SaarGummi Group

sealing the future.

Supplier Quality Agreement

between:
SaarGummi technologies International GmbH.
Eisenbahnstrasse 24
D-66874 Wadern – Büschfeld
and those companies affiliated with CQLT SaarGummi Technologies
(thereinafter only SG Group)

and:
Supplier name
Supplier adress
Country - City, Postcode
(thereinafter only Supplier)

In case of any question please contact: Matthias.Winkler@saargummi.com

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Name	Supplier Relationship Management	Matthias Winkler	Guido Schütz
Date	24.01.2011	13.02.2020	13.02.2020
Department	SRM	Supplier Relationship Management CQLT SaarGummi Group	Director Global Material Management CQLT SaarGummi Group

1. Purpose and Scope

This document describes and defines the requirements of SG Group for the supplier's quality management system as well as the quality delivery assurance. The Supplier has is obliged, without exception, to deliver its products and service in compliance with this quality.

SG Group expects intensive cooperation from the Supplier focused on the prevention of non-conformities and planning of the quality through all phases of the process, and to continuously adhere to the prescribed procedures and agreed principles.

Competent employees of SG Group are ready to cooperate with the Supplier on the base of mutually dependent agreements, in compliance with the quality assurance re-quirements concerning the purchased product, and they are available to explain all needs provide necessary templates and documentation.

Articles of the document are valid for Suppliers of SG Group who are registered in the list of approved suppliers.

In the case of special requirements from SG Group side, i.e. requirements within the framework of the Manual, the requirements are announced to the Supplier in the form of „Specific Quality Requirements"(Annex to Quality agreement) which is also pub-lished on the web site of SG Group (www.saargummi.com). The Contractor will be informed about any changes to the Quality Assurance Requirements.

2. Notions and Abbreviations

EMS - Environmental Management System
QMS - Quality Management System
OH&S - Occupational Health and Safety Management System
SG Group - SaarGummi XXX.com

3. Requirements to Quality and Environmental Management System

Suppliers registered in the "List of Approved Suppliers" for SG Group, must meet the following requirements:

- Supplier for Material or components must at minimum have certificated

Quality Man-agement System (QMS) according to ISO 9001: 2015 or VDA 6.1: 2016 with target to work after procedure of IATF 16949: 2016, a certified environmental management sys-tem according ISO 140001: 2015 should be also a goal of the suppliers company. The current version must be documented by a valid certificate. This requirement is also a customer target and specified in the form „Specific Quality Requirements"(Annex to Quality Agreement)

- For Suppliers of consumer material as well as trading company's certification is ac-cepted according to ISO 9001: 2015 in its current publication.
- The Supplier is obliged to send notification about a status change within 3 months following the expiration of a valid certificate.

4. Contact Persons

Contact persons are designated by the Supplier and SG Group. They are responsible for entire projects, in terms of quality, production, logistics, sales and purchasing for both parties. Furthermore, from the supplier's side a warrantee for the safety of the product must be designated. Initials of the person must be reported to SG Group.

5. Documentation of Delivered Products

Regular sampling according to the procedures stipulated in VDA 2 Version 2016 or PPAP Version 4 must occur between Supplier and SG Group.

The product must meet the technical requirements as defined by drawing or technical data sheets of SG Group or other (mutually) approved specification. The standard of presentation and special requirements for the documentation is specified in the form: „Specific Quality Requirements "in the Annex of the Manual.

The Supplier has to submit required documentation within the upon time period.

6. Process Changes on the Supplier's Side

The Supplier has a duty to inform the competent representative of SG Group about any significant changes in the production process or in terms of new or used raw ma-terials and to agree on the new procedure, e.g.:

- New sampling incl. agreed Initial Sample Report after PPAP or VDA or after Data Sheets.

- Inspection of the documentation
- Tighter output checking at the Supplier's location for a limited period
- Other agreed procedure (Supplier's production release)

All deliveries after a change in performance must be marked accordingly in agreement with the contact persons of SG Group.

7. Zero Error Strategy / Safety Supplier's Quality

The Supplier is obliged to introduce a checking system in the course of the production process as well as preventive measures, from the control of input materials up to the final expedition of the products. The aim of these preventive measures and checking is a zero error strategy, meaning delivery without non-conformities. Also, a complete product audit is part of the checking, at least once a year. Other measures (if required) are specified in the Annex of this Manual. In this case separate agreements are nec-essary between both partners.

In the case of deliveries of parts with specific signs, and for safety parts, it is necessary to keep requirements of final customer for testing, control and self-evaluation according to current requirements. These requirements are especially to agree.

8. Evaluation of the Supplier

The Supplier is continually evaluated by the companies of the SG Group, where as he is cognizant of the results of the evaluation twice per year, including the impact of the evaluation. The following criteria are evaluated:

- Supplier's reliability (meeting delivery terms/quantities)
- Business cooperation (price level, flexibility, response time ...)
- Quality management system (certification level)
- Quality of deliveries (ppm)

9. Verification of the Suppliers

SG Group verifies the Contractor's QMS and capacities by means of supplier audits and / or Run&Rate approvals on-site; the frequency of audits depends on delivery volume, project status, supplier's evaluation and status of quality indices. Suppliers are audited on the base of an audit plan, which is specified by

the purchasing depart-ment. The Supplier is informed about the planned term of the audit at least 21 work-ing days (or by mutual agreement) in advance. Wi-thin the scope of the audit the ad-herence of the Supplier to the requirements defined in the QMS of the Supplier (rele-vant standard) and by this Manual.

