



between

Sauter Feinmechanik GmbH

Carl - Zeiss - Straße 7

72555 Metzingen

(here in after referred to as "Sauter")

and

(Supplier)

(here in after referred to as "supplier")

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## Preamble

This quality assurance agreement (here in after referred to as QSV) is the contractual specification of the technical and organizational framework conditions and processes



between SAUTER and the supplier. Supplier warrants to use all necessary human, organizational, factual and financial resources to ensure the quality of its products. This QAA governs measures to ensure the quality of adherence to deadlines and minimal costs to the benefit of both parties. Compliance with the rules of this QAA will ensure long-term benefits for the parties on the market and thus guarantee a successful partnership. This QAA regulates the quality-side conditions for all products supplied to SAUTER by the supplier or its affiliates (affiliated companies in accordance with § 15 Akt G). All companies of the SAUTER Group (affiliated companies of Sauter in accordance with §15 Akt G) are entitled to purchase products from the supplier or its respective responsible group companies (affiliated companies pursuant to § 15 Akt G) under the terms of this QAA.

## QM-System

The supplier must ensure that his deliveries to Sauter meet the specified requirements, regardless of whether materials are processed or procured by subcontractors. To ensure these requirements, we expect our suppliers to have a documented, certified QM system according to DIN EN ISO 9001: 2015. If necessary, Sauter assists suppliers to develop the quality management system, e.g. in the context of quality discussions, supplier audits or potential analyzes.

## Auditing

The supplier enables Sauter to conduct an audit (potential analysis) with a view to being included in the delivery community. The aim of the audit (potential analysis) is to gain an assessment of the technical and administrative possibilities of the future supplier. Further audits may become necessary during a manufacturing process to obtain quality and may be provided by the supplier upon prior agreement.

## Product safety, product liability and warranty

The supplier warrants that all products to be delivered by him comply with the respective specifications, the agreed conditions including the durability characteristics, are suitable for the intended purpose and the current state of the art is taken into account. Defects in the product can lead to liability claims against the supplier. The QM system of the supplier must therefore be aligned in such a way that possible errors are reliably prevented. Unless otherwise agreed (for example in a delivery contract), the statutory regulations apply to product safety, product liability and the supplier's warranty. The supplier is obliged to provide product liability and recall liability insurance Cover for personal / property and pecuniary losses of at least EUR 5.0 million / claim. This insurance must be maintained in full throughout the term of this Agreement and must be demonstrated to SAUTER at any time upon request. Depending on the requirements of the respective SAUTER customer, the performance of the supplier, the extent of the business relationship and the liability risks, SAUTER will ask the supplier to extend its insurance cover both in terms of reason and amount. The supplier undertakes to examine this claim and to comply with the relevant claim of SAUTER as far as possible. Should an insured event occur, SAUTER and the supplier are obliged to inform each other about all circumstances and occurrences associated with the insured event.



## Technical documents

The basic for the assessment of quality are technical documents such as drawings, ordering instructions, test specifications, standards and other regulations. Ambiguities must be clarified with the client. The supplier will receive the valid technical documentation from SAUTER and will take appropriate measures to ensure that it is always manufactured according to the current version of the change. Change requests require the written approval of Sauter Production and test procedure

The sequence of production and testing steps must be planned in good time and must be specified in writing. The individual steps must be documented and submitted on request.

## Test equipment, tests and test methods

The supplier is obliged to comply with all manufacturing and test procedures specified or agreed for SAUTER products and to produce test certificates. Unless otherwise specified by the contract partners, the supplier may independently define the required testing strategy. The supplier will grant SAUTER access to the problem. The supplier chooses the test equipment used in such a way that all contractual, and according to the general state of the art reasonable, quality characteristics are verifiable. The supplier is responsible for the test equipment used. The test equipment shall be monitored at appropriate intervals by a suitable monitoring system and documented by means of calibration certificates. The supplier carries out tests in such a way and to the extent that a characteristic-related incoming goods test in the case of repeated, error-free deliveries, can be omitted at SAUTER.

## Quality records

All quality records must be kept in a suitable manner and made available to Sauter on request. The minimum retention period is 10 years. The scope of supply of sample, pre-series, series products includes:

- For raw materials, one material test certificate DIN EN 10204 - 3.1 for each material batch
- For heat treatment and surface refinement, a test report showing the set points and actual values per production lot.

