

MM Technics LP
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MM Technics

QAA for suppliers

Preamble

Components and materials purchased from suppliers significantly affect the quality of our products and thus the satisfaction of our customers.

The quality of the purchased parts and the quality capability of the suppliers are therefore, in addition to cost, flexibility and on-time delivery, decisive criteria in the purchase decision.



MM Technics

QAA for suppliers

As part of the intensifying international competition, the importance of product quality to meet customer demands and expectations, especially that of automobile manufacturers, is steadily increasing and thus deciding on the success of a company.

Muhr Metalltechnik GmbH + Co. KG describes this quality assurance agreement. the requirements of their suppliers. In addition, it should assist the supplier to fulfill the obligation to deliver error-free products.

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1. 1. General agreements

1.1. Purpose and scope

This Quality Assurance Agreement (QAA) defines the technical and organizational framework conditions and processes between MM Technics LP (MMT) and the supplier to ensure the faultless delivery quality of purchased parts, production materials, operating and production resources as well as services.

It describes the minimum requirements for the management systems of the contractual partners and is an integral part of the framework contract as a supplement to the general terms and conditions of purchase of MMT.

1.2. Responsibility

The information provided by the supplier about the requirements of this QAA as well as the guarantee of compliance is the responsibility of the purchasing department of MMT.

The supplier is responsible for the correct fulfillment of the requirements of this QAA.

The stipulations of this agreement are also applicable to the subcontractors of the supplier.

Third party or subcontracting as well as any changes to manufacturing processes and products are the sole responsibility of the supplier, must be reported to MMT in writing and require the approval of MMT. Supplier shall ensure that the products, processes and services provided comply with the latest applicable statutory, regulatory and other requirements of the country of manufacture and the countries of destination specified by the customer

- if provided by MMT - meet.

1.3. Business language, applicable law

The business language is English.

It is only the law of the United States of America.

1.4. Management system of the supplier

The supplier is committed to the zero-defect strategy.

In order to safeguard customer requirements for its products, the supplier must provide evidence of an effective quality management system (QMS) that is appropriate in terms of its structure and size of business.

The QMS must at least meet the requirements of the currently valid version of DIN EN ISO 9001. The certification according to the Technical Specification IATF 16949 or VDA 6.1 is to be sought.

1.5. Audit

Independently of the respective certificate, MMT reserves the right to audit the QMS, the procedures and products of the supplier or have them audited by third parties. Within the usual business hours, MMT agents are to be allowed access upon prior notification.

In doing so, necessary and appropriate restrictions of the supplier to secure his trade secrets are accepted. If necessary, the supplier will also carry out joint audits with his subcontractors.

1.6. Information and documentation mandatory

Agreements made, e.g. Delivery dates, quantities, quality features, capabilities, etc., cannot be met, the supplier informs MMT immediately in writing. The supplier shall inform MMT immediately of any deviations detected after delivery. In the interests of joint damage avoidance / limitation, the supplier shall disclose to MMT all necessary information.

The supplier shall keep records of all quality assurance measures, in particular on measured values and test results, records and keep them and samples available.

The retention period for quality-relevant documents and records is 13 years after the last production, unless otherwise agreed. For critical and documentation-requiring characteristics a longer storage period of min. 15 years after the last production.

1.7. Supplier Code

Principle

- a) Child labor is not allowed. The employment of minors, as defined by local labor law, is not allowed unless it is a training or professional training program approved by the government, which clearly benefits the participants.
- b) Any form of forced labor is prohibited.
- c) Employees must be able to talk openly with management about working conditions, without fear of reprisals, intimidation or threats. Employees must also be entitled to join in accordance with local legislation, trade unions or workers' organizations.
- d) Employees shall be protected from any form of harassment and discrimination based on gender, age, religion, disability, political affiliation, or the like.
- e) The employees' workplace must be safe and must not endanger their health. It must comply with at least all local laws and applicable health and safety at work regulations.
- f) Wages, salaries and benefits for employees must be competitive and in line with local legislation (minimum wages, overtime, statutory social benefits).
- g) Working time must comply with applicable local legislation.

