



Between

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

hereinafter referred to as "HEYCO"

and company

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Hereinafter referred to as "Contractor".

**1. Introduction**

HEYCO wants to meet the expectations of its customers with a consistent quality management. The contractor's (supplier's) performance in terms of agreed quality, deadline, quantity and location plays a decisive role in this.

**2. Scope of application**

This Quality Assurance Agreement is the contractual definition of the technical and organizational framework conditions and processes between HEYCO and the contractor that are necessary to achieve the specified quality objectives.

Individual clauses of this QAA shall not apply if deviations from this QAA have been agreed upon in the purchase order or if these deviations contradict further documents/literature.

Subsidiary agreements, amendments and supplements must be made in writing.

**3. QM-System, Q Capability**

The contractor undertakes to apply a QM system based on ISO 9001 or VDA 6.1. The aim is a certificate from an accredited certification body, according to IATF 16949.

In the event that the contractor does not maintain such a quality system, the effectiveness of the implemented system (e.g., according to VDA 6.3 as well as customer-specific requirements) will be verified as part of an approval procedure. Alternatively, this can also be done by the proof of an audit of another customer, provided that this audit was carried out under the same conditions.

A supplier evaluation is carried out annually by the purchasing department and the quality department. The following facts are evaluated: Delivery quality, adherence to delivery dates, adherence to quantities, communication behaviour, compliance with agreements and flexibility.

## 4. Access, auditing

HEYCO is entitled to convince itself of the effectiveness of quality assurance measures at any time after notification of the Contractor.

The Contractor shall be audited if circumstances so require (e.g., complicated components, number of complaints). The audit is carried out in accordance with VDA 6.3, taking into account customer-specific requirements. This can also be done in the company of the HEYCO customer.

If necessary, the contractor will also ensure that an audit can also be carried out at the premises of his subcontractors.

## 5. Specifications

Customer specific requirements are to be considered by the contractor, this concerns in particular the specifications of HEYCO customers, which, if applicable and not apparent from the documents, will be forwarded accordingly.

The contractor must inform himself about all national/international standards concerning his contractual products.

The following regulations and standards are part of this regulation:

- VDA Volume 2 "Assuring the Quality of Deliveries".
- VDA Volume 4 "Assuring quality before series production".

Production process and product release reports (initial samples) shall be provided in accordance with specified customer requirements (e.g., VDA, AIAG) including dimensional and material testing as well as IMDS entry based on 5 parts per cavity.

In case of non-fulfilment of the sampling (grade 6), the contractor shall bear all additional costs incurred, provided that he is responsible for the negative result.

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

## 6. Documentation, proofs

6.1 Suppliers of parts, subcontracting and assembly undertake to maintain a complete part life cycle.

They shall prove that their products are free of defects by means of suitable tests and documentation. This includes regular product and process audits according to VDA 6.5 or VDA 6.3 as well as a requalification audit once a year (see also Chapter 8). Customer-specific requirements are taken into account if they are relevant for their process/product. HEYCO is entitled to request the relevant documentation at any time.

6.2 The traceability of the scope of supply, including the incoming components, is ensured by the contractor throughout the entire value chain with regard to the production plant and date of manufacture. This minimizes the costs in the event of a complaint.

6.3 The documentation for the proof of delivery quality for safety-relevant features, materials or parts shall be archived for a period of 15 years after the end of series production of the last spare part's delivery (EOS), the rest in accordance with the legal requirements.

6.4 The Contractor shall likewise oblige its subcontractors to comply with the contractual obligations assumed by it under this provision.

## 7. Confidentiality

The contractor undertakes to treat all commercial and technical details that are not in the public domain as trade secrets. Drawings, data, information, parts, etc. may not be disclosed to third parties without HEYCO's consent.

## 8. Quality, target agreement

The contractor is committed to the "**zero-defect strategy**" and must continuously optimize its processes to this end (CIP).

If it is necessary to deviate from the "zero defect principle", HEYCO and the contractor shall define a ppm target rate and the number of complaints in a separate agreement each year.