## Sample test report

Before the start of serial production and in the event of changes to the product or production process, initial sampling must always be carried out. It is recommended to use the guidelines of VDA Volume 2 submission level 1 as the initial sample test report form. In-house forms or quality records will also be accepted if all required features and information are included. The number of pieces to be delivered must be agreed in consultation with the purchasing and quality assurance department of Sauter.



## Packaging

All deliveries must be packed in such a way that damage caused by transport and during the handling of the parts is excluded. Environmentally friendly, recyclable packaging is to be preferred. The supplier ensures professional packaging to protect components against damage and ensures that suitable corrosion protection protects the components against corrosion for at least 1 year of storage.

## Incoming inspection

SAUTER checks the products purchased from the supplier after receipt for compliance with quantity and identity as well as externally visible damage. SAUTER must notify the supplier of any defects found during this inspection. The announcement is timely, provided it reaches the supplier within a period of two weeks, calculated from the delivery of the goods. The parties agree that further input control does not take place. SAUTER will be exempted from the obligation to inspect and to give notice (§ 377 HGB). The supplier further agrees that the outgoing goods inspection to be performed by him serves the same purpose as the § 377 HGB of SAUTER in itself required entrance control. The supplier must therefore align his quality management system and his quality assurance measures with this reduced incoming goods inspection. SAUTER must notify the supplier of any other defects in a delivery as soon as they have been determined in accordance with the circumstances of a proper course of business. The announcement is timely, if it reaches the supplier within a period of two weeks, calculated from knowledge. Also in this respect, the supplier waives the objection of the delayed notice of defects. The supplier shall ensure that his liability insurance recognizes the above amendment of the statutory provisions, without affecting the existing coverage of his liability insurance. The goods must be clearly marked with an indication of the quantity, part and lot number as well as the order data. It is recommended to carry out the product labeling by means of a product label. (e.g., VDA Label)

## Complaints / defective products

Are due to tests, assembly problems, customer complaints or other if deviations from the agreed product quality have been identified, the supplier shall be informed by SAUTER. Immediately after the first information, he initiates quick analysis and correction. Furthermore, the supplier is responsible for the delimitation of the affected outstanding inventory. He immediately (at the latest within one working day) directs emergency measures such as Identification of affected batches, replacement, sorting or repair. If the supplier does not notify SAUTER of any suitable immediate measures within one working day, but no later than after 24 hours, SAUTER shall be entitled to commission a service provider, at SAUTER's option, to perform emergency measures at the expense and expense of the supplier. After 3 working days at the latest, the commissioning of the service provider has to be carried out by the supplier. The Supplier shall notify SAUTER within 4 hours after receipt of the complaint - in any case on the same working day - by telephone and / or by e-mail a first statement on the procedure send. In addition, the supplier has an 8-D report within 48 hours - filled up to 3-D, and after 14 days at the latest an 8-D report - filled up to 5-D - including methodological root cause analysis and planned corrective actions and after 30 Calendar days to submit a full 8-D report. Should the respective report not be received by SAUTER within these deadlines, the defects reported by SAUTER shall be deemed to have been accepted by the supplier. If, in the supplier's opinion, longer processing times are mandatory, this must be justified in writing



by the supplier and the written consent of SAUTER must be obtained with a reasonable extension. Legal or contractual rights agreed by SAUTER's warranty for defects and / or liability shall not be affected by the provision of this clause. SAUTER reserves the right to accept components in the event of otherwise threatening supply bottlenecks despite existing defects, but to insist on subsequent defects for subsequent deliveries. The parties agree that such an acceptance of defective products does not constitute a waiver by SAUTER of claims for defects. The delivery of an 8-D report is an indispensable prerequisite for acceptance under reserve. If supplementary performance can not be carried out in good time either by SAUTER or by the supplier for reasons of capacity and / or due to the deadline situation, SAUTER shall be entitled to commission a suitable third party with the supplementary performance without consulting the supplier. The costs for the supplementary performance shall be borne entirely by the supplier. Expenses and costs incurred by the Sauter Group due to defective goods will be charged to the supplier. Furthermore, the processing costs of a complaint handling with an additional lump sum of € 195.-- will be charged to the supplier. Invoices shall remain blocked until complete clarification of the facts and / or availability of the replacement delivery, the goods are rated as "not delivered".

