Quality Assurance Agreement (QAA)

Between

FIBRO GmbH

(Hereinafter referred to as “CLIENT”)

and

[Supplier/Company]

(Hereinafter referred to as “CONTRACTOR”)

This QAA explains the quality requirements of the CLIENT in relation to the CONTRACTOR. It serves to allow coordinated quality management with the aim of ensuring the quality of the products and services to be provided by the CONTRACTOR and the satisfaction of the CLIENT’s customers.

This QAA is a binding document and forms an integral part of all contractual agreements regarding all deliveries of products and provision of services by the CONTRACTOR. Subsequent amendments shall become binding if the CLIENT has notified the SUPPLIER of these in writing and the latter has not objected to them in writing within fifteen working days.

Contents

1. Purpose of the agreement

This Quality Assurance Agreement (QAA) describes the requirements and procedures for ensuring the quality of the products and services provided by the CONTRACTOR.

The goal is to ensure the procurement and manufacture of high-quality, flawless products through appropriate, technically recognised and economically viable measures in a spirit of partnership between the CLIENT and the CONTRACTOR.

2. Scope of validity

The quality agreement shall apply to all products and services purchased by the CLIENT from the CONTRACTOR.

This agreement does not replace the requirements in accordance with DIN EN ISO 9001 as well as customer standards, where applicable, but only represents the minimum requirements of the CLIENT.

The CONTRACTOR bears sole responsibility for compliance with all quality requirements.

In addition to the quality agreement, the General Terms and Conditions of Purchase of the CLIENT attached in **Annex 1** shall apply. Other terms, in particular the general business terms and conditions of the CONTRACTOR, shall not apply, regardless of whether or not they have been expressly rejected by the CLIENT.

Only this quality agreement and the General Terms and Conditions of Purchase of the CLIENT shall apply, even if the CLIENT performs or accepts a service without reservation with awareness of other terms and conditions.

Furthermore, the CONTRACTOR undertakes to observe and comply with the requirements and specifications of the existing Supplier Code of the CLIENT found in **Annex 2**. The Supplier Code contains fundamental standards that are decisive for the cooperation between the CLIENT and the CONTRACTOR. The CONTRACTOR is expected to continuously adhere to the ethical, social and environmental standards set out in the Supplier Code in order to ensure a successful and sustainable business relationship.

3. Confidentiality

Both contracting parties undertake to treat as confidential all information received from the other party in the context of their business activities and, in particular, not to make such information available to third parties in any way. The obligation of confidentiality shall apply regardless of whether a contract is concluded and also applies to knowledge obtained during the bidding phase.

There is no obligation to maintain confidentiality if the information is general knowledge or if it can be proven that the other party was already aware of it.

In the event of termination of this agreement, the contracting parties undertake to return any documents provided upon request. The above obligation of confidentiality shall also apply after termination of this agreement. If the contracting parties have concluded a separate confidentiality agreement, the provisions of this separate confidentiality agreement shall take precedence over the above provisions.

4. Safety and the environment

The CONTRACTOR undertakes to comply with the legal, safety and environmental requirements for restricted, toxic and hazardous substances during procurement and production for the manufacturer and buyer country (CE, REACH, RoHS, conflict minerals, etc.).

In addition, electronic products must comply with the conditions applicable in the manufacturer and buyer country with regard to the environment, electricity and electromagnetic fields.

The CONTRACTOR also undertakes to observe the principles of sustainability and to comply with the requirements of the Supply Chain Due Diligence Act (LkSG) in order to ensure that the entire supply chain acts responsibly with regard to human rights and environmental responsibility.

The CONTRACTOR undertakes to provide information at the request of the CLIENT.

5. Supplier evaluation

Before the CONTRACTOR can commence work for the CLIENT, it must be verified prior to the conclusion of a delivery contract that the requirements of this Quality Assurance Agreement can be guaranteed. This is done by evaluating a questionnaire and by means of a potential analysis in accordance with VDA-P1 or a process audit of the production facilities of the CONTRACTOR.

Suppliers who have already been approved receive annual notification of the results of the supplier evaluation. The supplier evaluation is based on defined criteria and is divided into categories A, B and C. It has three main parts:

Management systems (10%) Certifications in accordance with ISO 9001 (quality management G=16), ISO 14001 & ISO 50001 (environmental & energy management G=2) and ISO 45001 (occupational health and safety G=1).

