
Quality Assurance Agreement

Between BING Power Systems GmbH, Dorfäckerstraße 16, 90427 Nürnberg, hereinafter referred to as „BING“ and

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hereinafter referred to as „the supplier“, the following agreement is arranged:

I. General Agreements

I.1. Scope of Application, Subject of the Agreement

This agreement is valid together with all purchase contracts concluded between BING and the supplier. Further subject of this agreement are the products described in the specifications and drawings. The contractor has to check whether the requirements can be met and he has to inform the purchaser by acceptance of the order respectively order confirmation.

In order to meet special requirements, specific changes can be agreed additionally as appendix to this quality assurance agreement.

I.2. Quality System of the Supplier

The supplier undertakes to permanently use a quality system according to DIN EN ISO 9000:2015 or a system which fulfils all requirements of the standard as a minimum.

The supplier is committed to achieving the zero-defect target and has to continually optimise his performance to this effect.

So far as the customer provides production and inspection, measuring and test equipment, especially resources and equipment in respect of supplies to the

supplier, these must be included by the supplier in his quality management system as if it was his own production and inspection, measuring and test equipment.

I.3. Quality System of Subcontractors

The supplier will place an obligation on his subcontractors to comply with the accepted provisions of this agreement.

BING can request documented evidence from the supplier, showing that the supplier has convinced himself of the effectiveness of the quality management system at his subcontractors.

I.4. Audit

BING is entitled to find out, through an audit, whether the supplier's quality assurance measures guarantee the customer requirements. The audit may be carried out in the form of a system, process or product audit and is to be agreed prior to its scheduled performance. Appropriate restrictions by the supplier to protect his trade secrets are accepted.

Should quality problems arise caused by the services and/or supplies of subcontractors, the supplier is obliged to enable an audit at the respective subcontractors to be carried out by BING.

The supplier will be informed about the result of the audit. Should any deviations be noticed, the supplier will place an obligation to issue and realize a scheduled plan for corrective actions.

I.5. Documentation, Information

The obligation to retain the requirements documentation and evidence documents with special archiving amounts to 15 years (see VDA Volume 1 „Quality Evidence“). The supplier has to allow BING to view these documents upon request.

Should it become apparent that agreements made (e.g. regarding quality characteristics, schedules, supply quantities) cannot be complied with, then the supplier is duty bound to inform BING of this. In the interests of a quick solution, the supplier is obliged to disclose such data and facts.

All changes to the product and product-relevant modifications in the product chain are to be documented in a product history and handled in accordance with VDA Volume 2 „Quality Assurance of Supplies“.

II. Agreements on the Product History

II.1. Development, Planning

If the order to the supplier includes engineering work, the requirements are to be defined in writing by the contract partners, e.g. in the form of a requirements specification.

The supplier undertakes to use project management in the planning phase of products, processes and other tasks across all departments and to allow BING to view the project plan upon request.

All technical documents necessary to support development of the series such as specifications, drawings, parts lists and CAD data, have to be checked by the supplier after receipt for completeness and overall freedom from contradiction with regard to their foreseen application purpose; BING must be informed of any deficiencies identified.

During the development phase, the contract partners must apply suitable preventive quality planning methods such as e.g. producibility analysis, fault tree analysis, reliability calculation, FMEA etc. The experiences (processes, process data, capability assessments etc.) from similar projects are to be considered. Characteristics with special documentation and archiving requirements are to be defined.

The production and test conditions for prototypes and pilot production parts are to be agreed and documented between BING and the supplier. The aim is to produce the parts under almost series conditions.

The supplier has to carry out and document analyses about the suitability of the used production plants for all characteristics relevant to functions. If stipulated capability characteristics are not fulfilled, the supplier either has to optimise his plant or carry out suitable tests on the manufactured products in order to rule out faulty supplies.

Prior to the start of series production, the supplier has to carry out production process and product approval according to VDA Volume 2. Should BING demand a design approval, then this has to be carried out prior to the production process and product approval.

When issuing the production process and product approval, the machine capability index and/or process capability index for agreed characteristics are to be stated, if demanded by BING.

II.2. Serial Production, Traceability, Identification

When process disruptions and quality deviations occur, the causes must be analysed, corrective actions introduced and their effectiveness reviewed. If, as an exception, products not in accordance with specifications have to be supplied, prior special approval has to be obtained from BING. BING shall also be immediately notified about any deviations later identified.

The supplier undertakes to ensure the traceability of the products supplied by him. In the case of an identified nonconformity, traceability shall be possible in such a way that limitation of the quantity of nonconforming parts/products can be carried out.

The supplier ensures that the goods are delivered in suitable means of transport in order to prevent damage and quality impairments (e.g. pollution, chemical reactions). In special cases, the transport means have to be agreed with BING.

Agreed requirements regarding the identification of parts and packaging are to be complied with.

Deviations from existing identification requirements need written agreement between supplier and BING.

II.3. Inspections and Tests, Complaints, Measures

The supplier defines an inspection and test concept under his own responsibility, to satisfy the agreed targets and specifications. Both contract partners are under obligation to strive for the "zero-defect" target.

During the running series, the supplier has to prove the process capability for all agreed characteristics, over the entire production time, using suitable procedures (e.g., statistical process control or manual control chart technology).

If the required process capability is not reached, the quality is to be ensured using suitable inspection and test measures; the production process is to be optimised to achieve the required capability accordingly.

According to this quality assurance agreement, all products are checked exclusively at the supplier; after receipt, the customer checks the products only according to a special statistic process, with respect to identity as well as externally identifiable damage.

As far as possible within the normal course of business, BING will either inspect the subassemblies produced using the supplies before the start of the next production stage or subject the final product manufactured using the subassembly to an inspection.

There are no further examination duties for the customer, according to §§ 377, 378 HGB – German Commercial Code.

BING shall notify the supplier of any defects in a delivery as soon as they have been detected within the normal course of business. In so far as this, the supplier waives the right of objection to late notification of defects.

Nonconforming parts are returned to the supplier for analysis.

If nonconforming supplies lead to production problems or production stillstand at BING, the supplier must immediately remedy the situation (replacement supplies, sorting out or rework).

In urgent cases (e.g., back orders, impending production hold, consequential damages) and after previous notice and permission given by the supplier, BING can sort out or rework the faulty goods or have this work done by a subcontractor. The costs must be paid by the supplier.

The supplier herewith confirms that all his internal processes are according to ISO 9001 or IATF-Standard.

III. Liability

The agreement of quality objectives and measures as well as intervention limits (abnormal occurrences, PPM-targets) does not relieve the supplier of his liability for warranty and damages claims by BING due to defects in deliveries.

IV. Secrecy

Both contract partners are obliged to keep secret the reciprocally received information connected with this agreement, especially towards third parties. There is no obligation for secrecy if it concerns general knowledge or information probably prior known by the partner.

V. Product Liability Insurance

The supplier is obliged to take out a product liability insurance and a call back cost insurance and to adjust this to the current status.

Should an insurance case occur, BING and the supplier are obliged to exchange mutually information about all circumstances connected with the insurance case.



Motoren gehört unsere Leidenschaft

BING Power Systems GmbH

Nürnberg,
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Place, Date

.....
i.V.

Signature

.....
i.V.

SUPPLIER

.....
Place, Date

.....
Signature