Material or components suppliers, must be certified according our requirements, oth-erwise they cannot be registered into "A" supplier category.

SG Group reserves the right to perform an audit of material and components at the Supplier's location, in accordance with our own defined, or especially agreed at end customer requirements.

10. Complaint Procedure

All deviations from the technical or other specifications of the product and approved reference samples are regarded as non-conformities; the Supplier is immediately in-formed about this. Reclamation or complaint means non-confor-mity, which results in compensation of the original purchased Supplier's product. Compensation can occur in the following ways:

- Product exchange
- sorting
- rework
- Financial compensation
- Delivery of a replacement

The Supplier is obliged to send information on immediate measures to SG Group in form of 8D reports (minimally up to point 3) or by other means as agreed in claim the protocol (report) within 48 hours from receipt of the complaint. Further solution proce-dures depend on the particular situation, whereby the correction of the non-conformity by the Supplier must be as fast as possible and effective, this includes the determination of corrective measures.

11. Verification of Purchased Product

Scope verification of the purchased product can be granted regarding to the specified kind and scope of input control as:

a. Random or no verification with attest and certificates guarantee from supplier.
b. Verification with determined multitude with/without utilisation of statistic methods and with Supplier's attest and certificates guarantee.
c. Verification with determined multitude at input control with supplier's attest

and certificates guarantee and with subsequent one-hundred-percent inspection of the product in the production process (during assembly etc.)

Basic scope of verification according to point a. Other scope of verification (if neces-sary), it is determined in Annex of the Agreement.

12. Supplier's Responsibility

The Supplier is obliged to take responsibility for the quality as per requirements of the SG Group in terms of quality and also on behalf of its own sub-suppliers and to ensure that sub-suppliers adhere to the analogical principles as described in this document.

The Supplier will be informed about documented expenses, which arise in connection with delivery of non-conform materials or components. Responsibi-lity for these ex-penses and their reimbursement will be negotiated and agreed upon by both parties.

Date

Matthias Winkler
Head of Global Supplier
Relationship Management
CQLT SaarGummi Group

Supplier name and
company stamp

Additional quality agreements for the delivered parts.

(Enter here)

Enclosure list
These end customer requirements are for your information!

Order	Marking	Description
1	PP1_02 D1-0	Specification of Quality Requirements - VW
2	PP1_02 D2-0	Specification of Quality Requirements - Ford, GM, JLR
3	PP1_02 D3-0	Specification of Quality Requirements - Mercedes, BMW
4	PP1_02 D4-0	Specification of Quality Requirements – PSA, RENAULT

All connected specifications are additional requirements that we have to agree separately after end customer requirements.

Specification of quality requirements

(Annex to Supplier Quality Agreement)

Customer:		Supplier group
SaarGummi Group		Supplier of materials or components for VW Group
General requirements		
Specified parameter	Requirement of SG Group	Method of recording
QMS	Minimum ISO 9001	Valid certificate
EMS	(Target) ISO 14001	Valid certificate
ppm_6 (number of non-conform parts per 1 million delivered during last 6 months)	**Semi-annual evaluation**	Evaluation of suppliers SG Group
C_p, C_{pk} target after improvements	**>1,33/ >1,67**	Records of supplier
C_m, C_{mk}	**>1,67**	Records of supplier
Sampling	VDA 2 Submission level is to agree Till SOP NOTE 1	Documentation by methodics (EMPB) Reference samples (OK pieces) properly approved on behalf of SG Group (quality dept.)
Special requirements to documentation	D/TLD self-audit according to Formel Q qualification – once per 12 month	Records of supplier
	Product audit and requalification D/TLD parts once per 12 month	Records of supplier
	Product audit and requalification of other parts once during 5 years for parts delivered for final customer Audi once per 3 year.	Records of supplier
	Internal process audit according to Formel Q or VDA 6.3 qualification – once per 12 months	Records of supplier
Changes in processes at the supplier's site see § 6 of the Quality Manual	Verification according to Formel Q – New parts - integral	Protocol from audit
Complaint procedure see § 10 of the Quality Manual	Immediate 100% stock sorting + marking of OK parts	8D Report or other equivalent document
Verification of purchased product see § 11 of Quality Manual	letter / scope	Internal records of SG Group
	b / see ISO 2859-1, general control level II, AQL 0,015	
Other requirements	All other applicable quality documents as requested by the end customer.	
Technical specification		
Drawing or technical sheet	Drawing or technical sheet	Records of supplier Protocol on quality

Elaborated by: SRM	**Released by:** Matthias Winkler	**Authorized by:** Guido Schütz

Specification of quality requirements

(Annex to Supplier Quality Agreement)

