

Quality assurance agreement (QAA)

Between

Wählen Sie ein Element aus.

(hereinafter referred to as "CLIENT")

and

Company

(hereinafter referred to as "SUPPLIER")

This QAA explains the quality requirements of the CLIENT as well as of any subsidiaries and other affiliated companies towards the SUPPLIER. It serves to implement a coordinated quality management with the aim of ensuring the quality of the common products and the customer satisfaction of the CLIENT.

The present QAA is a mandatory document and part of all contractual agreements. Subsequent changes become mandatory if the CLIENT has communicated them in text form to the SUPPLIER and the latter has not contradicted in written form within fifteen working days.

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1 GENERAL REQUIREMENTS

1.1 Objective of this QAA

As a supplier to the automotive industry, the CLIENT manufactures high-quality products. The QAA is intended to ensure the procurement and manufacture of high-quality, flawless products by means of suitable, technically recognized and economically justifiable measures.

By describing the minimum requirements for the SUPPLIER's quality management system, this agreement is intended to help avoid quality problems and ensure smooth processes between the CLIENT and the SUPPLIER, as well as to minimize costs.

The QAA describes the technical and organizational framework and processes required to achieve the intended quality goal.

All processes must be oriented towards "continuous improvement" and the goal of "zero defects".

The quality of the SUPPLIER has a decisive influence on the internal processes at the CUSTOMER and thus on the quality of the end products. The SUPPLIER must ensure strict compliance with this agreement, also with regard to product liability and warranty obligations.

1.2 Validity of the Agreement

This QAA applies to all contracts between the CUSTOMER and its SUPPLIERS.

Deviations from this agreement requested by SUPPLIERS require coordination with the CUSTOMER and confirmation by the CUSTOMER in text form.

The present agreement does not replace - as far as applicable - the requirements according to DIN EN ISO 9001, DIN EN ISO 14001, VDA Volume 1, VDA Volume 2, VDA Volume 4, VDA Volume 6.1, VDA Volume 6.3 and IATF 16949 as well as customer standards, but only represents the minimum requirements of the SUPPLIER.

In addition to the present QAA, the currently valid GENERAL CONDITIONS OF PURCHASE of the CUSTOMER shall apply. The validity of the SUPPLIER's general terms and conditions is excluded.

Furthermore, the Supplier shall consider and comply with all current customer-specific requirements - in accordance with the respective projects. If the Supplier does not have access rights to these - for example via customer portals or similar - these must be proactively requested from the CUSTOMER.

The Customer Specific Requirements (CSRs in addition to the IATF requirements), of the CUSTOMER's (end)customers, within whose supply chain the SUPPLIER's scope of order is integrated, are available to the SUPPLIER in their current version on the Läpple Supplier Portal.

1.3 Secrecy

Each contracting party commits to keep secret from third parties all information received from the other contracting party as well as the contents of this agreement and not to use it for purposes outside the cooperation under this agreement.

In case of termination of this agreement, the contracting parties commit to return any documents provided upon request. The above confidentiality obligation shall also apply for the period after termination of this agreement.

Insofar as the contracting parties have concluded a separate non-disclosure agreement, the provisions contained in such non-disclosure agreement shall take precedence over the above provisions.

However, the confidentiality obligation shall also apply to knowledge acquired during the offer phase, irrespective of the conclusion of a contract.

1.4 Warranty

Insofar as the contracting parties have concluded a separate warranty agreement, the provisions set forth in such warranty agreement shall apply.

The SUPPLIER commits to grant warranty rights to the CUSTOMER even if the CUSTOMER discovers defects - despite a limited incoming goods inspection according to chapter 4.1 - only during or after processing. After the discovery of defects, however, the SUPPLIER will be informed immediately and will be requested to limit the damage. SUPPLIER is expressly advised that it is obliged to clarify the above provision with its liability insurer in order to ensure that it is nevertheless able to obtain the necessary product liability insurance, including the provided recall costs insurance.

1.5 Risk management/emergency planning

SUPPLIER shall ensure that all potential incidents that could negatively affect its ability to deliver within the supply and process chain are identified and assessed on its own responsibility.

Possible events that could lead to an emergency, such as machine failure, personnel failure, cyber/online attacks on IT systems, subcontractor failure or power failure, must be mapped in an emergency plan, including emergency measures. The emergency plan must be checked annually for effectiveness and adjusted if necessary and must be submitted to the CUSTOMER upon request.

