QUALITY ASSURANCE AGREEMENT
AUTOMOTIVE - Industries

1. Preamble
This Quality Assurance Agreement (QAA) defines requirements for quality management at suppliers of the REHAU Group, hereinafter referred to as REHAU. The QAA is a set of rules for ensuring the quality of purchased products and services used in the automotive industry in compliance with the relevant specifications/ guidelines (e.g. VDA volumes). With the target of achieving the zero-defect principle in the supply chain, fundamental interfaces, specifications, resulting tasks and the reflection of standards, laws, and requirements of REHAU's end customers are defined.
The supplier shall ensure that the corresponding requirements of REHAU along the supply chain are understood and implemented.
Case-specific changes or additions to the QAA are possible in coordination between REHAU and the supplier.

2. Quality Management System
The supplier undertakes to maintain a certified quality management system (QMS) in accordance with ISO 9001 and to comply with the requirements of IATF 16949 in their relevant valid version. The ultimate objective of continuous improvement of the supplier's QMS is the certification in accordance with IATF 16949. Furthermore, the requirements of the VDA shall be considered. The supplier informs the responsible commercial coordinator without delay of non-compliance or loss of the QMS certificate.

In the event of mergers, acquisitions, affiliations, and similar measures with a possible impact on the structure of the company or its operations, the supplier shall carry out a verification of the QMS and inform the responsible commercial coordinator immediately of the facts and results of the verification.

3. Auditing/ Assessment of the QM system
REHAU shall carry out audits at the supplier's premises after timely prior notification. In individual cases, relevant upstream suppliers may be included in the coordination.
The supplier shall grant access to all necessary documented information and allow access to the areas relevant to REHAU.
Audit measures and evaluation are preferably carried out 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 the corrections is monitored by a follow-up audit if necessary.

The supplier is responsible to carry out self-assessment audits. Self-assessment audits serve the supplier as verification relating to compliance with all requirements (e.g. IATF 16949, customer- and product specific requirements).
Self-assessment audits need to be performed from qualified auditors.
Results from self-assessment audits including improvement actions may be requested by REHAU in accordance with the supplier in specific cases (e.g. cluster of claims) and need to be presented upon request. As minimum the following self-audits are agreed:

- Product audits according to VDA6.5 for every product manufactured during a series production (product groups) once per year.
  This may also be part of the requalification.
- Process audit according to VDA6.3 for every product manufactured during a series production once under series conditions as well as during the development phase (P2-P4).

REHAU will treat information obtained in the audit or provided by the supplier's self-audit confidentially.

4. Supplier evaluation/ Target agreements

The supplier is obliged to provide faultless performance. He plans measures and maintains his own quality assurance system with all accompanying activities to ensure the fulfillment of mutually agreed quality objectives. The expected process quality and delivery quality are agreed in the quality objectives.
If no specific target agreements are made (e.g. in Technical Delivery Specification TDS, framework agreement, regulations in start-up management), the zero-defect strategy (target value zero ppm) applies. By this we mean the constant endeavor to achieve zero defects and to live a continuous improvement process.

A specific target agreement does not imply a quality level accepted by REHAU. The agreement of quality targets and measures does not limit the supplier's liability for warranty claims and claims for damages due to defects in the deliveries. Defective deliveries/ services shall not be accepted and shall be at the supplier's expense.

The ongoing delivery performance is part of the supplier evaluation process. When awarding and extending contracts, preference will be given to suppliers who are assessed as capable in the supplier evaluation.

In the case of agreed quality targets (e.g. ppm targets), escalation takes place if targets are not met. The supplier is obliged to agree and implement an action plan with corrective measures to stabilize the delivery performance and permanently improve performance.

5. Sustainability/ Environment/ Safety

The supplier ensures compliance with all final applicable legal, regulatory, and other requirements of the country of manufacture and the countries of destination specified by the customer (if provided), for occupational health and safety and environmental protection for the manufacture and handling of the ordered products and services. This applies to the required materials, systems, equipment, workplaces, storage organization and transport services.

The responsible use of natural resources must be ensured. Health-promoting measures in the workplace are to be supported.

6. Sub-Supplier Management

The quality of procurement scopes must be guaranteed. If services are outsourced to sub-suppliers, the supplier is obliged to transfer the quality assurance specifications made here to the sub-supplier in an appropriate form and to verify compliance with the specifications. This includes the transfer of customer-specific requirements (including end customers), continuous traceability of data and documents as well as other necessary specifications according to the supplier's assessment.
Depending on the risk identified, audit measures or other checks must be carried out at upstream suppliers.

