AGREEMENT ON QUALITY ASSURANCE

Automotive – external service

1. Foreword

This REHAU quality assurance agreement (QAA) defines the quality management requirements of suppliers and governs the specific stipulations to ensure the quality of external services in the automotive division. Interfaces, specifications, resulting tasks as well as reflecting standards, laws and end customers' requirements are specified by way of applying the zero fault principle to the supply chain.
Case-specific changes or additions to the REHAU QAA are possible in agreement between the responsible commercial specialist according to the TDS and the supplier.

Unless otherwise stated, the suppliers ensure on their own responsibility that the relevant standards and directives are up to date. REHAU shall be informed accordingly as soon as changes occur.
The sustained success of the company and preferred customer orientation can only be achieved by the effective cooperation and communication between REHAU and its suppliers.

2. Quality management system

The supplier undertakes to maintain a certified quality management system (QMS) in accordance with ISO 9001 and to observe the requirements of the relevant, current version of the IATF 16949. The ultimate objective of the continuous improvement of the supplier's QMS is the certification according to IATF 16949.

The supplier shall immediately informs the responsible commercial specialist in the event of a failure to maintain or loss of a certificate.

In the case of mergers, acquisitions, affiliations and similar activities that may affect the structure of the company or its organisations, the supplier shall verify the QM system and immediately informs the responsible commercial specialist of the circumstances and the result of the verification.

3. Auditing / checking the QM system

REHAU has the right to carry out audits. REHAU reserves the right to carry out audits even if evidence from third parties is already available. The supplier shall make all the documentation / data required for this available and allow access to the areas, which are relevant for REHAU.

Audits and evaluations carried out are preferably based on VDA specifications (e.g. process audit VDA 6.3) in connection with IATF 16949. If necessary, improvement measures with responsibilities and target dates are agreed with the supplier. The effectiveness of corrections is monitored in a follow-up audit, if required.

4. Supplier evaluation / target agreement

The supplier is obliged to provide an error-free service (zero fault target). If no specific targets are agreed (e.g. in the technical delivery specification Purchasing (TDS), framework agreement, start-up management regulations) a zero ppm target value applies.

However, a specific agreement relating to ppm values does not represent a quality level that is accepted by REHAU. The agreement of quality targets and measures shall not limit the liability of the supplier for warranty claims and claims for damages due to delivery shortcomings. Defective deliveries / services will not be accepted and will be charged to the supplier.

The ongoing delivery performance forms part of the supplier evaluation. When placing and extending orders, suppliers who are assessed as efficient during the supplier evaluation process will be preferred.

If quality targets have been agreed (ppm targets for instance), then escalation shall ensue in case that targets are not met. In this case the supplier is obligated to agree on and implement an action plan setting out corrective measures for stabilizing the supply and for sustainable improvement of performance.

5. Outsourcing to third parties / sub-contractor management
If services are outsourced to third parties, the supplier is obliged to delegate the stipulations made here with respect to quality assurance in an appropriate form to the sub-contractor and to verifiably satisfy himself that the stipulations are complied with. This includes providing the responsible commercial specialist with a supplier list, transferring customer-specific requests, continuous traceability of data and documents as well as additional specifications required according to the supplier's assessment.

Where necessary, and in consultation with the supplier, REHAU may inspect test records provided by sub-contractors and carry out audits at sub-contractors.
The responsible commercial specialist must be informed at an early stage if the supplier intends to change sub-suppliers in order to agree required sampling and approval procedures.

6. Sustainability, environment and safety
The supplier ensures the compliance with latest version of all relevant, pertinent official / legal stipulations of the production country as well as import and destination countries relating to industrial safety and environmental protection for the production and handling of the commissioned products / services. This applies to required materials, machinery, equipment, workplaces, warehouse organisation as well as transport services.

It must also be ensured that natural resources are dealt with responsibly. Health-promoting measures on the workplaces must also be supported.

7. Quality inspections / measurement, analysis and improvement / documentation
The supplier is obliged to record the quality inspections required for the implementation of and compliance with the agreed specification in relevant specifications and to verifiably ensure this by means of suitable documentation / data control (e.g. control plan, inspection sheets). Control plans and used statistical methods (e.g. feasibility analyses) must be provided by the supplier upon request and if required, must be coordinated with REHAU (see, amongst other things, sampling procedure).

REHAU can specify the test scopes (characteristics, number of random samples, capability limit values etc.) If no requirements are stipulated, the supplier shall define appropriate test scopes (e.g. special product and process characteristics) on his own responsibility in consultation with the responsible technical specialist according to the TDS.

The supplier shall assign the test results to the production run / to the batches and ensure appropriate archiving. This may also apply to test certificates provided by sub-contractors.
The documentation shall be made available to REHAU on request (e.g. due to complaint, audit, certification).

Unless 100% testing is expressly stipulated, statistical methods must be used for quality assurance. Appropriate and suitable random sampling plans must be applied in conformity with, for example, DIN ISO 2859 or DIN ISO 3951 to the entire process procedure.
Control plans / statistical methods used must be provided by the supplier upon request and if required, must be coordinated with REHAU (see, amongst other things, process acceptance)

The process procedure must be monitored concurrently. This includes, among other things, goods inward inspections at least in terms of documents accompanying the goods and obvious defects as well as adequate goods inward inspections. The supplier ensures as part of planning inspections independently that only ok.parts / components reach the further processing stage. If required, the supplier coordinates specifications and required aids (e.g. limit samples, gauges) with the responsible technical specialist.

