

# Quality Assurance Agreement for Suppliers

As at: 18 June 2015

between

Pöppelmann GmbH & Co. KG  
Kunststoffwerk-Werkzeugbau  
Bakumer Straße 73  
49393 Lohne

Pöppelmann Kunststoff-Technik  
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Hermann-Staudinger-Straße 1  
49393 Lohne

– hereinafter referred to as **PÖPPELMANN** –

and

– hereinafter referred to as **the Supplier** –

## 1 Introduction

The basis of PÖPPELMANN performance is the quality of their products, which is influenced to a large extent by the quality of the supplied products. The quality capability of the Supplier and quality management of the delivered products are therefore key criteria in the purchasing decision of PÖPPELMANN.

The obligation of the Supplier to deliver flawless products must be ensured by a modern and effective quality and environmental management system. This "Quality Assurance Agreement for Suppliers" shall contribute towards this end.

This Quality Assurance Agreement also applies to deliveries to all other companies of the Pöppelmann Group.

In addition to the drawings and specifications, this Quality Assurance Agreement is part of the purchasing and supply agreement concluded by PÖPPELMANN and the Supplier.

## 2 Management system requirements

### 2.1 Environmental management

The Supplier shall introduce and maintain an environmental management system in line with international standards such as Eco-Management and Audit Scheme Regulation or DIN EN ISO 14001.

### 2.2 Quality management

The Supplier is responsible for the quality of the supplied products. The Supplier must ensure that each delivered product corresponds to the required features in the technical documentation. To ensure this, the Supplier must have implemented a quality management system which corresponds to the minimum requirements of DIN EN ISO 9001. The quality assurance elements, measures and responsibilities outlined there must cover all areas of the company. The effectiveness of the QM system must be monitored by the company management on a regular basis.

Evidence of this can be documented by:

- a valid certificate for certification according to ISO/TS 16949 or DIN EN ISO 9001,
- or an audit result of another customer, preferably from the automobile industry, with the result of "A" Supplier (this must be an audit conducted not longer than 3 years ago) or
- an audit conducted by PÖPPELMANN with the result of "A"- or "B" Supplier.

The aim must be to develop the system into industry-specific requirements, standards and guidelines or similar. These are, for example, the ISO/TS 16949 or the VDA (German Association of the Automotive Industry) requirements for the automobile sector.

Any other specific requirements agreed with our customers may need to be taken into account by our Suppliers and shall be agreed in writing with the Supplier for specific projects.

If the Supplier is unable to meet all the demands, a special procedure can be agreed in writing for individual measures.

### 2.3 Drawings and specifications

The Supplier must ensure a distribution system which provides all the areas in question with the current technical documentation and which removes all documents which have become invalid or marks them as such.

The Supplier is obliged to grant PÖPPELMANN representatives access to all technical documentation relating to PÖPPELMANN products. The required and appropriate restrictions for protecting company confidentiality are hereby accepted.

## 3 Planning

### 3.1 Contract review

All the documents which were submitted to him in the tender and ordering phase are checked by the Supplier for:

- Completeness
- Consistency
- Compliance
- Feasibility.

He shall inform Pöppelmann immediately in writing of any documents that he feels are unclear or appear incorrect. This also includes the test and measurement procedures.

If there are any references to other documents, the Supplier shall procure these and ensure that work is carried out according to the latest versions. An appropriate document routing system must be maintained.

### 3.2 Quality planning

An effective quality assurance requires preventive planning at the earliest opportunity so that any identifiable problems can be counteracted in due time. To this end, the following planning elements shall be processed and documented systematically by the Supplier under his own responsibility for all new products:

- Contract review (review of all technical documentation)
- Feasibility analysis
- Design and/or process FMEA
- Production planning
- Defining important features
- Packaging planning
- Test planning (test procedure, features, equipment, frequency)
- Procurement planning (material, machines, test equipment, Suppliers, operating material)
- Detailed scheduling and monitoring of deadlines
- Production process and product release

Where this can be applied:

- Evidence of process capability
- Statistical process control (SPC)

## 4 Production process and product release

### 4.1 Production process and product release (initial sampling)

Raw materials: The first time raw material is ordered, material data sheets and documents relating to the processing parameters are required. In addition to these documents, the Supplier must provide the current safety data sheet in accordance with the applicable legal provisions.

