



# QUALITY ASSURANCE AGREEMENT

Valid 5/2021

Between

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

called „HEYCO

and company

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

called „Contractor”

## 1. Introduction

By using a strong Quality Management system, HEYCO wants to fulfill its Customers requirements. The deliveries of the contractor in the agreed quality, date, quantity and location contribute decisively to this.

## 2. 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.

## 3. QM System, Q-Ability

The Contractor commits to implement a quality management system, which orientates to ISO 9001 or VDA 6.1.

Aim is the certificate ISO 9001 or higher, issued by an accredited certification company.



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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 including "customer specific requirements" (CSR) of HEYCO's customers).

This may also be proved by the audit of another customer, provided that the audit was carried out under same conditions.

## 4. Access, Audit

After announcement HEYCO is entitled to test at any time the effectiveness of the contactors 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. HEYCO's customer is authorized to accompany the audit.

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

## 5. Requirements

Customer-specific requirements are to be taken into account by the contractor, in particular the requirements of Heyco's customers, which are passed on accordingly if applicable, unless they do not emerge from the documents.

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 (initial samples) are to be provided according to specified customer requirements (e.g. VDA, AIAG) including dimensional and material testing as well as IMDS entry based on 5 parts per cavity.*

The Contractor bears all reasonable costs to non-compliance sampling (note 6), if he is responsible for the negative result.

The contractor undertakes to comply with the requirements of RoHS, REACH, Conflict Minerals as well as of Sustainable Business (Social Responsibility) and the International Labor Organization (ILO).

## 6. Documentation, Validation

6.1 Suppliers of parts, wage labor and assembly activities commit to carry out complete product life cycle documentation.

The Contractor proves the accuracy of it's products by appropriate tests and documentation. Annually required are product-/ process-audits according to VDA 6.5/6.3 and requalification checks. HEYCO is entitled to inspect the documentation at any time.

6.2 Raw-material supplier sent a 3.1 certificate with each charge. If there are any "product specific safety criterias", the documents must be marked with special signs according to HEYCO's or HEYCO's-customer's specification.

6.3 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.

6.4 Quality documentation for safety-related features or parts must be archived for a period of 15 years after run out, others according to statutory rules.

6.5 The Contractor will require its subcontractors to comply with the same contractual obligations as the contractor.



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## 7. 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.

## 8. Quality, goal setting,

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 a ppm - target rate and a maximum number of claims annually.

## 9. Assessment

HEYCO performs a yearly supplier evaluation.

This results in the numbers of claims (ppm), logistic (quantity and date) and "soft facts" such as communication, compliance of agreements and flexibility.

The classifications follow the VDA 6.3 levels: C <80, B <90, target is level A with 90 points or more. B and C suppliers receive their assessment yearly and the request to draw up an action plan, responsible persons and date for the re-achievement of the A-classification.

## 10. Feasibility Study, process characteristics, abilities, changes

Technical documents are checked by the contractor by means of a feasibility study, taking all risks into consideration. In case of defects, errors or unsubstantiated documents, the contractor is obliged to inform HEYCO immediately. The same applies to HEYCO (mutual obligation to inform).

For critical features (e.g. cc) in a drawing/specification, the Contractor shall furnish a machine process capability of  $c_{pk} > 1,67$ .

For critical and product safety relevant characteristics following information must be supplied:

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

If the drawing does not specify any important feature, the Contractor must establish an important, process-related characteristics by his own.

The ability of the manufacturing process must be demonstrated and documented with  $c_{pk} > 1.33$ .

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

## 11. Complaints, cost acceptance, escalation

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

HEYCO has the right to give notice of defects which are discovered during further processing or later by his customer.

The Contractor is obliged to sort out faulty deliveries or rework them if possible without cost.

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



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The Contractor pays the costs of reclamations indebted by him, 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 him 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. After 3 months latest he has to inform Heyco about the effectiveness of his counter measures. If problems seem to be unsolvable, HEYCO's escalation model will be used. Actions must be taken by the contractor, assisted by Heyco, to regain normal conditions. If there is no chance, Heyco separates from the contractor.

## 12. 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.:

- PPAP-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.

The contractor must advise a Product Safety Representative (German: PSB). If no one is named, HEYCO assumes that this is fulfilled by the project manager or head of Q-department.

## 13. Term

This QAA is a permanent document and replaces old QAA at the time of entry.

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

Contractor

*Remscheid,*

.....  
city , date

*Mannheim*  
QM-Manager

.....  
name & signature

Note: changes are written cursive.