Customer:		Group of suppliers
SaarGummi Group		Supplier of materials or components for Ford, GM, JLR
General requirements		
Specified parameter	Requirement of SG Group	Method of recording
QMS	Minimum ISO 9001	Valid certificate
EMS	(Target) ISO 14001	Valid certificate
ppm_6 (number of non-conform parts per 1 million delivered during last 6 months)	**Semi-annual evaluation**	Evaluation of supplier SG Group
C_p, C_{pk}	**>1,33**	Records of supplier
C_m, C_{mk}	**>1,67**	Records of supplier
Sampling	APQP / PPAP Submission level: 3 Signed PSW, full release	Documentation by methodics (PSW) Reference samples (OK pieces) properly approved on behalf of SG Group (quality dept.)
Special requirements to documentation	CC requalification – once per 12 months	Records of supplier
	Other parts requalification - once per 12 months	Records of supplier
	Process audit - once per 12 months	Records of supplier
	Process audit - once per 12 months	Records of supplier
Changes in processes at the supplier's site see § 6 of the Quality Manual	PPAP – submission level agreed with quality department SG Group	Protocol from audit
	Run & Rate	
Complaint procedure see § 10 of the Quality Manual	Immediate 100% stock sorting + marking of OK parts	8D Report or other equivalent document
Verification of purchased product see § 11 of Quality Manual	letter / scope	Internal records of SG Group
	b / see ISO 2859-1, general control level II, AQL 0,015	
Other requirements	All other applicable quality documents as requested by the end customer.	
Technical specification		
Drawing or technical sheet	Drawing or technical sheet	Records of supplier Protocol on quality

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Specification of quality requirements

(Annex to Supplier Quality Agreement)

Customer:		Group of suppliers
SaarGummi Group		Supplier of materials or components for Mercedes, BMW
General requirements		
Specified parameter	Requirement of SG Group	Method of recording
QMS	Minimum ISO 9001	Valid certificate
EMS	(Target) ISO 14001	Valid certificate
ppm_6 (number of non-conform parts per 1 million delivered during last 6 months)	**Semi-annual evaluation**	Evaluation of supplier SG Group
C_p, C_{pk}	**>1,33**	Records of supplier
C_m, C_{mk}	**>1,67**	Records of supplier
Sampling	VDA 2 Submission level is to agree Till SOP NOTE 1	Documentation by methodics (EMPB) Reference samples (OK pieces) properly approved on behalf of SG Group (quality dept.)
Special requirements to documentation	"Safety parts" requalification – once per 12 months	Records of supplier
	Other parts requalification - once per 12 months	Records of supplier
	Process audit - once per 12 months	Records of supplier
	Product audit - once per 12 months	Records of supplier
Changes in processes at the supplier's site see § 6 of the Quality Manual	EMPB – submission level agreed with quality department SG Group	Documentation by Methodology
	Two days production	Protocol from audit
Complaint procedure see § 10 of the Quality Manual	Immediate 100% stock sorting + marking of OK parts	8D Report or other equivalent document
Verification of purchased product see § 11 of Quality Manual	letter / scope	Internal records of SG Group
	b / see ISO 2859-1, general control level II, AQL 0,015	
Other requirements	All other applicable quality documents as requested by the end customer.	
Technical specification		
Drawing or technical sheet	Drawing or technical sheet	Records of supplier Protocol on quality

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Specification of quality requirements

(Annex to Supplier Quality Agreement)

Customer:		Group of suppliers
SaarGummi Group		Supplier of materials or components for PSA, RENAULT
General requirements		
Specified parameter	Requirement of SG Group	Method of recording
QMS	Minimum ISO 9001	Valid certificate
EMS	(Target) ISO 14001	Valid certificate
ppm_6 (number of non-conform parts per 1 million delivered during last 6 months)	**Semi-annual evaluation**	Evaluation of supplier SG Group
C_p, C_{pk}	**>1,33**	Records of supplier
C_m, C_{mk}	**>1,67**	Records of supplier
Sampling	APQP / PPAP Submission level: 3 Signed PSW, full release	Documentation by methodics (PSW) Reference samples (OK pieces) properly approved on behalf of SG Group (quality dept.)
Special requirements to documentation	"Safety parts" requalification – once per 12 months	Records of supplier
	Other parts requalification - once per 12 months	Records of supplier
	Process audit - once per 12 months	Records of supplier
	Product audit - once per 12 months	Records of supplier
Changes in processes at the supplier's site see § 6 of the Quality Manual	PPAP – submission level agreed with quality department SG Group	Documentation by Methodology
	Run & Rate	Protocol from audit
Complaint procedure see § 10 of the Quality Manual	Immediate 100% stock sorting + marking of OK parts	8D Report or other equivalent document
Verification of purchased product see § 11 of Quality Manual	letter: scope	Internal records of SG Group
	b: see ISO 2859-1, general control level II, AQL 0,015	
Other requirements	All other applicable quality documents as requested by the end customer.	
Technical specification		
Drawing or technical sheet	Drawing or technical sheet	Records of supplier Protocol on quality

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