7. Development

In the case of product and/ or process developments, the supplier shall use established methods on its own responsibility (including defined project management, milestone plans, advance quality planning prototypes/ pre-series/ series, associated monitoring mechanisms).
The respective development progress shall be communicated to the responsible technical coordinator accordingly.
REHAU reserves the right to carry out an inspection/ acceptance of the development work on site at the supplier's premises.

8. Comprehensive Advanced Quality Planning

The supplier is obliged to carry out comprehensive advanced quality planning, considering suitable procedures for advanced quality planning (e.g. APQP, maturity level assurance). Advanced quality planning must begin at the earliest possible time.

The supplier shall ensure that all requirements for the products are met, and the quality objectives are achieved by acting independently and using appropriate risk analyses (e.g. FMEA) in all project phases. A process must be implemented for dealing with knowledge gained, e.g. from recalls, audits, field complaints, claims, etc. in the sense of "lessons learned".

The supplier is responsible for planning and defining the scope of testing (characteristics, number of samples, capability limits, etc.), considering statistical methods for quality assurance. In individual cases (e.g. in the case of high-risk products according TDS), the scope of testing may be specified (e.g. in the TDS). The tests defined by the supplier's advance quality planning during series production must be suitable for verifying the conformity of the products and services with the specifications at any time.

If no special characteristics requiring statistical process control and associated capability limit values (e.g. in the drawings, TDS) are specified, the supplier shall be responsible for selection and assessment of special and for the intended use essential product characteristics and process parameters.
The supplier is responsible for the required and consistent marking of special features on corresponding documents (e.g. drawings, technical documents, FMEA). Proof of machine or process capability must be provided for special characteristics. If a special characteristic cannot be verified via process capability parameters, verification must be provided via secondary characteristics, or a 100% test must be used.

Production processes must include methods for error-proofing (e.g. functional testing of devices, error simulation).

The supplier shall draw up a measurement plan as part of its advanced quality planning and coordinates this with REHAU at an early stage. As part of its test equipment planning, the supplier shall determine the need for test and measuring equipment on its own responsibility.
Test equipment concepts are to be developed by the supplier considering the special characteristics and presented to REHAU. Gauges and measurement recordings are to be coordinated and approved by REHAU.

Upon request, the supplier shall provide verifiable documents/ data for advanced quality planning (e.g. control plans for prototypes/ pre-series /series, capability analyses).

9. Packaging/ Identification

Packaging and associated labeling for quality-compliant delivery, processing and traceability shall be proposed by the supplier on his own responsibility. Specific specifications from REHAU (e.g. drawing, TDS) must be considered. Coordination and approval shall take place within the framework of test planning and the sampling process.

Materials and corresponding packaging need to be marked with the part-change-level if technically possible and commercially acceptable.

If the supplier considers that further information is needed for the purposes of tracing or limiting any defective production batches and consignments, it needs to be agreed with REHAU.

Changes planned by the supplier to the agreed specifications require early coordination and agreement with REHAU (see also sampling).

10. Sampling/ IMDS

The documented sampling procedure serves as proof that the purchased products/ services to be provided meet the requirements for the production process and the product. The release documents the quality capability under series production conditions.
Based on the product and process specifications, an initial sample presentation must be made to the responsible technical coordinator before the start of series delivery. The sampling procedure must be agreed with the responsible technical coordinator. Sampling is based on specifications in accordance with VDA 2 or PPAP procedures.

The effects of changes must be evaluated by the supplier before implementation (e.g. measures for validation, compliance with customer requirements).
If a change to technical standards/ specifications results in a development change to the product or process, a statement on the implementation of the change must be made within 10 working days of receipt of the notification, in the form of a manufacturability assessment.

Any type of change to components, upstream suppliers, manufacturing process and location that may affect the agreed specification or product quality must be identified by means of re-sampling. The implementation and scope of re-sampling must be agreed with the responsible technical coordinator at an early stage.

Series deliveries may only be made after written approval by REHAU.

If the supplier plans or anticipates that delivered products will no longer be available, the responsible commercial coordinator must be notified at least 9 months in advance to agree the necessary measures (e.g. sampling of alternative products).

In the case of products intended for EU member states the supplier shall confirm compliance with all relevant EU directives (e.g. REAHCH) associated with material composition.
All data on the composition of the supplied products is to be entered into the IMDS (www.mdsystem.com) under REHAU company ID 210. Target for an approved IMDS entry by REHAU is at least 4 weeks prior to the agreed sampling date.
In case that national directives and stipulations are applicable, additional to EU directives, the supplier must consider these regulations and shall agree a way of necessary data-exchange with REHAU.

