

## **Guidelines for suppliers (quality assurance agreement)**

of Oberaigner Powertrain GmbH, A-4155 Nebelberg, Daimlerstraße 1

and

Oberaigner Automotive GmbH, D-18299 Laage, Roman-Oberaigner-Allee 1

amended on 16.09.2020

These guidelines apply to all suppliers for Oberaigner Powertrain GmbH, A-4155 Nebelberg and Oberaigner Automotive GmbH, D-18299 Laage (hereafter referred to as Oberaigner).

### **1. Scope**

These provisions apply together with Oberaigner's conditions of purchase, as agreed with the supplier, for all existing and future procurement contracts between the supplier and Oberaigner. The supplier will require its sub-suppliers to comply with the obligations it assumes under this contract.

### **2. Quality assurance - implementation of quality management**

The supplier is obliged permanently to use a quality management system based on the requirements of IATF 16949 and/or at least the EN ISO 9001 in its currently valid version, in order to ensure a proper and constant quality of the products.

The supplier is fully responsible for the deployment of its sub-contractors. If the supplier awards contracts to sub-suppliers, the requirements of these guidelines must also be met by the subcontractor. Changing a subcontractor is subject to approval and must be declared to Oberaigner in good time. Oberaigner reserves the right also to audit subcontractors, however the supplier is not hereby relieved of its responsibility towards the subcontractor.

### **3. Quality-specific provisions**

#### **3.1. Characteristics of particular importance (COPI)**

In principle, all product and process characteristics are important and must be observed. COPI - quality characteristics that are essential for function and critical for the process as well as characteristics with special verification management require special attention, since variations in these characteristics can affect in particular the mounting ability, the function or the quality of subsequent manufacturing operations, as well as legislation. They are set by Oberaigner and / or arise from the design and / or FMEA process of the suppliers.

### **COPI are countersigned with:**

- **(WS)** characteristics have a significant effect on vehicle safety
- **(WZ)** characteristics have a significant effect on compliance with statutory requirements
- **(W)** essential for function

### **3.2. Products and characteristics with special verification management (D)**

These are products, whose characteristics have a significant effect on vehicle safety or compliance with statutory requirements. Under circumstances of product liability, a corresponding risk is to be expected here. These products and their characteristics are indicated in the technical documentation of Oberaigner with (D).

### **3.3. Process and product approval**

#### **3.3.1. Prototypes**

Prototypes must be made and tested under series production conditions (machinery, equipment, plant and inspection equipment, machining conditions). The test results of all characteristics must be documented in a prototype test report. The number of parts to be documented is agreed according to submission level pursuant to VDA 2. In principle, if no other provision is made in the course of the order, submission level 2 is to be applied. The prototypes must be delivered with the prototype inspection report and the documentation in accordance with the submission level on the agreed date to the specified address. Identical numbers/names should be used in the prototype test report and in the current diagram to be included with the delivery, for identification of the characteristics. Oberaigner to object at a later date to deviations from Oberaigner specifications, which were not detected during the process and product approval.

#### **3.3.2. Reason for prototypes**

Prototypes are required, in accordance with the above rules and regulations,

- if a series product is ordered for the first time,
- after changing a subcontractor of the supplier, (raw material suppliers e.g. steel, aluminum, mechanical processor, heat treatment)
- after a product change of all characteristics affected by it.

#### **3.3.3. Prototype documentation**

Prototype documentation must be provided at the same time as the prototypes. With several prototype parts for the same product, the documentation must be designed so that a clear assignment of documents to individual parts is possible. Missing prototype documentation results in negative supplier assessment. Prototypes cannot be processed without documentation. The enclosed prototypes must be distinctively labelled.

#### **3.3.4. Series production parts**

A series delivery may only take place after a process and product approval by Oberaigner. The process and product approval include typically:

- Prototype approval for production
- Approval of the quality planning
- Detection according to the specified submission level. VDA

The supplier is required to agree with Oberaigner on the appropriate process and product approval necessary for the respective part, and to submit to Oberaigner and continuously to update in good time the appropriate evidence, such as e.g. process flow chart, production control plan (Controlplan),

process-FMEA records etc. and to ensure ongoing compliance with the product and process specifications. Subsequent changes to the product and/or the process must be approved again by Oberaigner.

### **3.3.5. Requalification test**

All products must be yearly subjected to a complete dimensional and functional test according to the production control plans, taking into account the applicable customer requirements for material and function. The results must be available for customer evaluation on request.

Note: Dimensional tests include the complete measurements of all product dimensions listed in the design specifications.

## **4. Process capability parameters**

The following apply as a minimum:

Machine capability	cmk	≥	1.67
Preliminary process capability	ppk	≥	1.67
Continuous process capability	cpk	≥	1.33

The following values apply for DS/DZ characteristics (safety and certification-related characteristics):

Preliminary process capability	ppk	≥	2.00
Continuous process capability	cpk	≥	1.67

The supplier carries out process capability studies before SOP (start of production) at least for characteristics with particular importance and implements the necessary steps so that the required process capability can be demonstrated. The supplier uses appropriate procedures and facilities for the control of the manufacturing process, as well as ongoing monitoring and documentation of product characteristics and process influencing parameters.

## **5. Continuous improvement**

Basically, the supplier agrees to a zero error target, whereby the supplier constantly improves its performance to that effect (CIP). If required, supporting documents must be provided by the suppliers. Also in processes with cpk values > 1.33 an appropriate programme to improve the process capability must be planned and implemented, while taking into consideration the economic viability.