1.6 Product liability

SUPPLIER is obligated to maintain extended product liability coverage including coverage for warranty liability, compound, mixing and processing damage, further processing or treatment damage, removal and installation costs as well as inspection and sorting costs, including foreign claims (worldwide incl. direct exports to USA/Canada).

The minimum cover in case of damage must amount to five million euros. The requirements for insurance coverage do not represent a limitation of liability; they only serve the purpose of reducing the liability risk borne by our SUPPLIERS.

1.7 Quality capability

The SUPPLIER is fully responsible for the products and services it supplies. The SUPPLIER commits to implement and maintain a quality management system. Preferably, DIN EN ISO 9001 and IATF 16949 shall be followed. The SUPPLIER has to prove the effectiveness of his QM system by a certificate at least according to DIN EN ISO 9001.

The use of relevant quality management tools such as FMEA, quality control charts, SPC evaluations, etc. is required. The SUPPLIER will provide the CUSTOMER with the respective valid certificates without being asked and will also inform the CUSTOMER without being asked if a certificate has expired.

The SUPPLIER commits to allow system, product, process and information security audits by the CUSTOMER after coordination - if requested by the CUSTOMER also with its customers. The representatives of the CUSTOMER and its customers shall be permitted access to the production facilities for this purpose. The secrecy agreed under chapter 1.3 shall in this case also apply to the CUSTOMER's customers.

The SUPPLIER shall require its subcontractors to comply with its obligations under this Agreement. Alternatively, the SUPPLIER shall ensure the quality of subcontracted supplies through its own processes and procedures. The CUSTOMER may request documented evidence from the SUPPLIER that the SUPPLIER has convinced itself of the effectiveness of the quality management system at its sub-suppliers and/or has ensured the quality of its purchased parts or external services by other appropriate measures.

Insofar as the CUSTOMER provides the SUPPLIER with production and testing equipment, this must be included by the SUPPLIER in its quality management system in the same way as its own production and testing equipment, unless otherwise agreed. All operating and measuring equipment required by the SUPPLIER for the performance of services and in its possession, but owned by the CLIENT or its customers, must be clearly and permanently marked as such. The handling, type of labeling, and proper and professional storage of the operating and measuring equipment shall be agreed upon between CUSTOMER and SUPPLIER during the project. The SUPPLIER is basically responsible for the calibration of such operating and measuring equipment. Agreements to the contrary must be concluded separately.

The quality guidelines and standards agreed with the CUSTOMER are binding for the SUPPLIER.

At the express request of the CUSTOMER, the SUPPLIER commits to submit a detailed test report with each delivery of goods after the start of series production and for the entire duration of the series deliveries. The test report must contain all relevant characteristics of the delivered products and confirm that the delivered goods comply with the agreed specifications. The test reports must be submitted in accordance with the format "Test result communication to Läpple Automotive" and must be complete and correct.

1.8 Target agreements

The SUPPLIER is committed to the zero-defect target and must continuously optimize its performance to this target. This goal must be pursued with measures such as consistent quality planning and series monitoring, with a focus on defect prevention. Annual quality targets may be defined in a quality agreement. The definition of such quality targets does not affect the SUPPLIER's obligation to deliver only defect-free products and CUSTOMER's claims for defects in the case of delivery of defective products.

2 PRODUCT AND PROCESS DEVELOPMENT (QUALITY PLANNING)

2.1 Project management

In order to involve the SUPPLIER in quality planning as early as possible, the CUSTOMER generally requires its SUPPLIERS to carry out systematic planning based on VDA RGA or AIAG APQP as part of project management. This planning includes both the products delivered by the SUPPLIER as well as its purchased parts or outsourced processes.

2.2 Inquiry documents

The SUPPLIER receives technical documents (e.g. 3D data, drawings, specifications, requirement specifications, customer requirements and standards, test specifications) with the request of the CUSTOMER. The SUPPLIER must request any missing documents in order to prepare a quotation.

The SUPPLIER shall ensure via its change management that all departments affected are always provided with the latest valid documents sent by the CUSTOMER. Invalid/outdated documents shall be marked as non-valid/outdated and removed from circulation.

The CUSTOMER shall provide the SUPPLIER with technical support from the respective departments upon the SUPPLIER's request. If the SUPPLIER recognizes that the design specified in the technical documents or the prescribed test procedures can be replaced by more appropriate, more economical and/or more effective ones, the CUSTOMER expects corresponding proposals.

2.3 Scope of offer

The CUSTOMER expects the SUPPLIER to clearly consider the respective inquiry documents in its offer. Any deviations from these inquiry documents must be clearly marked by the SUPPLIER.