Purchased parts: Before the start of serial production for new or modified products, a production process and product release procedure must be carried out. Unless otherwise agreed in writing, initial sampling according to VDA-Guideline Volume 2, submission level 2 must be carried out. The initial samples are to be submitted by the agreed deadline, together with the following documents:

- Initial sample test report (measurement and material report)
- Function report (if agreed in writing)
- Sample parts
- Numbered PÖPPELMANN drawing (if applicable)
- Proof of process capability for the agreed function and/or process features
- Test plan with all test features
- Process flow diagram (production and test steps)
- Material safety data sheet (if applicable)
- Declaration of substances in IMDS (if applicable)

The initial samples are to be clearly marked as initial samples on the delivery note and the packaging unit.

Serial production and supply must not be started without written approval from PÖPPELMANN. Differing regulations, such as for catalog goods, must be jointly agreed in writing in advance.

### 4.2 Production Part Approval Process (PPAP)

Notwithstanding Section 4.1, initial sampling according to PPAP can be agreed in writing with the Supplier.

### 4.3 Requalification

If the products supplied by the Supplier are to be used in the automotive industry, the Supplier shall carry out a requalification test for material and products at the request of PÖPPELMANN on the basis of the features agreed upon in writing, and submit the result to PÖPPELMANN immediately.

### 4.4 Testing and approval at the Supplier and its subcontractors

PÖPPELMANN and customers of PÖPPELMANN are entitled to carry out an inspection of the products and production process in question on the premises of Suppliers and/or its subcontractors. The following inspections are possible:

Performing an assessment of the system to verify the quality management system. The Supplier will be informed in good time of a scheduled audit by PÖPPELMANN.

Examination of whether the agreed technical and planning changes have been implemented effectively.

Inspection of tools, production and testing equipment, for example, as part of a product or process audit.

To this extent, the Supplier shall also allow PÖPPELMANN to inspect all relevant documents. The required and appropriate restrictions for protecting company confidentiality are hereby accepted.

An inspection requires prior agreement with the Supplier and can also be carried out as an audit.

However, it does not release the Supplier from its responsibility regarding the quality of the manufactured products. PÖPPELMANN reserves all rights in the case of deliveries with defective goods.

## 5 Statistical Process Control (SPC)

To monitor the quality of functionally important and/or critical features of production, suitable methods of technical statistics must be used and proof must be provided that the process is under statistical control. The minimum capability key data must be adhered to and agreed on in writing for each project.

## 6 Performing inspections

The Supplier must ensure that the inspections it performs are in accordance with the latest technology. Fully coordinated inspection guidelines and test plans shall be drawn up for all inspections based on the results of the process FMEA. The quality data obtained in the inspections must be collected systematically. Any corrective and improvement actions that are initiated must be documented on the quality control chart, fault record chart or other suitable data carriers.

All the identified measurement and test results and process data must be clearly assigned to defined batches.

Before delivering the goods to PÖPPELMANN, an inspection of all the relevant features must be carried out to ensure that only those products are shipped which meet the specifications. The Supplier therefore ensures that products delivered by him meet the specifications. The scope of the final inspection is based on the capability of the process and can be performed as an audit examination or inspection of outgoing goods. Only sampling procedures with an acceptance number  $c = 0$  are accepted.

PÖPPELMANN is entitled to participate in inspections or findings performed by the Supplier and its subcontractors, to have third parties authorized by PÖPPELMANN observe inspections or to carry out inspections itself at the Supplier after prior consultation.

The Supplier uses adequate and suitable testing equipment, so that all the features agreed on in the technical documentation can be checked. An effective test monitoring system must be in place to ensure that defective installations can be promptly detected and no longer used. The procedure for monitoring measurement and test equipment can be found in the DGQ and VDI documentation.

## 7 Dealing with defective units and deviation approval

The Supplier must ensure that the products of the individual production stages are kept safely separate. If defective products are discovered during the course of inspections, immediate corrective action must be initiated. The defective units must be clearly marked and stored separately. Reworked lots must be retested.

In some cases, an approval can be requested for specification deviations. This approval must be granted by PÖPPELMANN in writing. The corresponding subset may only be delivered after written approval by PÖPPELMANN. Delivery documents and packaging units must have a clearly marked reference to the applicable deviation approval.

PÖPPELMANN must be informed immediately of goods that have already been delivered, so that further steps can be determined.

## 8 Processing complaints

In the event of a complaint from PÖPPELMANN, fault elimination measures shall be taken and documented immediately and details made available to PÖPPELMANN in the form of an 8D report. An initial statement follows within 48 hours on work days. The Supplier must ensure the effectiveness of the measures initiated. In the case of repeated complaints, PÖPPELMANN is entitled to verify the effectiveness of the measures on-site together with the PÖPPELMANN customer if required. Complaints and closures shall not release the Supplier from its delivery obligation.