Purchasing/Logistics (45%) Adherence to delivery dates (OTIF – On Time In Full) and delivery performance.

Quality (45%) Complaint rate, calculated from the number of complaint items in relation to the total number of purchase orders.

Based on this evaluation, suppliers are classified into the following categories:

A supplier (≥ 90%)

- The supplier fully meets the requirements and is listed as a preferred supplier. Potential for further optimisation of the cooperation must be identified on an ongoing basis and implemented together.

B supplier (70%–89%)

- The supplier partially meets the requirements. Continuous improvement is required to raise the supplier evaluation to the A level.

C supplier (< 70%) with supplier development

- The supplier is classified as a non-quality-capable supplier pursuant to the VDA definition. Further cooperation is considered to be at risk. Immediate measures shall be taken within two weeks and an action plan for sustainable improvement shall be presented within four weeks.

If a supplier fails to meet the required criteria on a permanent basis or does not show any sustainable improvement, the CLIENT reserves the right to take appropriate measures, including a possible reduction or termination of the business relationship.

6. Quality requirements

The CONTRACTOR is fully responsible for the products and services it delivers, including those of its subcontractors. The CONTRACTOR undertakes to maintain a (certified) quality management system that meets the requirements of DIN EN ISO 9001. The CONTRACTOR will submit the relevant valid certification to the CLIENT without being requested to do so, and will also inform the latter when a certification has expired.

At the express request of the CLIENT, the CONTRACTOR undertakes to submit a test report with each delivery of goods (see section 9 of the QAA in this regard).

Under this QAA, the CONTRACTOR is committed to achieving zero defects and is under obligation to continually optimise performance in order to achieve this goal. The CONTRACTOR undertakes to observe and fully implement the agreed requirements and specifications for the products and services.

6.1 Quality planning

When developing new products or making technical changes, the CLIENT expects the CONTRACTOR to take the following quality assurance measures:

- Performance of a feasibility study. The goal is to ensure that production is feasible. Technical, economic and quality-related aspects must be examined. The results must be documented and made available on request.
- The creation of test procedure plans that include all steps in the creation of a product, starting with product inspection and ending with shipping. Wherever possible, measurement testing should be preferred to attributive assessment. (See section 8 of the QAA in this regard.)
- 100% testing by the supplier shall be performed until process control certificates have been provided.

The quality planning results shall be submitted at the request of the CLIENT.

6.2 Testing equipment, measuring instruments, testing software, inspection equipment

The CONTRACTOR must have suitable testing equipment at its disposal to verify if the products comply with the specifications and quality requirements.

The CONTRACTOR shall ensure that all necessary testing equipment is suitable for the respective tests, is available in sufficient quantities at all times, is permanently monitored, is kept in good condition, i.e. is maintained, serviced, repaired and calibrated in accordance with its intended use and in accordance with the plan.

The results of the aforementioned activities shall be documented.

If the CONTRACTOR discovers faulty or uncalibrated testing equipment that has been used to test compliance with the specifications or quality requirements, the CLIENT must be informed immediately with specification of the batches/lots/deliveries that were tested with the faulty testing equipment.

6.3 Traceability, retention period, documentation

The CONTRACTOR shall ensure the traceability of the products to the corresponding quality certificates for all materials, manufacturing processes and products by means of suitable labelling measures. This also includes compliance with the FIFO principle throughout the entire supply chain.

Traceability must be such that in the event of a fault, it is possible to track the faulty products at least as far as the corresponding carrier.

The mandatory period of retention for quality-relevant documents and records ends 15 years after the last delivery. Documents and records must be protected from destruction and modification during the retention

period. Suitable security procedures must be ensured and storage media provided for electronic data. It must be possible to locate, identify and read the data at any time during the retention period. The CONTRACTOR shall inform the CLIENT in writing upon expiry of the retention period and, if necessary, offer an extension of the period of up to an additional 3 years.

6.4. Technical specifications & special characteristics

All deliveries and services provided by the CONTRACTOR must be in accordance with the agreed technical specifications/quality requirements or those to be agreed.