2.3.1 Manufacturability analysis

The manufacturing feasibility analysis is to be created with the submission of the offer and is a prerequisite for the award of the contract. The result of the manufacturability analysis must be documented.

The SUPPLIER checks the manufacturability of the product on the basis of the technical documents provided to him. For this purpose, all features of a drawing or a specification need to be evaluated and confirmed individually. The analysis also includes the examination of the economic and process feasibility.

2.3.2 Schedule

The SUPPLIER shall prepare a project-related schedule including resource planning, which shall also include the scheduling of subcontractors. This schedule shall be presented to the CUSTOMER with the final offer submission and shall include the following criteria:

- Correction Phase/Optimization Loops SUPPLIER.
- Project related milestones incl. milestones of the CUSTOMER
 - Date of initial sampling
 - Release of workstation/internal process audit according to VDA 6.3
 - Start of Production (SOP)

Changes to the schedule affecting the milestones have to be checked by the CUSTOMER and released in text form.

2.4 Order

With the purchase order, the SUPPLIER receives the final, approved technical documents (e.g. 3D data, drawings, customer-specific requirements) from the CUSTOMER. The SUPPLIER must check the documents and he has a duty to inform according to chapter 2.5 towards the requesting status.

2.5 Information obligation

If it becomes apparent that agreements made (e.g. regarding quality characteristics, deadlines, delivery quantity) cannot be met, the SUPPLIER is obliged to inform the CUSTOMER immediately and to initiate its internal escalation process. In the interest of finding a solution quickly, the SUPPLIER is obliged to disclose the data and facts.

2.6 Special features

Special characteristics require special attention, as deviations in these characteristics can have an impact on product safety, service life, assembly capability, function or quality of subsequent manufacturing steps, as well as compliance with legal regulations.

Special characteristics are specified by the CUSTOMER. In case of missing specifications for special characteristics, the SUPPLIER shall independently select product and process characteristics which are useful for product quality and process assurance. These are identified in the SUPPLIER's risk analyses, e.g. in the product (design) and/or process FMEA. The identification and evaluation of the special characteristics must be carried out according to the specifications of the AIAG-VDA FMEA manual.

Special characteristics must be identified by SUPPLIER and marked in all relevant product and process documents (e.g. drawing, FMEA, risk analyses, test and production control plans). Special characteristics must be taken into special consideration and monitored in all relevant planning and production steps. For the verification of special characteristics, the scope and record-keeping time of the necessary documents must be defined accordingly.

2.7 Process flow chart

For visual representation of the process chain, SUPPLIER shall prepare a process flow chart. This process flow chart shall be consistent with the product (design) and/or process FMEA and the production control plan. Outsourced processes shall be listed as part of the process flow diagram.

2.8 FMEA

An FMEA must be created or revised on the following occasions:

- Development/production of new parts
- Implementation of new manufacturing processes
- Relocation of production sites
- Changes in drawings
- Changes of production processes
- for error prevention.

The following items, at least, must be considered when preparing an FMEA:

- Special features
- Material mix-up and confusion
- Variant management
- Separation of defective parts, rework parts, setting parts and sample parts
- Technical cleanliness
- Lessons learned from similar products and processes

The FMEA shall be performed according to the methodology described in the AIAG-VDA FMEA Manual.

2.8.1 Product (Design) FMEA

A product (design) FMEA shall be performed for all items developed under the responsibility of SUPPLIER.

2.8.2 Process FMEA

The SUPPLIER shall prepare a process FMEA for all process steps of an article. In this, the special characteristics and, if applicable, the results of the product (design) FMEA are to be given special consideration. Furthermore, the process FMEA shall be updated in case of changes and complaints.

The FMEA shall be made available for inspection upon request of the CUSTOMER. The evidence of the preparation of an FMEA shall be provided at the latest with a corresponding cover sheet within the scope of the initial sampling. Minimum requirements are information on initial creation, revision status, FMEA team as well as an overview of the AP and the applied evaluation key (preferably according to the AIAG-VDA FMEA manual or according to customer specifications).

2.9 Production control plan

In the production control plans the results as well as experiences of similar processes and products have to be considered. The production control plan shall be prepared for suppliers in the automotive business according to IATF 16949 for each of the prototype, pre-series and series phases.

2.10 Inspection plan

The production control plan is the basis for the inspection plan. The inspection plan shows all characteristics to be inspected with the associated inspection equipment as well as the inspection frequency for each operation.