We expect our suppliers to adhere to these global rules for working conditions in all their locations and to promote the implementation of these principles with their suppliers.

2. Agreements on product and process

2.1. Manufacturability, development, planning, release procedure

In the course of the contract review, the supplier must perform a manufacturability assessment of the intended products. It must be checked whether a description provided by MMT, e.g. Specification, specifications, drawing, CAD dataset, etc. are obviously unclear, incomplete or obviously deviating from a possibly agreed pattern. If any discrepancies are detected, the supplier will immediately contact MMT.

Already in the planning phase of products, processes and other cross-divisional tasks, the supplier undertakes to use project management.

Suitable methods of quality planning are to be used in the development phase, e.g. FMEA, fault tree analysis, simulations, etc.

Experience from similar projects has to be considered. Features with special requirements must be recorded accordingly in documentation and archiving.

The conditions for the production and testing of prototypes and pre-production parts shall be agreed between MMT and the supplier and documented.

The initial sampling shall be carried out in accordance with PPAP or VDA Volume 2, submission level 2, unless otherwise specified.

Before initial delivery of series parts, the initial sampling must be completed. If series parts have to be delivered before the first sample has been completed, the supplier must obtain a special release from MMT.

2.2. Requalification

All products must undergo a complete dimensional and material testing in accordance with the production control plans, considering the applicable customer specifications. The results must be transmitted to MMT upon request.

2.3. Manufacturing, product labeling and traceability

The products delivered to MMT must be of the agreed or assured quality, e.g. gem. Specifications, datasheets, drawings, patterns, etc. The production must be aligned with the current state of the art.

The supplier is obliged to refer MMT to possible improvements and technical changes and, if necessary, to take into account any suggestions and suggestions from MMT with regard to improving product quality through changes in the production process.

The supplier undertakes to carry out the labeling of products, parts and packaging in accordance with the agreements made with MM. He must ensure that the labeling of the packaged products is legible even during transport and storage.

The supplier must ensure the traceability of his products in such a way that, in the event of a detected defect, the tracking and delimitation of defective products, e.g. the material batch used.

2.4. Examinations, complaints, measures, escalation process

In agreement with MMT, the supplier determines a test concept in order to meet the agreed specifications from drawings, specifications, etc.

For the current series, the supplier must prove the process capability for all functionally relevant characteristics by means of suitable procedures (for example statistical process control) over the entire production time.

If the required process capability ($C_{pk} \geq 1.33$) is not achieved, the quality shall be ensured by means of appropriate test methods (eg 100% feature test); The production process must be optimized accordingly in order to achieve the required capability.

In the incoming goods department at MMT, the checks are limited to the quantity and identity of the products on the basis of the delivery documents as well as on a random basis to externally identifiable damages. Any complaints found will be reported immediately.

If defects in products are detected in MMT, information is immediately sent to the supplier and a complaint will be issued.

The supplier initiates immediate measures and reports to MMT in the form of an opened 8D report within 24 hours. After analyzing the cause of the error and determining suitable, permanent remedial measures, the 8D report is updated within 10 working days and the complaint is completed promptly.

The 100% inspection including meaningful labeling of the load carriers, including the three subsequent deliveries after the conclusion of the complaint, shall be upheld by the supplier and serves as proof of the effectiveness of the implemented countermeasures.

In the case of repetitive quality or delivery problems and in the event of considerable failure or rejection due to the fault of the supplier, MMT will be permitted to carry out a problem analysis or a process audit.

In addition, a quality interview will be held with the supplier to discuss quality, delivery, etc. issues and to initiate and implement effective remedial measures. Depending on the problem and the frequency of the problems, the discussions take place in the following stages (escalation process):

Stage I Quality Assurance / Department Head

Stage II Plant / Plant Management

Stage III Management

2.5. Confidentiality Agreement

The Supplier and MMT mutually undertake to provide all information, in particular technical and economic information as well as intentions, experiences, knowledge, constructions and documents, which are made available to them by the other contracting party during the term of the project, or by the other party Contracting parties receive, treat confidentially, make third parties inaccessible, protect against access by third parties, use only for purposes within the scope of the project and only to pass on to employees who are obliged to maintain confidentiality, unless otherwise agreed between the parties in writing has been agreed.

