

WESTFALIA	FORMULAR FO24-6B	<i>Blatt</i> 1	<i>von</i> 5
	Supplier Quality Assurance Agreement	<i>Erstellt</i> 02/07	<i>Rev / MM / JJ</i> 07 06/11

Quality Assurance Agreement (QAA)

between

WESTFALIA-Automotive GmbH (WAM)
Am Sandberg 45
33378 Rheda-Wiedenbrück

and

XXXX, XXXX, XXXXXX
(SUPPLIER)

Dateiname	Erstellt von / am:	Genehmigt von / am:	Geändert von / am:	Genehmigt von / am:	Druckdatum
FO24-6a.doc	K. Kühn / 04.02.07	J. Waldau / 14.02.07	B. Ertl 17.06.11	R. Gärtner / 17.06.11	30.06.2011

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I. Introduction

1. The Contract Parties (SUPPLIER and WAM) are in agreement that high quality and reliability of engineering products can only be achieved under the highest possible competitiveness if the cooperation of the partners is optimal and the quality management system of both Parties is applied throughout. Continuous improvements are of course the goal of both Parties. Specifications must in each case be confirmed by both Parties separately and without regard to this Quality Assurance Agreement.

II. Objective

1. This QAA is a contractual instrument with the aid of which the SUPPLIER and WAM jointly set technical and organisational procedures with the goal of manufacturing flawless products and delivering them on time and in the correct quantity and assortment. In this matter, jointly determined measures of error prevention and early error recognition decisively help to keep the product's production costs low. It contains rules for emergency measures and corrective measures in case of complaints and tasks to promote the efficiency of both Contract Parties. The QAA is an essential contractual document for a long-term oriented supply partnership for mutual benefit. Both Parties will achieve "zero error goals" if their respective preconditions for a product are optimally coordinated, both in the technical as well as in the commercial sphere.

III. The Contract Parties' management systems

1. WAM operates under the following certified management systems:
 - ISO/TS 16949
 - ISO 14001
2. The SUPPLIER operates under the following certified management systems (inapplicable points have to be deleted):
 - ISO 9001
 - ISO/TS 16949
 - ISO 14001
3. Should no certification under ISO/TS 16949 obtain then this will be stipulated as a binding development goal.

IV. Serial production preparation of the product

§ 1 General considerations

1. WAM will provide the SUPPLIER in an intelligible and meaningful way with all available product requirements (e.g. drawings, functional description, special features).
2. The SUPPLIER will review the above cited product requirements candidly with the involved departments for their technical and commercial feasibility and, where appropriate, suggest changes at an early stage. This also concerns suggestions resulting from its capacity as manufacturer on eventually missing requirements or requirements incorrectly defined by WAM.
3. The SUPPLIER must carry out all necessary tasks for successful production process and product clearance (PPC) according to currently applicable VDA and APQ/PPAP guidelines. WAM will in any specific instance determine which guidelines are to be applied.
4. The SUPPLIER must report scheduling risks and scheduling delays to WAM. The SUPPLIER must guarantee its ability to deliver to WAM in accordance with agreements reached.
5. WAM must immediately inform the SUPPLIER in writing of changes in regard to product requirements. The SUPPLIER will test to see whether these changes are technically possible and what ramifications they entail for the project.

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§ 2 Initial sampling and production clearance

1. The delivery deadline indicated on the initial sample order must be mandatorily met. Any deadline delay endangers serial production start-up.
2. The SUPPLIER must hand over to WAM with the initial sample test report (ISTR) clearly marked initial samples and all verification documents that are part of that particular stage of submissions.
3. Tested parts must be numbered in a clearly recognisable way in order to ensure their allocation to measurement results. The nature of the labelling must where needed be coordinated with WAM.
4. The conditions set by WAM limit subsequent sampling, unless otherwise specified, to the relevant deviations and missing documents.
5. The SUPPLIER and WAM will archive the initial sample parts and reserve samples as well as all sampling documents for 15 years after serial production start-up, unless WAM specifies another period of time.

V. Serial production of the product

§ 1 Incoming tests by WAM and error reporting

1. In accordance with the terms of the quality management system and the quality level sought, incoming testing at WAM should be reduced to avoid complete double testing. WAM will immediately after arrival of the delivery undertake an identity and quantity test as well as checking the delivery for obvious shipping damage. If WAM in this context discovers any flaws WAM will immediately report it to the SUPPLIER. Flaws not detected at this stage will be reported by WAM to the SUPPLIER within an appropriate period of time as soon as they have been detected according to the conditions of proper business procedure.