Machine and process capability inspections shall be scheduled for special characteristics. The planning must also take into consideration the identification of training courses for employees and, if necessary, the set-up of workstations with regard to statistical process control (SPC, control chart technology).

2.11 Resources for monitoring and measurement

For all characteristics to be inspected resulting from the production control plan, the SUPPLIER must define the inspection methodology with the corresponding inspection equipment. Hereby, the procurement process shall be planned in such a way that the required test equipment is available for the pre-production start and the test process capability has been verified.

The SUPPLIER has to provide the evidence according to the requirements of VDA Volume 5 or AIAG MSA. The records for the inspection equipment monitoring of all gauges, measuring and inspection equipment are to be kept.

2.12 Statistical process control

The SUPPLIER is obliged to continuously evaluate its processes and process flows by means of suitable software-based methods, to analyze errors and to implement suitable corrective measures in order to maintain and improve process capability and to meet all requirements for zero defects. Continuous proof must be provided by using a CAQ system or other suitable methods.

Process capability studies serve as a benchmark for the quality capability of the processes. For all special characteristics and, if applicable, for further agreed testing characteristics, the SUPPLIER must introduce suitable safeguarding measures and make these available to the CUSTOMER upon request.

If the customer of the CLIENT has no further, higher-value requirements, the following limits shall be applied to demonstrate process capability:

- Machine capability: $C_{mk} \geq 1,67$
- Preliminary process capability: $P_{pk} \geq 1,67$
- Long-term process capability: $C_{pk} \geq 1,33$ with continuous improvement.

MFU and PPU must be carried out as part of the sampling. The PFU is documented by the SUPPLIER in the current series and made available to the CUSTOMER upon request.

The capabilities are preferably determined based on VDA Volume 4 or the AIAG SPC Manual. Deviating requirements for process capability or process capability index are agreed separately.

If process capability cannot be achieved, the SUPPLIER is obligated to inform the CUSTOMER and immediately implement 100% inspections to prevent the delivery of defective parts.

2.13 Requirements for substances and materials

All purchased parts, substances and materials used for the contractual item in the SUPPLIER's production as well as the processes required to manufacture the products must comply with the respective applicable legal regulations and official requirements, e.g. regarding environmental protection and safety, which are in force in the country of manufacturing, in the country of distribution and in the country of destination. In all other respects, the regulations in Chapter 9 are applicable.

With each delivery, the SUPPLIER shall send the current safety data sheet to the CUSTOMER without being requested to do so. In case of changes recorded in the meantime, the CUSTOMER shall receive the updated version without being requested to do so. If an approval test certificate 3.1 according to DIN EN 10204 is required according to the purchase order documents, it must be prepared by the SUPPLIER and submitted within one day upon request.

SUPPLIERS supplying to the automotive business are obliged to enter all substances, substance groups and material data into the International Material Data System (IMDS) of the automotive industry on www.mdssystem.com

3 SAMPLING AND REQUALIFICATION

3.1 Sampling of prototype and pre-series parts

Prototype and pre-series parts are products which are not completely manufactured under series conditions. The SUPPLIER shall sample prototype and pre-series parts according to sampling requirements agreed jointly between the CUSTOMER and the SUPPLIER.

3.2 Initial sampling

As described under point 3.1, the SUPPLIER shall provide initial samples according to sampling requirements jointly agreed between the CUSTOMER and the SUPPLIER.

The initial sample production includes the use of the series tool, the series machines, units and devices including compliance with the series parameters and series cycle time, at the series production site, series packaging and logistics. Furthermore, initial sample part production is carried out under series conditions by personnel who are also assigned to further series production and are trained in accordance with the work and testing instructions. In addition, the products and processes of the production materials are approved. The process parameters set during initial sampling must be recorded and archived by SUPPLIER and added to the internal sampling documents.

For all special characteristics and, if required, for further agreed testing characteristics, the SUPPLIER must carry out and document detailed analyses of the suitability of the production facilities and testing equipment used as well as process capability tests. For the determination of the machine capability MFU, all parts used must have the same conditions and be manufactured subsequently. For normal distributions, a sample of at least 50 pieces must be selected. The evaluation of the preliminary process capability PPU shall be presented for the first time when at least 25 random samples with five measured values each are available. For the required limit values, the information from Chapter 2.12 is applicable.

The series delivery may start only after the initial sample has been approved.

In case of using external laboratories, these must be accredited according to ISO/IEC 17025 or the corresponding national equivalent.

The sampling documents have to be sent in electronic form to the CUSTOMER.