The CONTRACTOR undertakes to inspect the documents provided to it with the customary care and appropriate diligence for completeness, technical correctness and consistency with the placed order. The deviations and defects identified in the inspection must be reported to the CLIENT immediately in writing in accordance with **Annex 4**.

If the specifications include ‘special features’, these require special attention, as deviations from these features may have an effect on product safety, service life, ease of assembly, function and/or the quality of subsequent production steps, as well as compliance with legal regulations.

Special characteristics are defined by the CLIENT. In the absence of specifications regarding special features, the CONTRACTOR shall independently select product and process features that are appropriate for product quality and process assurance. Special features must be taken into account, labelled and monitored in all relevant planning and production steps.

7. Sample inspection

All sampling must be agreed on and recorded in a kick-off meeting between the CONTRACTOR and the CLIENT.

7.1 Initial sampling

The CONTRACTOR shall submit initial samples in accordance with the sampling requirements agreed between the CLIENT and the CONTRACTOR.

Area of application and cause of the initial sampling process:

- For new parts
- In the event of changes:
  - Introduction of a new subcontractor
  - Change of subcontractor
  - Production relocations / Site changes
  - Changed specifications
  - Process changes

The CONTRACTOR undertakes to inform the CLIENT in good time and to deliver initial samples upon request.

Agreements may also be made between the CONTRACTOR and the CLIENT that supplement or restrict these regulations for initial sample deliveries. This also applies to the number of parts to be sampled.

The initial sample parts shall be manufactured under series production conditions by staff who have been trained in accordance with the work and test instructions. In addition, the products and processes of the production materials have been approved. The CONTRACTOR must record and archive the process parameters set during initial sampling and add them to the internal sampling documents.

7.2 Sampling documentation and scope

Decisive for the submission of documentation relating to initial and series sampling is the submission stage, at which the part to be manufactured has been classified by the CLIENT as follows:

Requirements for FIBRO sampling process

Requirement	Template documents
PPF cover page	V
Certificates of product development	
Technical specifications (drawing with numbered items)	V
Certificates of production process development	
Production control plan (inspection plan/test plan)	V
Certificates of verification of the product	
Geometry, dimensions (dimension report, test report)	V
Material testing (e.g. as 3.1 EN 10204 certificate)	V
Chemical analysis (% chemical elements)	V
Mech. values (Rp0.2; Rm, hardness, etc.)	V
Surface testing (cavities, roughness)	V
Weight	V
Function	A
Appearance	A
Surface arrangement (for surface-coated components in accordance with customer requirements – adhesion, resistance, roughness, grease-free, etc.)	A
Certificates where applicable to the product	
Technical cleanliness (see VDA Volume 19; residual dirt analysis)	A
Resistance to electrostatic discharge (ESD)	A
Electrical safety / High-voltage safety	A
Electromagnetic compatibility	A
Certificates of verification of the production process	
Assurance of special features in accordance with technical specifications and agreed characteristics (100% inspections, process capabilities, Poka Yoke)	A
Number of samples including labelling	V
General certificates	
Certificates of compliance with legal requirements	V
Test equipment capability certificates for product and production process (capability tests, calibration certificates if necessary)	A
Proof of suitability of the load carriers used, including storage --> only packaging specification	A
Other (to be agreed in meeting)	V
General certificates	
Certificates of compliance with legal requirements	V

V – For submission to the CLIENT, shall be submitted to the responsible parts acceptance department of the CLIENT. A copy must be kept by the SUPPLIER.

A – All template documents that go beyond or deviate from standard scope L2 must be agreed upon during the meeting between the CLIENT and the SUPPLIER.

All test documents must be signed by the responsible party and sent to the CLIENT by e-mail in PDF format. Sample parts must be clearly labelled as sample parts and component numbers and, unless otherwise agreed, sent to the CLIENT in 5 copies. The initial samples must always be sent to the quality assurance department for approval testing in the manner agreed on with the CLIENT. Initial sample parts for series approval must be packaged, preserved and labelled separately in accordance with the specifications and must be sent separately from other deliveries. The initial sample test report and all other specific documents or documents listed in the relevant standards must be included with the initial sample parts. The number of initial samples must be specified on the delivery note.

