

# QUALITY MANAGEMENT AGREEMENT NPM SUPPLIER



between     SUSPA GmbH  
                 Mühlweg 33  
                 90518 Altdorf, Germany  
                 together with its subsidiaries

hereinafter referred to as **SUSPA**

and

\_\_\_\_\_  
Name of supplier

\_\_\_\_\_  
Address

\_\_\_\_\_  
City / Zip code

hereinafter referred to as **Supplier**

## 1 Purpose

SUSPA is a leading manufacturer of impact absorbers, crash management systems, gas springs, hydraulic dampers, vibration dampers, and electrical, pneumatic, and hydraulic height adjustment systems. Our customers are automotive manufacturers, original equipment manufacturers (OEM) and various users in industry. In consideration of our customers and for the continuous development and preservation of our competitive position, SUSPA together with its suppliers agree to make continuous efforts to align products and manufacturing processes towards the highest quality and environmental standards.

With this quality management agreement, SUSPA together with its suppliers emphasize a uniform quality and environmental philosophy. SUSPA and the supplier obligate themselves to comply with consistent quality and environmental standards as well as with the following terms.

The basis for a long-term business relationship between the contract partners is a

trustful partnership and cooperation with the goal to fulfil the requirements of the customer and of SUSPA. Customer satisfaction must be assured and sustainable.

This agreement is valid for all purchase contracts (basic agreements, blanket orders and individual orders), i.e., for all deliveries and services from the supplier and its domestic and foreign subsidiaries to SUSPA and SUSPA's domestic and foreign subsidiaries, as well as to companies working on behalf of SUSPA.

## 2 System Quality in the Supply Chain

### 2.1 Information Obligation of the Supplier

The supplier undertakes to provide data as part of a supplier self-assessment by entering it in the SUSPA Supplier Relationship Management System (SRM) and to keep them updated. Part of the supplier self-assessment are, for example questionnaires

regarding the Corporate Social Responsibility (CSR), the type of material and measures for a supplier evaluation and valid certificates are to be made available in SRM.

These are based on the current version of the drive sustainability questionnaires (<https://www.drivesustainability.org/>).

The supplier commits to conclude a confidentiality agreement with SUSPA, F26 03.01 and F 26 03.02 respectively.

## 2.2 Quality and Environmental Management System

The supplier must set up and maintain a certified QM-system according to the requirements of DIN EN ISO 9001 or alternatively IATF 16949 or VDA 6.1.

Moreover, the supplier intends to set up and maintain a UM system that complies to the requirements according to EMAS or DIN EN ISO 14001. An according certificate should be intended.

The supplier shall take measures to avoid events such as interruptions in energy supply, shortage of manpower, deficiency of important resources etc. and to enable the supply to SUSPA to a reasonably extent, even in case of emergencies.

If sub-suppliers are necessary to guarantee the performance, the supplier is anxious to use his quality regulations with the sub-supplier, too.

## 2.3 Auditing

After the supplier's consent, SUSPA has the right to verify the effectiveness of the supplier's quality assurance measures by a quality audit and to check at the supplier whether the products comply with the contract.

The supplier also allows SUSPA to audit the supplier's environmental system and environmental activities.

The quality requirements on all delivered products and/or services are determined bindingly by SUSPA in the order documents resp. in the framework of the order processing.

In the framework of preventive quality planning and to ensure a defect-free supply / service the supplier must initiate all necessary steps.

## 3 Execution Quality

### 3.1 Prototypes, Pre-series parts, Initial Sample Inspection Process

not applicable

### 3.2 Procurement

The supplier commits his sub-suppliers to adhere to his duties from this agreement.

### 3.3 Production / Service Provision

SUSPA has to be informed immediately when quality setbacks occur. Quality deviations have to be reported by the supplier with a written defect report for approval by SUSPA prior to delivery. The approved defect report (approval of deviation) has to be available when the goods are delivered. The containers for transport have to be marked clearly.