3.3 Reference Samples

Reference samples are kept in a safe place by SUPPLIER and protected from environmental influences.

3.4 Requalification

The CUSTOMER demands an annual requalification test. The requalification must be carried out to the full extent of the initial sampling. The SUPPLIER shall carry out the requalification test without being requested to do so and shall make the documents or extracts available to the CUSTOMER upon request. The first requalification must be carried out one year after series approval and thereafter at annual intervals.

4 ASSURANCE OF PRODUCT AND PROCESS QUALITY IN THE SERIES

The responsibility for using effective systems to monitor and continuously improve process and product quality belongs to the SUPPLIER.

As far as technically possible, monitoring methods shall be used that necessarily prevent the delivery of defective products.

4.1 Discharge - checks on the part of the CUSTOMER

The SUPPLIER is responsible for the outgoing inspection and thus for the defect-free delivery.

The CLIENT limits the inspection of incoming goods for SUPPLIER deliveries to the detection of deviations in compliance with the quantity and identity of the ordered contractual products as well as transport and packaging damage. Any deviations and damage detected in the process shall be reported immediately. In this respect, the CUSTOMER is released from the obligation to inspect and give notice of defects (according to § 377 German Commercial Code).

In addition, the CLIENT shall inspect the delivered goods in accordance with the conditions of a proper business process during the production process and notify the SUPPLIER of any defects immediately after their detection. The SUPPLIER waives the objection of late notification of defects in this respect.

The SUPPLIER is advised that it is in his interest to coordinate the above provisions with his liability insurer.

4.2 Treatment of defective or suspected defective parts

If a defect is detected by the CUSTOMER or a customer of the CUSTOMER, a notification of the defect (complaint) will be made by providing a test report and/or a written notice. Deficiency samples will - insofar as this is possible for the CUSTOMER with reasonable effort - be sent to the SUPPLIER or made available for inspection at the CUSTOMER's location

The SUPPLIER will be informed whether the defective goods can be assembled under reservation or sorted out by the CUSTOMER. Rework is generally not permitted and always requires prior agreement with the CUSTOMER. Within the scope of an approved rework, the SUPPLIER is still responsible for the conformity of the goods according to drawing requirements. The SUPPLIER is obligated to sort out or replace defective deliveries at its own costs so that the CUSTOMER does not suffer any damage. The time frame for any actions will be specified by the CUSTOMER. The SUPPLIER must clarify whether further defective goods are located at the CUSTOMER's site or on the transport and inform the CUSTOMER accordingly.

The SUPPLIER must inspect its own stock for defects and, if necessary, sort out or scrap it. It must be ensured that no further defective products are delivered to the CUSTOMER. The SUPPLIER must ensure that products to be scrapped are rendered unusable before they are disposed of. The CUSTOMER may scrap defective products delivered directly on site in coordination with the SUPPLIER. If requested by the SUPPLIER, this will be done under the guidance of a representative of the SUPPLIER. The scrapping costs shall be carried by the SUPPLIER.

If the SUPPLIER detects defects on its own premises, which may also affect goods already delivered, the CUSTOMER must be notified immediately. Immediate corrective measures must be implemented and communicated immediately.

Upon receipt of an inspection report, the SUPPLIER shall submit all measures (e.g. immediate corrective measures, medium-term and long-term corrective measures) to the CLIENT in the form of an 8D report. The SUPPLIER shall inform the CLIENT of the immediate measures initiated (steps 1 to 3 of the 8D report) within 24 hours of receipt of a complaint at the latest. The medium-term corrective actions (steps 4 to 5 of the 8D report) shall be communicated within 3 working days, the long-term corrective actions (steps 6 to 8 of the 8D report) within 10 working days. An extension of this deadline, e.g. due to a comprehensive analysis at sub-suppliers, shall be notified by SUPPLIER before the deadline expires. In the root cause analysis, the SUPPLIER shall use appropriate methods (e.g. Ishikawa cause-effect diagram, 5-Why). The SUPPLIER is responsible for monitoring the effectiveness of the medium and long-term measures. The CUSTOMER will reserve the right to review the effectiveness.

If complaints increase or if notifications of defects or test reports are not answered properly, visits and quality discussions with the SUPPLIER will be carried out. If necessary, corresponding audits will be carried out at the SUPPLIER. The CUSTOMER reserves the right to charge the SUPPLIER for the resulting additional expenses. Claims for damages and follow-up costs resulting from complaints will also be invoiced to the SUPPLIER.

