

## **Quality Assurance Agreement with Suppliers**

### **Part II Specific Agreement Services and External Machining**

Between

[Company, Address]

(Supplier)

and

**KSM Castings Group GmbH**  
Cheruskerring 38  
31137 Hildesheim

**KSM Castings CZ s.r.o.**  
Oldřichovská 726  
46334 Hrádek nad Nisou

(KSM)

---

	<b>Name</b>	<b>Date</b>
<b>Drawn up:</b>	Pawenski Christian	21.04.2022
<b>Approved:</b>	DiPaolo Sandro	03.05.2022

## **Contents**

1. Scope of application	3
2. Quality Management System of the Supplier	3
3. Documentation and information obligations of the Supplier	3
4. Service quality requirements	3
5. Series production and delivery release for product-related services	4
6. Acceptance of the service performance by KSM	4
7. Designation, identification and traceability for product-related services	4
8. Problem resolution process at the Supplier	4
9. Emergency backup plan	5

## **1. Scope of application**

This Agreement serves as a product-specific complement to the stipulations and provisions described in Part I of the QAA (Quality Assurance Agreement). It is to be applied to the Services group of goods (e.g. external castings processing, external inspection of cast parts, so-called "extended workbench").

## **2. Quality Management System of the Supplier**

(1) The Supplier is to maintain a Quality Management System (QMS) that fulfils at least the requirements of ISO 9001. The Supplier is to provide the corresponding proof through a certification procedure with an accredited certification company according to ISO 9001 and by presenting the certificate. The Supplier is to further develop his Quality Management System in such a way that it satisfies the requirements of IATF 16949.

(2) The Supplier undertakes to operate his production facilities in a resource-conserving manner. He is to maintain a system for environmental management that is demonstrably orientated around the ISO 14001 norm and the EMAS standard. Insofar as they are applicable to the service that is to be performed, the valid legal stipulations relating to material restrictions in products according to the Directive 2000/53/EG on end-of-life vehicles (material bans pursuant to the so-called "End-of-Life Vehicles Directive") are to be observed.

## **3. Documentation and information obligations of the Supplier**

(1) The Supplier is to inform KSM prior to the introduction of significant changes in his service, production or inspection procedures as soon as any of the following events occur:

- Relocation of any scope of services performed to other manufacturing facilities, to other sites, or to other contractors,
- Introduction of modified production or inspection procedures,
- Impending insolvency of the Supplier.

(2) The Supplier is to inform KSM immediately if he is unable to perform his services in line with the deadline or in the manner or quality agreed upon.

(3) The Supplier is to inform KSM if any changes occur as regards his certification status (e.g. any suspension or loss of certification).

## **4. Service quality requirements**

(1) KSM is to specify the services he orders through a specification (document of requirements). The Supplier is to elaborate his own documents and plans from this specification to realize the performance requirements. To this end, the Supplier is to draw up at least the following documents:

- Project schedule,
- Process workflow,
- Production control plan/ quality control plan taking special account of the specific features in the case of product-related services,
- Internal instructions.

The specified documents are to be made available to KSM on request.

(2) The Supplier is to determine the specific requirements of KSM made upon the service to be performed from the pre-given specifications of KSM and within the scope of his own risk evaluation procedure.

(3) The Supplier is to plan appropriate and effective systems and facilities to satisfy the quality requirements. If required by KSM, the achievement of the process capability indices  $C_{pk} \geq 1.33$  and  $P_{pk} \geq 1.67$  has to be demonstrated.

(4) The Supplier is to receive obligatory and specific deadlines from KSM governing the service he performs.

## **5. Series production and delivery release for product-related services**

(1) The Supplier is to provide samples from his production process for inspection. KSM is to specify the extent of the sampling and approval procedure and the associated documentation. The first sample inspection can take place at the site of the Supplier if previously agreed.

(2) The Supplier is obliged to enter and maintain the contents and substances making up his products in the International Material Data System (IMDS). The Material Data Sheet is to be conveyed to KSM as part of the initial sampling documentation. The Supplier is himself responsible for acquiring all the necessary know-how and authorizations to participate in the IMDS system.

(3) The supplier is allowed to execute deliveries only after getting the preliminary serial approval from KSM. Deliveries called for by KSM without first sample approval can only be carried out with explicit written permission from KSM.

## **6. Acceptance of the service performance by KSM**

If an inspection and approval procedure on the part of KSM is intended, this is to be carried out on the basis of an individual agreement with the Supplier.

## **7. Designation, identification and traceability for product-related services**

(1) The Supplier is to label the products and dispatch units according to the specifications. The placement of the individual label contents on the component is to be agreed between the Supplier and KSM.

The following designations are to be applied to the component: Supplier's test mark

(2) The designation of the dispatch units is to take place according to VDA 4902. The Supplier is to apply the additional designations demanded by KSM to the packaging unit.

## **8. Problem resolution process at the Supplier**

(1) If defects are claimed by KSM, the Supplier is to initiate the appropriate immediate measures without delay and at his own cost in order to limit the damage as far as possible. The Supplier is to implement suitable methods to solve the problem that are capable of reliably preventing a repetition of the defect.

(2) If there is urgent need for action, KSM is entitled to initiate immediate measures on his own part if this is deemed necessary to prevent production downtimes or to ensure the delivery supply chain. In such a case, KSM is to seek contact with the Supplier as soon as possible.

(3) KSM is to make the components that are cause for complaint available to the Supplier as quickly as possible on Supplier's request for purposes of evaluation and analysis.

(4) The Supplier is to document the progress of his problem-solving process in an 8D report. The 8D-processing has to follow the definitions of QAA part I.

(5) The Supplier is to incorporate any defects and errors that have emerged in his risk considerations and initiate sustainable measures to effectively eliminate any occurrence of the defect or error at a subsequent date.

### **9. Emergency backup plan**

The Supplier is to maintain an emergency plan that is appropriate to sustain his delivery capability to KSM even in the event of unforeseen circumstances. This emergency plan is to be presented to KSM on request.

---

### **Signatures**

---

Place, date

---

Place, date

---

**KSM Castings Group GmbH**  
Corporate Procurement  
Name, first name

---

Supplier  
[Position]  
Name, first name