### 3.4 Test / Inspection Equipment

not applicable

### 3.5 Test / Inspections

In order to avoid the delivery of defective parts, the supplier is obligated to carry out the required tests/inspections for all parts intended for delivery.

### 3.6 Quality Records

Quality documents must be archived according to the legal regulations.

If the delivery of initial samples is agreed, a test certificate according to EN 10204 has to be supplied to SUSPA together with the initial sample inspection report. The required certificate level is 3.1. Deviations to this level have to be agreed separately between SUSPA and the supplier. With series deliveries the test certificates have to be archived by the supplier and have to be shown or handed over to SUSPA on request.

## 4 Delivery Quality

### 4.1 Transportation / Delivery

As a matter of principle, the supplier is only allowed to deliver defect-free products as the incoming inspection of SUSPA normally only includes an identification, visual and quantity check. SUSPA must always be able to use the received goods in the production without an incoming inspection.

All shipments must be clearly traceable by the data on the delivery note. The supplier commits himself to adhere to his delivery obligation by 100%. By suitable packing, the supplier must assure that the quality of the products is not affected in consequence of the transport to SUSPA. The supplier must fill out delivery documents completely and correctly.

SUSPA will keep records of additional freight charges.

### 4.2 Definition of Delivery Quality

The terms failure and defect are defined as non-conformance of an agreed requirement.

Defective parts will be claimed by SUSPA using a formal Complaint Report.

Irrespective of the number of identified

defective parts, SUSPA measures the relative delivery quality by counting and weighing the number of claimed delivery lots and the number of Complaint Reports.

Supplementary ppm-evaluations may be generated if necessary and helpful for the supplier development.

$$\text{ppm-value} = \frac{\text{defective parts}}{\text{delivered parts}} \times 1\,000\,000$$

For ppm consideration the date of failure recognition at SUSPA applies. If SUSPA cannot determine the number of defective parts, then the entire lot must be defined as defective until the supplier reports other verifiable failure figures. In case of wrong deliveries or wrong packaging, the entire lot must be defined as defective.

#### 4.2.1 Targets for Delivery Quality

Target values for delivery quality are

Zero complaint reports  
Zero claimed deliveries  
Zero ppm.

#### 4.2.2 Supplier Assessment

SUSPA evaluates each supplier at least once a year along the following criteria:

- | Customer-driven quality  
(yard holds, field returns, production stop by SUSPA customer caused by supplier of SUSPA)
- | Supplier quality
- | On-time delivery
- | Supplier response (due to defect complaint report)
- | Premium freight (premium freights from SUSPA to customer, caused by supplier of SUSPA)
- | Special status
- |

With these criteria the supplier will be classified as A, B or C supplier. B and C suppliers must develop and inform about measures that will enable an A classification in the short or medium term.

### 4.3 Processing of Complaints

Shipments / services which do not comply with the determined quality requirements are to be handled as follows:

- | SUSPA informs the supplier about the faulty shipment / service. The supplier has to take immediate and long-term measures to avoid future failures.
- | The supplier must be able to prove the immediate measures instantaneously. It would be ideal to realize that with an 8D report.
- | SUSPA will document the actually accumulated costs, agree on them with the supplier and charge those costs according to the agreement.
- | In a case-by-case agreement, the shipment can either be returned or substituted.

## 5 Miscellaneous

### 5.1 Quality, Environmental and Product Safety Officers

The contract partners appoint each a quality and an environmental representative.

### 5.2 Other Related Documents

If special technical conditions of delivery and acceptance were stipulated for the shipment / service, they are part of this agreement.

### 5.3 Declarable or Prohibited Substances

German and European laws, government, and other regulations, particularly in the field of environmental protection as well as the scrapped car regulation have to be considered.

The specifications and requirements of the EU directives/regulations ROHS 2002/95/EG and REACH 1907/2006 in their relevant revisions in particular must be observed. The supplier must continuously respect and apply the resulting obligations such as restricted or forbidden use, duties to report or to register.

If SUSPA requires conformity declarations regarding ROHS or REACH, the supplier must present it in writing in due form.