If there are multiple tools (e.g. nest production in injection moulding), each nest must be sampled individually. All features must be clearly labelled and listed individually with nominal values, limit values and actual values. Features that cannot be inspected by the CONTRACTOR itself must be verified by test certificates from testing institutes.

8. Test planning

The production control plans must take into account the results and experience gained from similar products and processes. For all features to be tested that are specified in the production control plan, the SUPPLIER must define the test methodology and the appropriate test equipment. The procurement process must be planned so that the necessary test equipment is available when production starts.

The CONTRACTOR undertakes to draw up the test plan independently on the basis of the drawings and specifications provided. All relevant features must be recorded and taken into account for comprehensive inspection. The test plan drawn up must then be agreed with the CLIENT and its approval obtained before tests are carried out. This test plan serves as the basis for proper quality assurance and must be complied with throughout the entire production and delivery phase.

The CONTRACTOR must also carry out internal tests in accordance with the agreed test plans prior to shipping and ensure that the quality requirements are met in full. The CLIENT reserves the right to audit the processes and results of these tests on site.

9. Test reports

At the express request of the CLIENT (e.g. in the event of complaints), the CONTRACTOR undertakes to submit/include a test report with each delivery of goods for series deliveries. The test report must contain all features in accordance with the specifications/quality requirements of the delivered products and confirm that the delivered goods comply with the agreements.

The test reports shall be sent in the format of the CLIENT by e-mail to *rc.normalien@fibro.de* and must be complete and correct. The CONTRACTOR shall provide all test certificates and documentation required for approval by the CLIENT.

10. Assurance of product and process quality

The CONTRACTOR is responsible for the outgoing inspection and therefore for ensuring that the goods are delivered in perfect condition.

The CLIENT shall limit the incoming goods inspection for deliveries made by the CONTRACTOR to determining any deviations in the quantity and identity of the contractual products ordered, as well as any transport and packaging damage. Any identified deviations and damage shall be reported immediately. In this respect, the CLIENT shall be released from its obligation to inspect and give notice of defects (in accordance with § 377 of the German Commercial Code (HGB)).

The CLIENT shall also inspect the delivered goods during production in accordance with the conditions of proper business operations and notify the CONTRACTOR of any defects immediately upon discovery. The CONTRACTOR waives the right to object to late notification of defects in this respect.

The CONTRACTOR is requested to note that it is in their interest to consult their liability insurers with respect to the above stipulations.

10.1 Handling of defective or suspected defective parts

If a fault is discovered by the CLIENT or a customer of the CLIENT, notification of the defect (claim for defects) will be submitted in the form of a test report and/or a written notification (e-mail shall suffice).

In the event of complaints about the delivered products by the CLIENT, the CONTRACTOR shall analyse any deviations and notify the CLIENT of the results of the analysis immediately within [10] working days in 8D format. Confirmation of receipt and confirmation of initiation of the root cause analysis, including any immediate measures, shall be provided within [2] working days. The CLIENT is entitled to demand that the CONTRACTOR improves the remedial measures suggested by the supplier should the CLIENT deem these measures to be insufficient. Above and beyond this, the CLIENT expressly reserves the right to demand further testing of the products on the CONTRACTOR's premises as well as an audit of the production process and/or quality assurance in the CONTRACTOR's company, to be carried out by the CLIENT or a third party commissioned by the CLIENT.

Defective products or components will be removed from the production process immediately to prevent their further processing. Further procedure will be determined by the CLIENT, taking into account the nature of the defect, the quantity of products or components affected and the anticipated economic impact, whereby typical measures could include the following: (I) collection of the defective items supplied on the premises of the CLIENT and their return to the CONTRACTOR, (II) the return of stocks held by the CLIENT to the CONTRACTOR for separation of the defective items by the CONTRACTOR, (III) request for the CONTRACTOR to inspect stocks on the CLIENT's premises in order to ensure a supply of fault-free goods, e.g. by deployment of employees of the CONTRACTOR or the commissioning of a suitable service provider to be approved by the CLIENT, (IV) identification of the defective items and/or remedying of the defects by the CLIENT in order to avoid production downtimes, with immediate notification of the CONTRACTOR.