## **6. Complaints**

After complaints by Oberaigner, error corrective measures must be implemented and documented immediately. Oberaigner expects a statement in the form of an 8D-report including the point of "Emergency measures", within 48 hours of receipt of the complaint. A full 8D report must arrive no later than 10 working days after receipt of the complaint by Oberaigner. If the supplier cannot comply with these deadlines, the supplier must inform Oberaigner correspondingly. The effectiveness of the measures will be verified by the supplier if required.

## **7. Audits**

Through regular product / process audits, the supplier must satisfy itself that all product-related specifications (inspection, labelling, packaging) are met. The results including the measures introduced are to be documented. The effectiveness of measures must be demonstrated. In addition, Oberaigner is entitled to inspect and to assess or have reviewed by a third party commissioned by Oberaigner the quality assurance measures of the supplier. The optimisation of the detected vulnerabilities is incumbent upon the supplier. Oberaigner may require its participation

in the optimization by the supplier.

## **8.      Labelling and traceability**

Oberaigner expects the labelling of parts by the supplier according to the following format:

The part number and identification from Oberaigner must be clearly indicated on the labelling, usually on the goods tag according to the VDA recommendation 4902, incl. alteration status for manufacturing parts and affiliation to the respective production batch. The part numbers of Oberaigner must be clearly indicated on the packaging of the product and on the delivery note.

Testing and shipping records must contain the agreed identification. The supplier arranges the documentation for traceability with Oberaigner. Changes also require the approval of Oberaigner.

All delivered materials with expiration date must be indicated with a minimum durability date. Please inform us immediately with a separate note on the order confirmation, as well on the delivery note.

## **9.      Preservation and packaging**

The supplier and Oberaigner mutually determine in writing the preservation and packaging provision. Parts, which are passed to the suppliers as supply parts in containers, must be returned to Oberaigner in the same containers. If parts are returned in a different container, then the open containers must be returned free of charge to Oberaigner within 14 days with a notice of the return on the order. If this is not the case, the supplier will be charged with the cost of the carrier.

When selecting packaging, reusable packaging is preferable to disposable packaging, taking into account ecological and economic aspects.

## **10.    Tests / certifications**

The supplier is committed to carry out and document the necessary tests in order to deliver flawless quality, and upon request by Oberaigner make them available free of charge. If agreed, the supplier shall also issue a certificate according to EN 10204 per delivery and transfer unprompted the respective delivery notes to Oberaigner. In this case, the nature and scope of the respective test certificate are to be determined in relation to the specific parts. The supplier undertakes to provide this documentation upon request to Oberaigner for characteristics of particular importance. If problems occur due to exceeding limit values, Oberaigner may require new specifications for test certificates in coordination with the supplier. If there is insufficient information from Oberaigner or there are ambiguities, the supplier is obliged immediately to make contact with Oberaigner.

## **11.    Retention periods**

For quality-relevant documents, retention periods are to be determined by the supplier. As an additional guideline, Volume 1 of the German Association of the automobile Industry (VDA) is stipulated in the respectively valid version, whereby documents of the PPF process must be kept, and made available if requested by Oberaigner, for 15 years after the end of series production (EOP). These provisions do not replace any statutory requirements.

## **12.    Deviation allowance**

The supplier must make deliveries compliant to diagrams and specifications. Should the supplier temporarily not comply with this due to minor deviations, there is the possibility to submit a written request for deviation allowance to Oberaigner.

Deviations can only then be approved if safety, function and durability of the parts are not affected. The request is examined by Oberaigner for its consequences. A written statement is made within a reasonable period of time.

Deviation allowances must always be made in writing in order for them to be effective and are limited to a certain number of parts or a specific delivery period.

The application for deviation allowance must include the following points:

- Part name, part number, change status
- Nature and extent of the deviation (with diagram)
- For material deviations, the exact specifications / analyses
- Any available tests / test results
- Quantities or delivery period, which are affected by the deviation

Approval by Oberaigner does not release the supplier from its responsibility. In every case, before sending a shipment of non-conforming parts, Oberaigner must be informed in writing / electronically of the deviations and written / electronic authorisation must be received from Oberaigner.

### **13. Additional freight costs**

Point 8.4.2.4. of the IATF 16949 obliges us to record additional freight costs that are incurred with an unscheduled or delayed delivery to Oberaigner. Should such additional freight costs arise from a delivery to Oberaigner, then the supplier is obliged to announce this with the delivery documents. If Oberaigner does not receive information regarding additional freight costs, then it is assumed that there will be scheduled, not delayed deliveries, at no additional freight cost.

### **14. Status message**

All changes to the certification status and the special status messages in accordance with IATF 16949 (section 8.4.2.4.) must be shared unprompted with Oberaigner.

### **15. Environmental protection and occupational safety**

The supplier is obliged to comply with the respective national laws and regulations regarding environmental protection and occupational safety. In addition, the supplier in this respect undertakes permanently to implement documented and effective procedure. Certification according to EN ISO 14001 is desired by Oberaigner.

### **16. Secrecy**

In principle, the non-disclosure agreement concluded with the supplier applies. If such an arrangement does not exist, then the supplier is obliged to request this from Oberaigner.

### **17. Final provisions**

Changes, additions, as well as the cancellation of this agreement must be made in writing. If loopholes should arise, which have not been recognised or foreseen by the partners, as a result of the implementation of this agreement, the partners are obliged to close these loopholes correspondingly and in partnership. The conditions of purchase of Oberaigner continue to apply. If contradictions arise between them and Oberaigner's Guidelines for suppliers, the relevant provisions in Oberaigner's Guidelines for suppliers shall apply.