4.3 Defective Part Analysis Field/No Trouble Found Process (NTF)

For SUPPLIERS supplying to the automotive business, a method for damaged part analysis must be applied in addition to the 8D report in case of field complaints, including a No Trouble Found process as well as an assessment of the parts returned from the markets. Problem solving approaches and corrective actions must be initiated or implemented to prevent reoccurrence of the defect. The SUPPLIER must communicate the results of these analyses, findings and measures both internally and to the CUSTOMER.

4.4 Escalation

If a SUPPLIER repeatedly causes quality problems at the CUSTOMER and/or a risk to the customer is expected, the CUSTOMER reserves the right to charge the costs for the resulting additional costs to the SUPPLIER.

5 TRACEABILITY AND DOCUMENTATION

5.1 Traceability

The SUPPLIER ensures traceability and complete quality evidence of all materials, manufacturing processes and products through appropriate production labeling measures. This also includes compliance with the FIFO principle throughout the entire supply chain.

Traceability must be arranged in such a way that, in case of a defect, it is possible to isolate the defective products at least up to the corresponding unit load carrier. The SUPPLIER must prepare and consider a traceability plan.

Both the delivery receipt and the acceptance test certificate must indicate each package number of a shipping unit (e.g. individual cartons on a pallet). The delivery note number ensures traceability throughout the entire process chain.

In addition, the labelling of all deliveries must be done according to VDA 4994.

5.2 Recording periods

The documentation is the responsibility of the SUPPLIER and must be carried out in an appropriate form (protected against fire and loss), with Evidence of Exercised Diligence if applicable (Proof of Discharge).

There is a retention period of eighteen (18) years after the end of series production (End of Production= "EOP") for all technical documents. Longer retention periods (up to 30 years) are recommended due to the limitation periods for product liability claims. The retention period for all other quality-related data is three (3) years, beginning at the end of the year in which the data was created. The corresponding quality records shall be submitted to the CUSTOMER without delay upon request.

6 CHANGE MANAGEMENT

Already when submitting the offer, the SUPPLIER must take into consideration that the machines and equipment used must be appropriate to the product life cycle of the goods and must be state of the art.

In order to properly carry out the test quantities required for series assurance, the SUPPLIER must inform the CUSTOMER in written form and sufficiently in advance of the planned changeover date about changes in the manufacturing process, particularly changes in production processes and production methods, the relocation of production sites and the change of a subcontractor. Proposed changes to subcontractors must also be taken into consideration. The SUPPLIER may implement the change only after acceptance of a change request in combination with an initial sample approval. The change approval of the CUSTOMER must be attached to the corresponding sampling documents.

In case of a change initiated or requested by the CUSTOMER, it shall be properly and fully prepared and evaluated by the SUPPLIER in the documents requested and provided by the CUSTOMER.

6.1 Reason for renewed product and process approvals

Re-sampling is generally required on the following occasions:

- Product changes
- Changes in tools
- Implementation of a new tool
- Implementation of new or additional machines
- Process changes (any changes to the process that are not included in the production control plan or have not been approved by the customer, such as rework)
- Material changes
- Changes in drawings
- Relocation of production (relocation of sites and machines)
- Change of a sub-contractor of the SUPPLIER
- After a delivery block has been lifted
- Suspension of production > 1 year
- Suspension of delivery > 1 year

Exceptions in procedure and scope are only permitted in consultation with the CUSTOMER.

6.2 Product history

At the request of the CUSTOMER, the SUPPLIER shall provide a product life cycle. All modifications to the product and changes in the process chain must be recorded in a product life cycle in accordance with VDA Volume 2.

7 SUPPLIER MANAGEMENT BY THE CUSTOMER

7.1 Supplier monitoring and evaluation

The CUSTOMER carries out a supplier rating for the SUPPLIER. The SUPPLIER will be informed in written form about the result. The declared aim is to give priority to cooperation with A-suppliers. If further measures are required based on the supplier rating, the SUPPLIER will be requested to do so.

7.2 Extraordinary supplier development

The goal of the CUSTOMER's extraordinary supplier development is a systematic improvement of the delivery performance based on a regular analysis over a longer period of time. The starting point for extraordinary supplier development is the supplier rating and/or the number and significance of defect notifications/complaints. If a SUPPLIER is conspicuous in one of these criteria within the past observation period, a detailed actual recording will be made based on the available data, for example through supplier interviews, on-site visits, focused inspection or request for documents as well as the classification of the SUPPLIER into a development level according to the following matrix. The SUPPLIER will be informed in written form about the classification into the corresponding development level.