The CONTRACTOR is under obligation to inspect their stocks for defects and remove any faulty items. It must be ensured that no further faulty products are delivered to the CLIENT. The CLIENT must be notified immediately if the CONTRACTOR identifies faulty products on their own premises and there is a possibility that products already supplied to the CLIENT may also be affected. Measures to resolve the problem must be implemented immediately and the CLIENT notified of these measures without delay.

All costs incurred in connection with rejected products – in particular the costs of analysis and remedial measures – shall be borne by the CONTRACTOR, unless the it is not responsible for the causes of the complaint. The CLIENT expressly reserves the right to file further claims for defects and damages.

10.2 Action in the event of quality deviations

The following measures may be taken in the event of non-compliance with the quality requirements:

- Return of the defective goods at the expense of the supplier
- Initiation of an escalation process
- Obligation of the supplier to carry out additional testing or inspection measures
- Suspension of deliveries or, in the event of a repeat offence, termination of the business relationship

The SUPPLIER undertakes to comprehensively analyse the causes of deviations and to implement sustainable corrective and preventive measures. The CLIENT also reserves the right to charge a flat fee of EUR 150.00 per complaint. This sum serves to cover internal costs arising during the processing, verification and documentation of the claim. In particular, the CLIENT shall be entitled to demand such compensation in cases where, despite previous objection, no sustained improvement in delivery quality has been achieved. The right to assert further claims for damages shall remain unaffected by this.

10.3 Special approval

If deviations from the specified requirements are identified during production or outgoing goods inspection, provided that use of the parts appears possible despite the deviation, the CONTRACTOR, undertakes to apply for a special approval from the CLIENT in accordance with **Annex 3**. The process is as follows:

1. Identification of the deviation:
   The CONTRACTOR identifies a deviation from the agreed specifications that requires special approval.

2. Documentation of the deviation:
   The deviation is documented in detail (e.g. type of deviation, affected dimensions, possible effects on function and quality).

3. Request for special approval:
   The CONTRACTOR submits a written request for special approval to the CLIENT. It shall contain at least the following:
   - Description of the deviation
   - Cause of the deviation
   - Number of affected parts
   - Proposal for further use
   - Measures to prevent the deviation in future

4. Assessment by the CLIENT:
   The CLIENT shall review the request and decide whether the deviation can be tolerated. A technical assessment or consultation with other specialist departments shall be carried out if necessary.

5. Granting or rejection of special approval:
   - If special approval is granted, the CONTRACTOR shall receive written confirmation with any additional conditions (e.g. labelling requirements, limited quantity, time limit).
   - If special approval is refused, the CONTRACTOR must take appropriate measures (e.g. rework, scrapping, new delivery).

6. Labelling and documentation:
   - Approved parts must be labelled in accordance with CLIENT specifications.

Parts with deviations may not be delivered to the CLIENT without special written approval. Violations may result in returns or other measures.

11. Changes and reporting requirement

Prior to any changes that may affect quality, in particular technical changes to the product, changes to manufacturing processes and procedures, raw materials or supplier parts for the products, or relocations of manufacturing sites, the CONTRACTOR shall inform the CLIENT in good time in writing in accordance with **Annex 4** (usually at least 60 days in advance). This also applies to planned changes at subcontractor operations.

The CONTRACTOR shall only make the changes or deliver the changed products to the CLIENT after the CLIENT has given its prior written consent to the planned changes (e.g. change request).

If it becomes apparent that agreements made (e.g. regarding quality characteristics, deadlines, delivery quantities) cannot be met, the CONTRACTOR undertakes to inform the CLIENT immediately and initiate its internal escalation process. In the interest of finding a solution as quickly as possible, the CONTRACTOR is under obligation to disclose related data and facts

12. Audits

The CLIENT is entitled to carry out audits at the premises of the CONTRACTOR with reasonable advance notice, accompanied by its customer if applicable. For this purpose, the CONTRACTOR shall grant access to its business premises, warehouses and adjacent areas to a reasonable extent and after prior arrangement of a date, and shall provide professionally qualified employees for support during such access who are familiar with the operational facilities and work processes of the CONTRACTOR in relation to the products concerned. Within the scope of the audit, the CONTRACTOR shall provide access to the processes, procedures, documents and records insofar as they concern the management system or the quality of the products to be delivered. In the event of identified deviations (audit report), the CONTRACTOR must immediately define measures and communicate these to the CLIENT within 10 working days.