Expenses and costs incurred by the Sauter group of companies due to defective goods will be charged to the supplier. Furthermore, after prior agreement with the supplier, the processing time and effort involved in handling a complaint, in the case of repeated errors or gross negligence, will be invoiced to the supplier at a flat rate of € 195.

Invoices shall remain blocked until clarification of the facts and / or the replacement delivery is available, or the goods are assessed as "not delivered".

## Special releases

Deviations from specifications for which impairment of function, durability or safety is not to be expected may be requested from SAUTER in writing. A documented special release is only valid once for the named lot. The components of the lots with special release must be traceable and durable marked by the supplier. To request a special release, the supplier must use the Sauter form "Test Exemption".

## Supplier evaluation

A regular supplier evaluation is carried out by SAUTER purchasing and quality management, the evaluation criteria are quality, delivery reliability, service, price. The objective is to achieve the status of an A-supplier. The results will be communicated to the suppliers. The supplier is requested to carry out sustainable improvements by appropriate measures and to notify SAUTER in writing. Significant deviations and repeat errors can lead to the blocking of the supplier.

## Occupational safety and environmental protection, sustainability

SAUTER assumes that suppliers comply with all occupational safety regulations and company-internal regulations for occupational safety and fire protection. Compliance with the regulations is ensured and their compliance is monitored. To prevent accidents at work, suppliers have set up facilities, arrangements and measures that comply with the relevant accident prevention regulations and the generally accepted safety and occupational health rules. Sauter believes that substances and products that pose a risk to humans and the



environment are subject to national and international regulations. The supplier is aware of the regulations and will be complied with accordingly. Compliance with the respective applicable environmental laws is a minimum requirement for the supplier. We expect our suppliers to protect their commitment to environmental protection, compliance with laws, resources and to continuously improve the supplier's environmental situation. This also contributes significantly to the security of supply.

## Contract duration and termination

This QSV is valid indefinitely. However, it may be terminated by either party in writing with a notice period of three months. Irrespective of the termination of this QAA, the effectiveness of its regulations for the products delivered prior to their termination will continue. Termination for good cause remains unaffected.

## Final provisions

These QAA as well as their changes and additions (including this paragraph) must be in writing. Should provisions of this QSV be or become invalid in whole or in part, this shall not affect the validity of the remaining provisions. In this case, the parties to the contract will agree on an effective provision that comes closest to the economic purpose of the invalid provision. The same applies to any gaps. This QAA and all agreements and subsequent agreements Disputes are subject to German law to the exclusion of conflict of laws and the UN Sales Convention (CISG). The place of jurisdiction for contractual disputes is Metzingen, if all parties to the dispute have their seat in one or more states of the European Union or in Switzerland. In all other cases, contractual disputes under the Rules of Arbitration of the International Chamber of Commerce shall be finally settled by one or more arbitrators appointed in accordance with these Rules. Arbitration is Stuttgart, Germany, if the parties to the dispute agree otherwise. The language of the arbitration is English. However, German documents may be submitted in their original language. The parties to the dispute will keep all information confidential which they receive with a view to arbitration under this provision, including the existence of arbitration. In judicial and / or arbitration proceedings, they will disclose such information only to the extent necessary to exercise their rights. The chairman or sole arbitrator must be of a different nationality than the parties to the dispute. Subject to any other decision of the tribunal, the parties to the dispute shall continue to fulfill the contracts affected by the dispute. The assignment of rights or transfer of obligations under this QAA requires the prior written consent of the other party. In the case of company disposals, consent may not be unreasonably withheld.

# Quality Assurance Agreement

**Sauter**  
Feinmechanik GmbH  
D-72555 Metzingen



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Sauter Feinmechanik GmbH Datum Unterschrift

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Lieferant Datum Unterschrift

Erstellt:QM 7/2019 Ablage: Gem.Dat./Alle/QM	Qualitäts Sicherungs Vereinbarung	Version 1 / 2019
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