If REHAU does not specify any special characteristics requiring statistical process control and corresponding capability limit values (e.g. in the drawing, attachments to the contract), the supplier is responsible for a suitable specification and evaluation of the special product characteristics and process parameters crucial for the intended application.

The supplier ensures an appropriate archiving and traceability of the relevant documentation (process and quality records) on his own responsibility. The general retention period is a minimum of 5 years.

The retention period for products with a risk classification (according to the TDS) is 15 years after the last order.

REHAU must be allowed to inspect the relevant documentation upon request. REHAU reserves the right to verify the status of above-mentioned specifications and procedures on site at the supplier.

8. Process acceptance / sampling

Formal sampling processes serve the purpose of technical verification of levels of readiness and as proof of suitability for bought-in products / services to be rendered.
Prior to commencing serial deliveries, initial samples have to be presented to the responsible technical specialist based on the product and process specifications.
The process acceptance /sampling is based on the specifications of VDA (see VDA 2, VDA 6.3) or PPAP procedures. Any alternative sampling / acceptance procedures or changes to the sampling process will be communicated and coordinated with the supplier.

Unless explicitly specified, the supplier is responsible for proposing and presenting containers / packaging and the corresponding identification on his own responsibility to the responsible technical specialist with a view to ensuring delivery, processing and traceability to the required quality standards.
The product and container identification is coordinated and approved as part of planning the inspection and during the sampling process.

The supplier undertakes to undergo a requalification inspection of the products / relevant processes to be supplied in regular intervals i.e. annually, if not otherwise requested in the TDS.
The result of the requalification inspection shall be communicated in the same way as the process acceptance / sampling.

The supplier must assess the effects of the changes prior to implementation (e.g. measures for validation, complying with customer requests).
If a change of the technical standards / specification results in a development change to the product/process, a statement regarding the implementation of the change in form of a feasibility study must be issued within 10 working days of receipt of the notification.

Any type of change to the components, manufacturing process or location that may affect the agreed specification or product quality must be communicated. The performance and scope of process acceptances / re-sampling must be agreed with the responsible technical specialist at an early stage.

Upon request, the supplier provides verifying inspection planning documents on a case-by-case basis.

Serial delivery may only commence once written approval has been granted by REHAU.

9. Product preservation, traceability and packaging

It is within the supplier's responsibility to ensure appropriate handling and storage. The supplier must protect the products from quality impairments, in particular damage, during the entire process procedure.
It is not permissible to store all products outdoors.

Product and container identification including labelling are given in specifications (e.g. drawing, TDS).
If, in the opinion of the supplier, additional data is required to trace / limit any potentially defective production and delivery batches, the supplier seeks clarification with REHAU.

Any changes the suppliers intends to carry out to the agreed specifications require consultation with and agreement by REHAU at an early stage (also see process acceptance / sampling).

10. Goods inward inspection at REHAU and customers

The supplier is responsible for supplying an error-free service. REHAU shall therefore endeavour to minimise the work involved for incoming goods. If not otherwise agreed, goods inward inspections at REHAU merely serve as identification and quantity checks as well as identifying transport or packaging damage visible from the outside. There are no further inspection obligations on the part of REHAU.

The results from the goods inward inspection and delivery service (e.g. analysis of statistical data) are incorporated into the supplier evaluation process (see above).

11. Quality non-conformities

If the supplier discovers any quality non-conformities or suspects this in already supplied products / services rendered, REHAU must be informed immediately and the further course of action is to be coordinated with REHAU in order to minimise potential consequential damage.

12. Complaints

In case of a complaint about products supplied / services rendered, the supplier shall immediately submit, however, at the latest 24 hours after notification by REHAU, an initial written statement to REHAU. The supplier submits an intermediate reply in the form of an 8D report to REHAU at the latest after three working days.

If not otherwise agreed in individual cases, the supplier shall issue a supplementary / final 8D report to REHAU at the latest two weeks after receipt of the complaint.

REHAU reserves the right to put urgent measures in place (e.g. sorting or returning goods subject to the complaint) in the event that the supplier does not meet the deadlines for issuing a written statement without the explicit agreement of the supplier in order to minimise potential consequential losses (e.g. line stoppage / loss of production at the OEM or REHAU).

The supplier applies suitable methods (e.g. 5-why method, Ishikawa diagram) as part of the cause analysis. The supplier assesses the effectiveness of the corrections put in place in order to avoid repeat complaints and reports the formal completion of the 8D processing to REHAU. In isolated cases, REHAU reserves the right to verify the effectiveness of the communicated corrective measures on site at the supplier.

13. Quality performance

If the delivery performance, quality level or (justified) doubts regarding the supplier's quality assurance measures increase the work involved during the goods inward inspection, further processing and market service, this expenditure can be charged to the supplier after having informed the supplier of this and given him the opportunity to issue a statement.

If an end customer of the automotive industry (OEM) has withdrawn a quality certification or a formal supplier status from a supplier according to the regulations of the OEM, the supplier is obliged to immediately inform the responsible commercial specialist (e.g. Ford Q1 revoked , Daimler Q-Help 3).