Quality assurance agreement for suppliers

1. Management system of the supplier

We expect the supplier's documented management system to be at least ISO 9001 certified by an accredited certification body.
Moreover, we welcome the presence of a certified environmental management system in accordance with ISO 14001.

In addition, our regulations and specifications also apply to drawings, dimensional and material standards as well as purchase orders.

2. Review of the QM system at the supplier's facility

The supplier will let us conduct audit work. We reserve the right to perform audits even if evidence has already been brought by third parties. The supplier shall provide all necessary documents and allow access to the areas that are relevant to us. If necessary, improvement measures with responsibilities and target dates will be agreed with the supplier. A follow-up audit may be conducted to monitor the effectiveness of the corrections.

The supplier will also let us perform audits or process approvals together with third parties within a reasonable period of time.

A non-disclosure agreement may be concluded to protect the legitimate interests of the supplier.

3. Supplier evaluation *I* target agreement

We expect the faultless provision of products and services (zero-fault target). The possible agreement of target values for reject rates (ppm values) does not mean a level of quality accepted by us. The agreement of quality objectives and measures shall not limit the liability of the supplier for warranty and damage claims due to defects in the deliveries. Faulty deliveries will not be accepted, and their expense will be borne by the supplier. Ongoing delivery performance is an integral part of our supplier evaluation. When placing orders, we will preferably turn to suppliers on the basis on their reliability.

4. Outsourcing to third parties

If services are outsourced to third parties, the supplier shall be obliged to delegate the specifications stated here for quality assurance to the subcontractors and to ensure that the specifications are complied with. Unless otherwise agreed, outsourcing to third parties always requires our prior consent as well as subsequent sampling in accordance with Section 11. We can examine the subcontractors' records and perform audits at the subcontractor's facility in coordination with the supplier.

5. Environment and safety

The supplier guarantees compliance with the statutory regulations relating to occupational safety and environmental protection for the production and transport of the products purchased from us. This concerns the required materials, facilities, equipment and workplaces.

6. Legal requirements

At our request, the supplier shall document for us the material composition of his products in the International Material Data System (IMDS). This applies in particular, but not exclusively, to products, semi-finished products or substances intended for use in motor vehicles. We will inform the supplier, on request, whether a particular product is intended for this purpose, unless this is already obvious from the order documents.
The supplier must submit appropriate evidence of compliance with any applicable legal requirements for the goods delivered by him. The legal requirements include among other things, but are not limited to, the following rules and regulations:

- REACH
- RoHS
- EU end-of-life-vehicles directive
- Dodd-Frank-Act (USA, so-called "conflict minerals")

7. FMEA

In order to minimise any process-related risks, the supplier should create and maintain an up-to-date process FMEA for the products purchased from us. We may review the FMEA, but do not require it to be handed over.

8. Test planning

Unless otherwise expressly agreed, the supplier must perform a test planning for drawing-based products. In this case, appropriate documentation and reporting forms (e.g. production control plan) must be used, unless a customer-specific format is specified. The test planning must result, among other things, in the definition of specific characteristics. Specific characteristics provided by Quiter (for example, CC or SC features) must be observed and controlled.

9. Statistical methods

Unless 100% inspections are expressly required, appropriate statistical methods for quality control must be used. As regards to key characteristics, manufacturing processes must be controlled using a statistical method for process control. Unless we have specified characteristics or parameters in the purchase order documentation, the supplier shall select appropriate characteristics, without this exempting him however from the fulfilment of all specifications. If the minimum value of cpk > 1.67 (cmk/ ppk > 2.0) cannot be reached during long-term process capability tests, the supplier must ensure by way of process optimisation and suitable test measures that no faulty materials and products will be supplied.
Methods for statistical process control are described, among other things, in standards and brochures of DGQ and VDA. In some individual cases, we reserve the right to include customer-specific requirements in the order documentation. These shall then override the aforementioned rules.
Reasonable and appropriate sampling plans must be used for the incoming goods inspection and final inspection, if applicable. Upon our request, test plans or statistical procedures used must be disclosed and agreed, if necessary.

10. Tests

The quality assurance measures shall be stated in work instructions and test instructions, which must derive from the process FMEA and the production control plan. Any tests performed must be documented using appropriate records. The retention period for quality-relevant documents, specific characteristics and documents with special archiving (DmbA features) is 15 years after production ends. Further requirements can be specified by us in the purchase order documentation. We reserve the right to check compliance with these archiving requirements during the audits.

11. Test certificates

On request, the supplier will let us review the test records for the products purchased from us. On request, we can ask for written proof of product quality compliance with each delivery, in particular, but not exclusively, for semi-finished products in the form of a test certificate in accordance with EN 10204. The supplier shall provide us with test planning documents on request.

12. Sampling

Before starting the serial delivery of drawing-based products, initial samples must be qualified under series conditions. We shall disclose the format and content of the initial samples in the order documents (usually VDA -PPF or PPAP).

Deviations from the series conditions require to be mutually agreed. Any changes to components, manufacturing processes and locations, as well as stopped production >12 months, must be announced in advance with new sampling. As regards the specific characteristics, a short-term capability study must be submitted, whereby a c_{mk}-value of > 1.67 is reached.
In the event of new sampling, we assume that there is enough data material for the proof of long-term capability with c_{pk}> 2.00.
If these characteristic values are not achieved, measures must be agreed with us. With this in mind, the supplier shall suggest test methods and potential for improvement.

The supplier shall reapply for qualification every year. The scope must be agreed with us during initial sampling.

13. Labelling, traceability, packaging

Material and product labels must be attached so that the part description, part number, quantity and delivery date cannot be detached from the containers. The supplier shall provide a tracking system, which, in the event of a fault, allows for the restriction of the quantities in question. Unless otherwise prescribed, the type of packaging must be chosen so as to exclude any quality impairment during transport.

14. Incoming goods inspections at Quiter

The supplier shall assume the responsibility for providing faultless products. Incoming goods inspections are therefore only carried out at random.

15. Deviations in quality

If any deviations are detected by the supplier or if they are suspected on products that have already been delivered, you should immediately inform us by way of a voluntary declaration. Further action shall be agreed between the supplier and us. We will not asses in a negative manner any defective parts or products that are part of a voluntary declaration submitted in a timely manner.

16. Complaints

Should any defects be found in the products, parts or services supplied during the incoming inspection or at a later time, we will immediately inform the supplier in each case.

In the event of a complaint, we expect the following reaction on the part of the supplier:

- After a maximum of 24 hours, the supplier must submit an opened 8D report informing us of the immediate action taken. Immediate measures must include the stock at the supplier's facility, goods in transit to Quiter as well as inventory at our facility. They should be adequate and enable the prompt resumption of production of faultless goods.
- After a maximum of 10 working days, a complete 8D report must be submitted, which, in addition to a traceable root cause analysis, must also include corrective measures to reliably prevent the repeated occurrence of the reported fault. The supplier shall check the effectiveness of any measures taken.

Any necessary deadline extensions shall be agreed with us in good time.

When processing complaints, both parties shall commit to share comprehensive mutual information and mitigate damages.
Should we incur additional costs, e.g. for laboratory analysis, rework, sorting activities or special measures at the customer's facility, we will immediately inform the supplier and notify him of the costs. Within the scope of possibilities and depending on the urgency, the supplier will be given the opportunity to minimise costs using his own resources.