Development level	Criteria	Problem solution	Downgrading criteria
E1 (extraordinary supplier development)	The SUPPLIER does not meet the action planning and/or agreed action implementation from the supplier evaluation. The SUPPLIER demonstrably provides incomplete/incorrect sampling documents or results from the cross-check contradict the specification (red result or rejection). Parts or projects do not meet the defined maturity level at the time. Measured variables repeatedly red and measures missed deadlines and content not fulfilled. Poor cooperation (e.g. submission of documents only after repeated requests). The SUPPLIER is conspicuous due to late or defective delivery(s).	Presentation of the problem solution process during a supplier meeting. Action plan/activity plan must be created within one week. Post-audit or proof of effectiveness of measures by the supplier. Supplier visits/(event-oriented) supplier audits (according to VDA 6.3). Burden of costs (e.g. administrative effort, re-audits if necessary, costs for re-sampling, sorting costs). 100% sorting action of all stocks. 100% inspection by the SUPPLIER in addition to his planned outgoing inspection as well as marking of these parts until de-escalation into normal daily business.	Deficiency or potential risk has been verifiably eliminated.
E2 (risk)	The SUPPLIER has not fulfilled measures and requirements of level E1 (non-compliance with agreed measures and deadlines). Insufficient preparation of the content of the discussion at level E1 (lack of problem analysis, preparation of measures). Procrastination and non-fulfillment of measures from E1 and a risk of threatening project goals and follow-up processes. Parts or projects do not meet the defined maturity level at the time. Poor cooperation (e.g. submission of documents only after repeated requests). The SUPPLIER is conspicuous in the supplier rating due to late or defective delivery(s). The SUPPLIER is conspicuous due to late or defective delivery(s) with an impact of major damage to the CUSTOMER or a potential endangerment of the end customer.	Presentation of the problem solution process during a supplier meeting. Additional escalation via project, project management or executive management if necessary. Supplier visits/ action plan including evidence of effectiveness. On-site support with costs to be covered by the SUPPLIER. Burden of costs (e.g. administrative effort, re-audits if necessary, costs for re-sampling, sorting costs). 100% inspection by the SUPPLIER in addition to his planned outgoing inspection as well as marking of these parts until de-escalation into normal daily business as well as daily documentation and report.	Deficiency or potential risk has been verifiably eliminated. Effectiveness confirmed in a supplier audit according to VDA 6.3 by the CUSTOMER (at least B rating).
E3 (New Business on Hold)	The SUPPLIER has repeatedly failed to complete measures and requirements of level E2 within the specified agreed time (probation period). Insufficient preparation of the content of the discussion at level E2 (lack of problem analysis, preparation of measures).	Temporary non-consideration for new business awards. Presentation of the problem solution/plan of measures during a supplier meeting.	Deficiency or potential risk has been verifiably eliminated. Effectiveness confirmed in a supplier audit according to

	Procrastination and non-fulfillment of measures from level E2 as well as endangering project goals and follow-up processes. Procrastination of topics that have already passed through stages E1 or E2 (trigger criteria of stages E1 and E2). General management or location problem.	Additional escalation via project, project management or executive management. Intense supplier support on site with costs to be covered by the SUPPLIER. Burden of costs (e.g. administrative effort, re-audits if necessary, costs for re-sampling, sorting costs). 100% inspection by the SUPPLIER in addition to his planned outgoing inspection as well as marking of these parts until de-escalation into normal daily business as well as daily documentation and report.	VDA 6.3 by the CUSTOMER (at least B rating). Additionally, business-on-hold status MUST be lifted from the CUSTOMER by internal interdisciplinary team.
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The above chart describes the different development levels according to the event-related multi-level procedure including the downgrading criteria. The problem-solving methods defined in the problem-solving column of the above table can also be applied to existing SUPPLIERS in case of new projects, new processes, new materials, new product groups as well as in case of changed customer requirements.

7.3 Supplier audits (“Second Party” Audits)

In addition to the trigger factors described in the matrix in chapter 7.2, supplier audits can be used for the following purposes:

- Supplier risk assessment
- Development of the SUPPLIER's QM system
- Product and process audits

The determination of the need, type/variant, frequency and scope of supplier audits is based on the following criteria:

- Risk analyses
- Certification level of the QM system
- (regulatory) product safety requirements

Discovered deviations from an audit are recorded in the audit conclusion meeting and defined and sent in the form of an action plan. This must be processed within the agreed-upon timeframe as follows:

- Possible immediate measures
- Cause analysis (suitable methods such as Ishikawa cause-and-effect diagram, 5 Whys)
- Measure(s)
- Schedule
- Responsibility

In the case of a re-audit, this must be carried out to the same extent as the previous audit. A reduction in the scope of the audit to an effectiveness test of the introduced measure upon confirmation is not permissible.

