing
- Price reductions through continuous improvement

Engineering Change Request:

Suppliers are encouraged to submit suggestions for product quality improvement or cost reduction.

Nonconforming Material Reports:

A Supplier Corrective Action Report is issued for nonconforming material. Suppliers must provide a corrective action response within 30 days.

Record Retention:

Suppliers must maintain records for a minimum of 10 years or as specified by customer requirements.

Supplier Initiated Cost Reduction Proposals:

Suppliers are expected to submit annual cost reduction proposals.

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Contingency Plans:

Suppliers must prepare contingency plans to satisfy requirements in the event of an emergency such as utility interruptions, labor shortages, and key equipment failure and field returns.

Material Certification Reports:

Material certificates must be submitted electronically to DESCH Quality Assurance Department before shipment arrives.

Statistical Process Control (SPC):

Data is to be supplied before or at the time of shipment, as required on DESCH Canada Ltd purchase order.

Receiving Hours:

Suppliers must contact DESCH Canada Ltd Operations department for receiving hours.

Quality Standards:

All material and parts must comply with DESCH Canada Ltd approved quality standards and ultimate customer requirements.

Confidentiality:

Suppliers must ensure confidentiality of customer-contracted products and projects.

Change Control:

Suppliers must utilize a contract review process to control changes that impact product realization.

Preservation of Product:

Suppliers must apply adequate measures for product preservation where applicable.

Rust Prevention:

Suppliers must comply with rust prevention measures outlined by DESCH Canada Ltd. Components must be protected throughout processing, including shipping. A copy of the MSDS and any product technical references shall be provided as requested.

Packaging and Shipping Identification:

Product packaging must provide adequate protection. Containers must be marked with relevant information.

Each container shall be clearly marked and identified with the following, when applicable:

- Purchase Order Number
- Part Number
- Batch or Lot Number
- Heat Number
- Date
- Quantity
- Engineering Change level
- Bar Coding
- Engineering deviation number

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Non-compliance with these requirements may lead to imposition of an administrative fee or exclusion from the list of approved suppliers for DESCH Canada Ltd.

Revision Record

Rev.	Date	By	Revision Change
C	24/Mar/2015	MD	Provisions for documentation when Product is sent directly to another supplier
D	20/Jan/2017	MD	Section 7.4.2 of the AS9100 Standard addressed
E	25/May/2018	MD	Updated requirements as per ISO 9001:2015 / AS9100D
F	30/Jul/2021	MD	Updated record retention
G	28/Jul/2022	MD	Updated Management representative
H	04/Apr/2024	MD	Removed AS9100 requirements. Improved for clarity

Supplier Manual Acknowledgement

I hereby acknowledge receipt of DESCH CANADA LTD's Supplier Quality Manual at the revision level indicated below.

Name: _____ **Title:** _____

Signature: _____ **Date:** _____

Company: _____

Approved by: Hemmarine Ramcharan
Management Representative