11. Assurance of Quality Performance in Pre-series and Series Production

The supplier is obliged to record the quality inspections required to implement and comply with the agreed specification in corresponding specifications and to demonstrably ensure this by means of suitable documentation (e.g. control plan, inspection plan, inspection sheets).

Production must be monitored during the process. The supplier shall demonstrably ensure the stability of the production processes over the entire production period by means of suitable process control or monitoring in the event of unstable processes. If the required capabilities are not met, a 100% inspection of the special characteristics must be carried out.

If the supplier is not notified of any special features for statistical process control and associated capability limits for the agreed specification (e.g. in the drawing, TDS), the supplier is responsible for defining special product features and process parameters that are essential for the intended use. Production processes must include methods for error-proofing (e.g. functional testing of devices, error simulation).

Production must be monitored using suitable measuring procedures and measuring equipment.

Upon request, test plans, test results and statistical procedures used, e.g. capability analyses, must be presented by the supplier.

The product quality must be certified on request. The required characteristics, required verification level and type of provision (e.g. delivery of the certificates/ test certificates with each batch/ delivery) are agreed in the specification (e.g. TDS).

If the supplier discovers or suspects quality deviations in products already delivered/ services already provided, the responsible technical coordinator must be informed immediately, and the further procedure must be agreed to minimize possible consequential damage.

If, in the event of a product defect, a risk to life and limb through the use of the material cannot be ruled out, the supplier must avoid faulty deliveries by all means.

12. Requalification

The supplier undertakes to carry out a requalification test (analogous to the sampling procedure), unless otherwise required in the specification (e.g. TDS) once per year of the ordered products and services at regular intervals.
The result of the requalification test will be made known by the supplier on request.

13. Traceability/ Documentation/ Archiving

The supplier is responsible for ensuring appropriate traceability and archiving of the relevant documentation (quality-relevant specification documents and records). The basic retention period is at least 15 years. For products with risk classification (according TDS), the retention period is 15 years after the last order.

A complete part-history with documentation of the change level, reason for change and timing of change needs to be prepared. The deliveries of changed parts, reason for the change and object of the change must be agreed for documentation within the part-history.
Changes at parts (e.g. material, geometry, part-adjustment) or process lead to a rising of the change level which has to be documented clearly within the part-history. The documentation of the change level needs also to be marked at the parts (if possible).
The supplier shall grant access to the relevant documentation upon request.

14. Goods Inwards Inspections at REHAU

The supplier is responsible for a faultless delivery performance. Unless otherwise agreed, incoming goods inspections are only designed as identification and quantity inspections as well as for externally recognizable transport and packaging damage. REHAU has no obligation to carry out more detailed inspections.

The results of the incoming goods inspection and delivery performance are included in the supplier evaluation.

15. Complaints/ Quality Performance of the supplier

If a complaint is made about products delivered or services rendered, the supplier shall submit an initial written statement to REHAU immediately, at the latest within 1 working day after notification by REHAU, with immediate measures for complaint processing. After three working days at the latest, the supplier shall submit a written interim statement to REHAU in the form of an 8D report with notification of short-term measures for complaint processing by the supplier. Unless otherwise agreed in individual cases, the supplier shall provide REHAU with a supplementary/ final 8D report not later than two weeks after receipt of the complaint.

REHAU reserves the right to carry out urgent measures (e.g. sorting or return of the goods complained about) even without the supplier's express consent if the supplier fails to meet the deadlines for a written statement to minimize possible consequential damage (e.g. production downtime at the OEM).

The supplier uses suitable methods (e.g. 5-Why method, Ishikawa diagram) as part of the root cause analysis.
The supplier shall assess the effectiveness of corrections introduced to exclude repeat complaints and shall make a formal final report to REHAU for 8D processing. Corrections introduced because of complaints shall be transferred by the

supplier to other production lines and/ or materials in use for REHAU as a preventive measure if necessary. In individual cases, REHAU reserves the right to verify the effectiveness of communicated corrections at the supplier's premises.

The process for analyzing defective parts in the field is intended to ensure that the cause of defective parts is clarified, and a recurrence is avoided.

If the delivery performance, quality situation or (justified) doubts about the supplier's quality assurance measures require increased effort for incoming goods inspection, further processing and market service, this effort can be charged to the supplier after the supplier has been notified and given the opportunity to comment.

If a quality award or a formal supplier status is withdrawn from the supplier by an end customer of the automotive industry (OEM) in accordance with OEM regulations, the supplier is obliged to inform the responsible commercial coordinator immediately (e.g. Daimler Q-Help).