8 SUBCONTRACTOR MANAGEMENT

Sub-suppliers have a significant influence on the quality of the final product. The SUPPLIER is obliged to ensure that the agreements made in this QAA are implemented in his supply chain. In addition, the regulations on sub-suppliers in chapter 1.7 are applicable.

9 LEGAL AND REGULATORY REQUIREMENTS

The SUPPLIER shall ensure that all applicable legal and regulatory requirements of the exporting country, the importing country and the country of destination specified by the customer are fulfilled. If the countries in question are not known to the SUPPLIER, the SUPPLIER must request them from the CLIENT.

The CLIENT points out that all references to legal and official requirements listed in this QAA refer to the currently valid status.

10 PRODUCT SAFETY

For SUPPLIERS who deliver to the automotive business, the SUPPLIER shall nominate a person responsible for product safety and ensure his qualification through appropriate training. Should the responsibility change, the SUPPLIER is obliged to inform the CUSTOMER and to tell him the new responsible person. The SUPPLIER is also obliged to ensure that its subcontractors comply with the product safety requirements.

11 SEVERABILITY CLAUSE

If any provision of this QAA is or becomes invalid or unenforceable in whole or in part, the remaining provisions of this QAA remain unaffected. In place of the invalid or unenforceable provision, a valid and enforceable provision shall be agreed which comes as close as possible to the objective of the invalid or unenforceable provision. The same applies in the case of a gap.

12 TERM OF VALIDITY

This Quality Assurance Agreement is valid for an unlimited period; it may be terminated in written form with a cancellation period of 6 months to the end of a quarter. However, the validity of the Quality Assurance Agreement continues to apply to all deliveries based on supply contracts concluded prior to the termination of this Quality Assurance Agreement.

13 APPENDIX

CONFIRMATION

The SUPPLIER agrees to the requirements specified in this Quality Assurance Agreement and agrees to comply with them.

SUPPLIER

Address	
Surname, first name	
Position	
Date, Signature	

Address	
Surname, first name	
Position	
Date, Signature	

CUSTOMER

Address	
Surname, first name	
Position	
Date, Signature	

Address	
Surname, first name	
Position	
Date, Signature	

We would like to ask you to sign and return this Quality Assurance Agreement to the CUSTOMER within 14 calendar days. For any changes or additions, please use the form below.

APPLICABLE DOCUMENTS

Description	Title
AIAG APQP	Advanced Product Quality Planning and Control Plan
AIAG FMEA	Potential Failure Mode and Effects Analysis
AIAG MSA	Measurement Systems Analysis
AIAG PPAP	Production Part Approval Process
AIAG SPC	Statistical Process Control
DIN EN 10204	Metallic products - types of inspection certificates
DIN EN ISO 9001	Quality Management Systems - Requirements
DIN EN ISO 14001	Environmental Management Systems - Requirements with guidance for use
IATF 16949	Requirements for quality management systems for series and spare parts production in the automotive industry
VDA 4994	Global Transport Label
VDA RGA	Maturity assurance for new parts
VDA Volume 1	Documentation and archiving
VDA Volume 2	Ensuring the quality of deliveries
VDA Volume 4	Assurance of quality in the process landscape
VDA Volume 5	Inspection process capability
VDA Volume 6.1	QM system audit
VDA Volume 6.3	Process audit

The listed reference documents are always valid in the latest version.

CHANGES TO THIS QUALITY ASSURANCE AGREEMENT

Section of this QAA	Change proposed by the SUPPLIER	Additions/Opinion of the CLIENT

CHANGE HISTORY:

Date:	Change (Chapter / Content):	Name:
12.10.2023	1.7: Delete the sentence "The clear development goal for direct automotive suppliers is IATF 16949; editorial revision	B. Kavelius, T. Brummer
12.08.2024	Editorial change; IHV renewed. No changes to content	---
17.10.2024	1.2: Add last paragraph 1.7: Add last paragraph	B. Kavelius / T. Brummer M. Vettermann
06.08.2025	Design adjustments to the actual CI/CD; 7.3: Supplier audits, last paragraph added; Change history added	P. Luschenz