The Parties will use the same level of care in the confidentiality of information as they apply to the treatment of their own confidential information.

This Agreement shall enter into force on the date of signature and shall expire until the end of the Project, with the confidentiality obligations regarding information made available during the term remaining until 5 years after the end of the term.

3. Release and evaluation of suppliers

3.1 Supplier approval

Potential new suppliers will be sent a supplier self-assessment, which must be completed.

After a pre-selection on the basis of offers and possibly samples, the quality capability is assessed by the purchasing department, the specialist department and QM in the form of a risk assessment. If the evaluation is positive, the applicant will be added to the list of approved suppliers.

MMT also reserves the right to carry out a potential analysis of a representative process at the supplier in order to become acquainted with basic procedures and procedures.

3.2 Supplier Evaluation

The supplier is informed at regular intervals, usually annually, about his delivery quality in the form of a supplier evaluation. Current certificates, objective and subjective criteria form the basis for assessing the delivery quality (A, AB, B and C).

Further information can be requested when purchasing MMT.

In the case of an unsatisfactory assessment from "B", the supplier is requested to take appropriate measures to remedy the defects permanently. The weaknesses must be remedied within a specified period of time.

4. Insurance

4.1 Product Liability

The supplier is obliged to conclude and maintain extended product liability insurance to cover all risks arising from this agreement. This applies to the supplier's recall and replacement cost risk. At the request of MMT, he will immediately prove his current insurance cover.

4.2 Product Safety Manager

The supplier must appoint a product safety officer (PSB).

The tasks of the PSB arise from the automotive customer requirements, e.g. the VW formula Q-concrete and Formula Q-capability.

4.3 Emergency Planning

The supplier is committed to 100% delivery performance, with a system for monitoring delivery deadlines.

An assessment of all operational risk situations that could apply to the supplier should be carried out. As a result, preventative measures must be defined and implemented in order to minimize the respective risk.

Should possible delays occur despite the implementation of suitable measures, these MMTs should be reported immediately.

5. Environment

5.1 Environmentally friendly packaging and starting materials

The supplier undertakes to render its services in compliance with the relevant environmental protection regulations and standards as well as the current state of the art. The supplier pays attention to an environmentally friendly service provision.

5.2 Prohibited substances

It should be noted that substances and preparations that are banned in accordance with the ChemVerbotsV or EU Directive 2000/53 / EC must not be used. The applications of the substances listed in the ChemVerbotsV in the cases and concentrations permitted by exemptions should be avoided. No candidate substances according to Article 59 of Regulation (EC) No. 1907/2006 (REACH Regulation) may be used in the production of your products. Deviations from this must be justified and are only permitted by MMT if substitution of the substance with a non-hazardous substitute is not possible.

5.3 Declarable substances

Substances and preparations that are banned or require declaration in accordance with the VDA List of Declarable Substances (VDA 232-101) must be listed and labeled accordingly. The supplier undertakes to include the necessary information in IMDS (www.mdssystem.com) during the initial sampling.

5.4 Hazardous Substances

The supplier must inform MMT individually which hazardous substances he uses in the products and whether MMT has to take precautions in order not to endanger people and the environment.

5.5 Disposal concept

The product documentation is proof of proper disposal acc. to comply with the legal requirements of all wastes. Among other things, this can consist of having realized a described process with work instructions.

6. Term, severability clause

This agreement enters into force upon signature. It will run indefinitely and may be terminated by either party with a notice period of 12 months to the end of a calendar year.

Should individual provisions of this contract be or become ineffective, this shall not affect the validity of the contract. Both contractual partners are obliged to replace the invalid provisions with those that are legally permissible and come closest to the intended one.

MM Technics LP: _____

Prosperity, Date Signature

Supplier: _____

City, Date Signature