## 9 Labeling and traceability

The Supplier must ensure traceability of the delivered goods back to the raw material in accordance with the latest technology.

To clearly identify each packaging unit, each one must be marked with a goods label (e.g. VDA goods tag 4902).

The label shall include the following minimum information:

- Lot no. (Batch no.)
- PÖPPELMANN item number
- Product name
- Change status
- Sender
- Delivery note number and delivery date.

Variations may be agreed in writing with PÖPPELMANN. The order number must be indicated on the delivery note.

## 10 Factory test certificates

Unless agreed in writing, factory test certificates according to DIN EN 10204-3.1 must be submitted for all deliveries.

## 11 Incoming inspections at PÖPPELMANN

As soon as the products are received, PÖPPELMANN immediately checks whether they adhere to the ordered quantity and ordered type, whether there are any visible signs of transport damage or any externally visible defects.

If PÖPPELMANN discovers any damage or defects in the above inspections, the Supplier will be notified without delay. If PÖPPELMANN discovers any damage or a defect at a later stage, the Supplier will also be notified without delay.

PÖPPELMANN is not obliged to perform any other inspections and notification than those mentioned above.

## 12 Documentation

The documentation must be provided so that it can be used by the Supplier to consistently demonstrate that the specifications are met over the entire production period and that it is possible to use the test results to demonstrate that care has been exercised in the event of recourse to the Supplier. Therefore, the Supplier must keep all test results and other appropriate documents. This should include the minimum of:

- Test plans and instructions
- Evidence of performed tests with test results
- Testing and dealing with off-spec products
- Records for the management of measuring and test equipment
- Evidence of monitoring the operating equipment

The retention period for records or documents is at least 15 years after the last delivery of parts. Longer periods may be agreed. Archiving must be performed with the latest technology.

## 13 Obligation to inform of modifications

The Supplier has the duty to inform PÖPPELMANN in writing prior to any changes to manufacturing processes, prior to changes regarding manufacturing outsourcing, prior to changes to pre-products or materials, in good time before the start of series production. The modifications referred to above must be approved by PÖPPELMANN before they are carried out. The date and scope for any sampling carried out must be agreed with PÖPPELMANN in writing in good time.

## 14 Continuous improvement

The Supplier is obliged to continuously improve the quality of products, processes, services and prices for PÖPPELMANN and is committed to the target of zero defects.

## 15 Warranty

In the case of a defective delivery, PÖPPELMANN is entitled to all statutory warranty rights.

The warranty period runs for 60 months starting as of delivery. This corresponds to the industry-specific requirements for Suppliers, particularly in the automobile sector.

## **16 Confidentiality**

Each partner shall use all documents and information which are received in connection with this agreement for the purposes of this cooperation only, and maintain confidentiality regarding third parties with the same caution they apply to their own documents and information.

The obligation shall not apply to documents and information which are in the public domain or that were already known when obtained from the partner without the party being obliged to confidentiality, or to information which was passed on by an authorized third party afterwards or developed by the receiving contracting party without use of the other contracting party's confidential documents or information.

## **17 Product liability insurance**

To be contracted as a Supplier by PÖPPELMANN, evidence of product liability insurance at an appropriate level including recall cover is an essential requirement. Proof in the form of a valid cover note shall be provided to PÖPPELMANN without delay by the Supplier.

## **18 Duration of the agreement**

This Quality Assurance Agreement is valid for an unlimited period. However, it may be replaced by a new version recognized by the Supplier and can be terminated in writing by either of the two parties within a period of three months to the end of a calendar year. The termination of this agreement shall not relieve the Supplier of the obligation to comply with the Quality Assurance Agreement regarding existing delivery contracts until they have been fully completed.

## **19 Severability clause**

If any provision of this agreement should be or become invalid or void, this shall not affect the validity of the remaining provisions of this agreement.

PÖPPELMANN and the Supplier are obliged to replace invalid or null and void provisions with new provisions which meet the commercial intent of the invalid or null and void provisions in a legally acceptable manner. This also applies if a contractual loophole emerges in the agreement. To fill this gap, the contracting partners are obliged to work towards establishing adequate regulation in this agreement which comes closest in meaning and purpose to that which the parties would have intended in this agreement if the point had been considered by them.

## **20 Applicable law and jurisdiction**

This agreement is subject to the law of the Federal Republic of Germany. The use of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded. The place of jurisdiction is PÖPPELMANN head office.



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Place

\_\_\_\_\_  
Date

\_\_\_\_\_  
Supplier

Lohne,

\_\_\_\_\_  
Pöppelmann