Supplier confirms a supply chain policy in line with the Annex II of the OECD Due Diligence Guidance in the current version.  
(<https://www.oecd.org/publications/oecd-due-diligence-guidance-for-responsible-supply-chains-of-minerals-from-conflict-affected-and-high-risk-areas-9789264252479-en.html>)

Furthermore, the supplier must comply with the formalities acc. to Regulation (EU) 2017/821 of the European Parliament and Council of May 17, 2017, and the Dodd-Frank Act relating to conflict materials.

(<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017R0821>)

The CMRT or EMRT report form must be provided upon request.

(<https://www.responsiblemineralsinitiative.org/reporting-templates/cmrt/>)

or (<https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>)

### 5.4 Period of Validity

This agreement is valid for an unlimited period and can be terminated in written form with a 6-month notice before the end of a

calendar year. However, this agreement stays valid until the end of all agreed supply contracts.

### 5.5 Confidentiality

SUSPA assures the supplier of confidentiality regarding all obtained knowledge.

### 5.6 Severability Clause

This contract stays valid even if particular determinations are proved to be invalid. The concerning determination is to be construed in such a way that the original aimed economic and legal purposes are achieved as far as possible.

If at any time a provision of any such separate written and signed agreement, law, regulation, or standard directly conflicts with any provision of this Agreement, then that separate written provision will prevail over only the conflicting part of this Agreement. No verbal agreement will prevail over this Agreement. All of this Agreement's provisions without such conflict will still be in force.

In addition, no changes will be made by supplier to a part, materials, process, design or specifications without SUSPA's prior written approval. Any such changes will require a part to be resubmitted for approval.

### 5.7 Product Liability

The supplier obligates himself to contract appropriate public liability insurances and product liability insurances and to provide the required evidence. Property of SUSPA as well as property of SUSPA customers which SUSPA provides the supplier to produce the purchased parts, like e.g., tools, must be insured against damage and loss.

### 5.8 Choice of Law and Other Provisions

This agreement is to be construed according to the laws of the country and region where SUSPA plans to receive the goods and services, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Any action or proceedings by SUSPA against supplier may be brought by SUSPA in any court(s) having jurisdiction over supplier or, at SUSPA's option, in the court(s) having jurisdiction over SUSPA's location, in which event supplier consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by supplier against SUSPA may be brought by supplier only in the court(s) having jurisdiction over the location where SUSPA plans to receive the goods and services.

Neither SUSPA nor supplier may assign, delegate or subcontract any of its rights or obligations under this agreement without the prior written consent of the other party. Subject to the foregoing, this agreement will inure to the benefit of and be binding upon the successors and permitted assigns of SUSPA and the supplier.

Notices required or permitted with respect to this agreement must be given in writing to the above addresses by personal or courier delivery, registered or certified mail with return receipt, facsimile transmission with confirmed receipt, or electronic mail with confirmed receipt.

This agreement may be modified or waived only by a separate writing signed by SUSPA and supplier expressly modifying or waiving a provision of this agreement.

SUSPA may disclose confidential or proprietary information to supplier and supplier's

employees. Supplier must keep such information confidential. Supplier can disclose such information in whole or in part only with written authorization from SUSPA.

Source:  
Beuth Verlag GmbH, Postfach 11 45, 10772 Berlin

5.9 Literature

- | DIN EN ISO 9001 Quality Management Systems
- | DIN EN ISO 14001 Environmental Management Systems
- | EG-Öko-Audit-Regulation Nr. 1836/93

5.10 SUSPA Forms

F 0603.13      Registration      additional      Expenses due to Supplier Errors

5.11 Signatures

This document may be executed in one or more counterparts each of which will be an original, but all of which together will constitute one agreement. The Parties agree to accept facsimile signatures as original signatures.

SUSPA GmbH			Supplier		
Date		Signature Materials Management	Date		Signature Sales / Management
Date		Signature Quality Management	Date		Signature Quality Management