



QUALITY ASSURANCE AGREEMENT
(Qualitäts Sicherungs Vereinbarung)

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between

HEYCO – WERK
Heynen GmbH & Co.KG
Birgden III/1
D-42855 Remscheid

called „HEYCO“

and

Company

.....
.....
.....
.....

called „Contractor“

By using a strong Quality Management system, HEYCO wants to fulfill its Customers requirements. The Contractor contributes to this process by using and maintaining a strong quality management system in an effective manner.

1. Scope

This Quality Assurance Agreement (QAA) is the contractual definition of the technical and organizational conditions and processes between HEYCO and the Contractor, which are necessary, to achieve the prescribed quality objectives.

Individual clauses of the QAA do not apply, if the order deviates from the conditions of the QAA or these are contrary to other documents / literature.

Verbal agreements, changes and additions must be done in written form.



2. QM System, Q-Ability

The Contractor commits to implement a quality management system according to DIN EN ISO 9001, ISO / TS 16949 *or* VDA 6.1. This must be presented by a valid certificate issued by an accredited certification company. The latest certificate has to be delivered to HEYCO without request.

In case, that the Contractor does not have such a quality system, HEYCO will check the effectiveness of the implemented system (e.g. according to VDA 6.3). This may also be proved by the audit of another customer, provided that the audit is carried out under same conditions.

3. Access, Audit

After enouncement HEYCO is entitled to test at any time the effectiveness of the contractors quality assurance measures.

The Contractor will be audited, if the circumstances require (e.g. critical components, complaints, delivery problems). The audit is usually carried out according to VDA 6.3 *incl. customer specific requirements*.

If necessary, the Contractor ensures, that an audit is also possible at its subcontractors.

4. Documentation, Validation

The Contractor commits to carry out complete product life cycle documentation.

Annually a requalification check according to ISO/TS 16949 will be required. HEYCO is entitled to inspect the documentation.

The Contractor proves the accuracy of it's products by appropriate tests and documentation. Raw-materials must be sent with certificate 3.1. The Contractor ensures the traceability of parts, including the sub-components throughout the entire process chain and also the date of production. This minimizes costs in case of a complaint.

Quality documentation for safety-related features or parts must be archived for a period of 15 years, others according to the statutory rules. The Contractor will require its subcontractors to comply with the same contractual obligations as the contractor.

5. Confidentially Agreement

The Contractor undertakes to treat all non-public commercial and technical details as trade secrets. Drawings, data, information, parts, etc. may not be disclosed to any third party without HEYCO's consent.

6. Requirements

The following regulations and standards are part of this agreement:

- VDA Volume 2 "Quality Assurance of Supplies"
- VDA Volume 4 "Ensure Quality Planning"

Production Process and Product Release reports are according to VDA 2, submission level 2, this includes dimensions- and material reports and the IMDS entry.

The Contractor bears all costs to non-compliance sampling, if they are responsible for the negative result.

The Contractor further agrees in observing the terms of Sustainable Management (Social Responsibility) and the International Labor Organization (ILO).

7. Quality, goal setting, review

The Contractor is committed to the "zero fault principle" and optimizes its processes continuously (KVP). If there are deviations to the "zero fault principle", HEYCO and the Contractor can fix annually a ppm - target rate and a maximum number of claims.

HEYCO performs a supplier evaluation. This results in the number of claims (ppm) and logistic (quantity and date) and "soft facts", such as communication, ensuring compliances and flexibility.

8. Process characteristics, abilities, changes

For important features (sc, cc) in a drawing or specification, the Contractor shall furnish the process capability $cpk > 1.67$.

If the drawing does not specify important features, the Contractor must establish important, process-related characteristics by his own. The ability of the manufacturing process must be demonstrated and documented ($cpk > 1.33$).

For critical characteristics following informations must be supplied:

- risk assessment, when process change
- proof of safe process runs
- proof of matching procedure with the subcontractors.

(Process) Changes are communicated in time to HEYCO - QM, for example by sending samples and records.

9. Complaints, liability, cost acceptance

Technical documents are reviewed by the Contractor. If there are errors or misunderstanding, the Contractor must inform HEYCO immediately. The same applies to HEYCO (mutual obligation).

HEYCO checks incoming goods only for quantity, identity and recognizable damages. Further tests are performed only in specific cases.

Besides this, HEYCO has the right to give notice of defects which are discovered during further processing or later at the customer. The Contractor is obliged to sort out faulty deliveries or rework them if possible.

In case of claims HEYCO is entitled for measures, to keep up deliverability to the customer and to minimize damage for all concerned parties, even if the Contractor cannot react immediately by itself. This may be an instant sorting action at HEYCO or at the customer, to avoid a standstill of production lines.

The Contractor pays the costs of reclamation, such as sorting, rework, special transport, etc according to the respectively hourly rates.

The Contractor will be informed immediately about the complaint in turn to give them the opportunity to react himself immediately to minimize costs.

The Contractor creates a 3-D report within one business day and an 8-D report normally within 10 working days. Latest after 3 months he has to inform Heyco about the effectiveness of his counter measures.



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If the Contractor has caused a complaint caused by him (already one defective part per delivery), a complaint fee of currently € 120. – has to be paid.

This provision shall not affect the liability of the Contractor for warranty and damage compensation claims of HEYCO for faulty deliveries.

If problems seem to be unsolvable, HEYCO's escalation model will be used, which final step may be the separation from the supplier.

The contractor must advise his Product Safety Officer (Produkt -Sicherheits Beauftragter).

10. Other

The Contractor agrees to provide contact persons, who speak German and / or English. Quality related documents are to be kept in German or English. These are e.g.:

- PPF reports including required documents
- FMEA (only for inspection)
- Production and Control Plans
- Capacity Planning
- Emergency Plan

HEYCO owned material and documents have to be returned in case of end of contract or Contractors insolvency.

11. Term

This QAA is a permanent document. However, it can be terminated with 3 months written notice given by either party. The termination of this agreement does not effect other individual contracts until they run out by fulfillment.

HEYCO – WERK
Heynen GmbH & Co.KG

Krippner
QM-Manager

Remscheid,

Contractor (stamp)

Name & signature

state/city

,
date