§ 2 Labelling and traceability

1. The SUPPLIER must for all finished batches and serial charges maintain a labelling and tracing system by which in case of quality flaws identification of the supply charge of the subSUPPLIER or outside SUPPLIER can be identified.
2. The SUPPLIER must be able to trace back and detect with certainty when it delivered which products to WAM.
3. For parts with features of special verification obligation (D parts) all records made in connection with production (materials certificates, test documentation, etc) must be kept for at least 15 years after final production and upon demand submitted to WAM for inspection.

§ 3 Procedure with deviations identified prior to delivery

1. If the SUPPLIER intends by way of exception to delivery to WAM products with inadmissible specification deviations special written clearance must be obtained from WAM.
2. Products with approved deviation must be delivered separately and labelled accordingly for each shipping unit. A copy of the special clearance must be enclosed with the delivery documents.

§ 4 Procedure with complaints by WAM

1. WAM will immediately report quality flaws to the SUPPLIER, indicating as well the relevant delivery unit, as soon as they have been detected under the conditions of proper business procedure.
2. The SUPPLIER must in principle and as a priority carry out immediate remedy measures meeting legal requirements for all flaws for which it is responsible.
3. WAM will only carry out any sorting measure and/or remedying of flaws in coordination with the SUPPLIER. This procedure is also admissible without coordination in the following special situations:
 - The SUPPLIER fails to meet an appropriate coordination deadline set in this regard.

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- WAM had to carry out emergency measures in connection with a client complaint and only later identified the SUPPLIER as the cause. In that case, WAM must expeditiously send the SUPPLIER the corresponding proof (faulty parts, graphic proof, etc).
 - Sorting of stocks by WAM due to threatened interruption of production.
4. The SUPPLIER produces a complete 8D report. Foreseeable deadline missing, e.g. as proof of corrective measures introduced for future avoidance of errors must be reported to WAM early on.

§ 5 Product and process modifications

1. If WAM or, if known, its client plans to modify the additional finishing process and/or to modify the function of the insourced part and if it cannot estimate whether the partial specification must for that reason be adapted then it must report this to the SUPPLIER in writing in advance of the modification. The SUPPLIER will inform WAM in writing within an agreed period of time whether any change in the specifications and possibly the price are required.
2. If the SUPPLIER plans to modify its deployed materials, insourced parts, manufacturing processes, production sites, process and test conditions, etc in relation to the process conditions according to the initial sample then it must inform WAM of this in writing.
3. The written information on the above modifications must occur so well in advance and so completely that WAM and the SUPPLIER can check them for their importance and can object to them before the relevant modification comes to be applied to the contractual items.
4. If WAM fails to react to any modification reported by the SUPPLIER this will not release the latter from its sole responsibility for properties and reliability of the parts to be delivered according to contractually agreed specifications.
5. WAM will decide on a case-by-case basis whether and to what extent resampling is necessary in connection with any process modification.

§ 6 Criteria and scope of requalification tests

1. The SUPPLIER must, to prove a stable quality level per product group for an annual period, and beginning with the date when the initial sample is released, carry out at least one requalification test free of charge for WAM.
2. The requalification test must include all specifications on materials, dimensions and functions specified by WAM for the product.
3. The requalification test will be carried out according to the specifications on initial sample testing.
4. The test results must be documented by the SUPPLIER and sent to WAM upon the latter's demand.

VI. Cooperation to secure and promote efficiency

§ 1 Auditing by WAM on the SUPPLIER'S premises

1. The SUPPLIER must make it possible for WAM to convince itself on site of the effectiveness of its quality assurance measures after agreeing on an appointment.
2. In particular in the event that quality problems occur, process and product audits by WAM will help to effectively secure the common objective: "Restoration of a quality-capable process."
3. The SUPPLIER will for this purpose grant WAM access to all production premises, test venues, warehouses and adjacent areas during the usual working and business hours and after making an appointment as well as the opportunity to inspect all quality related documents unless secrecy interests of the SUPPLIER or of third parties demonstrably prevent this. To the extent required, joint audits will be conducted with the SUPPLIER on subSUPPLIERS' premises.

§ 2 SUPPLIER evaluation

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