### Requalification test

Products from parts suppliers/service providers (e.g., coaters, extended workbench) must be subjected to a complete dimensional and functional test in coordination with HEYCO, taking into account the applicable specifications for material and function. The requalification test must be carried out annually by the supplier on his own responsibility after the initial sampling and, upon request, must be submitted to HEYCO within 24 hours.

## 9. Supplier Evaluation

HEYCO regularly carries out supplier evaluations.

This results from the number of complaints (ppm), logistics performance (quantity, deadline, incl. culpably caused special trips) and the "soft facts" communication behaviour, compliance with agreements and flexibility.

The classifications are made according to the VDA 6.3 levels: C < 80, B < 90, target is level A with 90 points or more.

B and C suppliers receive their rating annually and a request to create an action plan with actions, responsible parties and deadlines to regain the A rating.

A supplier does not receive an annual evaluation.

## 10. Manufacturability, process characteristics, capabilities, changes

The contractor checks technical documents by means of a manufacturability analysis, taking into account all risks. In case of deficiencies, errors or inconclusive documents, the contractor is obliged to inform HEYCO immediately. The same applies to HEYCO (mutual duty to inform).

For the critical characteristics defined in the drawing/specification (e.g., cc), the contractor must provide proof of process capability  $cmk > 1.67$ .

For critical and product safety-relevant characteristics, the following information must always be supplied:

- Risk assessment for process changes
- Proof of the safeguarding of the process sequences
- Proof of coordination of the procedure with subcontractors.

If HEYCO does not specify any special features, the contractor shall define his own for his processes.

The capability for non-critical characteristics shall be documented with  $c_{pk} > 1.33$ .

The responsible HEYCO QM staff must be informed of any (process) changes in good time before the changeover, e.g. by means of a change sample.

## 11. Complaints, costs, escalation

HEYCO will only check quantity, identity and externally visible damage upon receipt of goods. Further inspections will only be carried out in justified cases.

HEYCO is entitled to complain about defective parts, even late, which are only discovered in its or the customer's production.

HEYCO undertakes to inform the Contractor as soon as possible about complaints/problems in order to enable the problems as soon as possible in order to give him the possibility to minimize the damage.

The contractor is obliged to sort out his defective deliveries or, if possible, to rework them free of charge. Furthermore, he shall bear the costs of the complaint caused by him, such as sorting, special travel costs, reworking in accordance with the current hourly rates.

In the event of a complaint, HEYCO is entitled to take all measures to keep the damage to all parties involved (customer, HEYCO, contractor) low, even if the contractor is not able to react immediately, in order to ensure the ability to deliver to the customer. This can also be e.g., an immediate search action at HEYCO or at the customer to avoid a belt standstill.

He prepares a 3-D report within one working day, and usually a 8-D report within 10 working days. He shall demonstrate effectiveness no later than 3 months after the occurrence.

In the event of significant problems caused by the contractor, the HEYCO escalation model is used. Measures are defined to enable the contractor to deliver again or to reduce its complaint rate. In case of disagreement, the final consequence can be the separation from the contractor.

## 12. Miscellaneous

The Contractor undertakes to provide contact persons who speak German and/or English and who are confident in negotiations. Quality-relevant documents shall also be kept in German or English. This includes among others:

- Initial sample reports incl. necessary documents
- FMEA's (for inspection only)
- Production and control plans
- capacity planning
- Contingency plan regarding delivery safety

The Contractor shall name its Product Safety and Conformity Responsible (PSCR) to HEYCO. If no PSCR is named, HEYCO shall assume that this is the QW Manager.

In the event of a company dissolution or bankruptcy, HEYCO shall have a claim for surrender of all records and products, materials and other HEYCO property.

## 13. Term

This agreement is valid for an unlimited period of time, it replaces the previously valid QAA, if applicable, when it comes into force. It can be terminated in writing with a notice period of 3 months. The termination of this agreement does not affect the validity of current individual contracts until they have been completely settled.



# Quality assurance arrangement

for parts suppliers

Status 11/2023

HEYCO

contractor

Remscheid, the .....

..... , .....

location

date

A. Mannheim  
QM-Representative

.....

signature/ name/designation



**14. Changes**

Date	Name	Chapter	Action
08.11.2023	Mannheim	All	General review