13. Packaging regulations

The CONTRACTOR undertakes to ensure within the scope of its processes that the quality of the products is not impaired during transport to the CLIENT. This must be ensured by the CONTRACTOR using suitable and environmentally friendly packaging materials. This may also include suitable preservation in accordance with legal requirements.

The CLIENT is entitled to define the means of transport to be used as well as the packaging and the labelling. In this case, the CONTRACTOR shall use only the defined means of transport, packaging and labelling. Any change to the means of transport and packaging requires the prior written consent of the CLIENT.

14. Risk management and emergency planning

The CONTRACTOR undertakes to introduce a documented and effective risk management system in accordance with ISO 9001:2015 that systematically identifies and evaluates risks and opportunities in production, delivery, quality maintenance and all relevant business processes, prioritises them based on their probability and impact, and minimises them by taking appropriate measures.

Within the scope of emergency planning, the CONTRACTOR must implement measures and procedures which guarantee the timely restoring of delivery capability in the event of faults in the production or supply chain. These emergency plans must cover the following aspects:

- Resource management: Ensuring the availability of critical resources (materials, staff, equipment) to maintain operational capability in the event of a disruption.
- Backup suppliers: Establishing alternative suppliers or production sites to avoid bottlenecks.
- Recovery measures: Defining steps and responsibilities for the rapid resumption of production and delivery.

The CONTRACTOR undertakes to grant the CLIENT access to the emergency plans on request and to furnish proof of the effectiveness of the measures implemented.

15. Product liability and insurance

The CLIENT expects its CONTRACTORS to take out appropriate product liability insurance with sufficient cover for warranty liability, connection, mixing and processing damage, damage caused by further processing or treatment, removal and installation costs as well as testing and sorting costs, including damage abroad (worldwide, including direct exports to the USA/Canada) for the risks arising from this agreement with regard to product liability.

16. Concluding provisions

This Quality Assurance Agreement, its conclusion and enforcement as well as any disputes arising in connection with this Quality Assurance Agreement are subject to German law, excluding any reference to other laws. The United Nations Convention on Contracts for the International Sale of Goods (CISG) (UN Sales Law) shall be excluded.

Should any provision of this Quality Assurance Agreement be or become invalid, this shall not affect the validity of the remaining provisions of this Quality Assurance Agreement. The contracting parties shall replace the invalid provision with another valid provision that comes as close as possible to the economic purpose of the invalid provision.

The exclusive place of jurisdiction for all disputes arising from or in connection with this Quality Assurance Agreement is the Mannheim Regional Court, unless otherwise agreed.

Amendments or supplements to this Quality Assurance Agreement must be made in writing. This also applies to a waiver of the requirement of written form.

The CONTRACTOR shall ensure that all applicable legal and official requirements of the exporting country, the importing country and the destination country specified by the customer are met. Where the countries in question are not known to the CONTRACTOR, the CONTRACTOR must obtain this information from the CLIENT.

The Annexes listed below form an integral part of this QAA:

Annex 1: General Terms and Conditions of Purchase of the CLIENT (https://www.fibro.de/einkauf/)

Annex 2: Supplier Code (https://www.fibro.de/einkauf/)

Annex 3: Request for Special Approval

Annex 4: Change Request

Annex 5: Amendments to this Quality Assurance Agreement

Annex 5 – CHANGES TO THIS Quality Assurance Agreement

Section of this QAA	Proposed amendment by the SUPPLIER	Additions/statement from the CLIENT

CONFIRMATION

The SUPPLIER agrees to the requirements set out in this Quality Assurance Agreement and undertakes to comply with them.

SUPPLIER

Address	
Name, first name	
Position	
Date, signature	

Address	
Name, first name	
Position	
Date, signature	

CLIENT

Address	FIBRO GmbH, August-Läpple-Weg, D-74855 Haßmersheim
Name, first name	
Position	
Date, signature	

Address	FIBRO GmbH, August-Läpple-Weg, D-74855 Haßmersheim
Name, first name	
Position	
Date, signature	

We kindly request that you sign this Quality Assurance Agreement and return it to the CLIENT within 14 calendar days. Any amendments or additions must be recorded in the form provided in Annex 3.