



Quality Assurance Agreement (QAA)

for suppliers, hereinafter referred to as “external providers”

of

btv technologies gmbh
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1. Scope of this Agreement

btv technologies expects zero faults for any contractual product offered and assumes that the external provider takes all appropriate measures to ensure this goal at no additional cost.

This QAA lays down the general quality determinations the external provider and btv technologies must apply in order to ensure successful collaboration built upon partnership.

The external provider shall be responsible to pass on these requirements to his subsuppliers and to ensure that the determinations laid down in this document are complied with.

2. Scope of application

The external provider is required to review this document carefully.

In addition to the terms and conditions of this QAA, btv technologies expects that the external provider expressly warrants that all contractual products and contractual work comply with the drawings, specifications and samples or other specified or approved descriptions provided by btv technologies and meets all applicable safety and environmental regulations or laws. The external provider shall check without delay whether the documents made available by btv technologies are obviously incorrect, unclear, incomplete or obviously deviating from any sample that was given. In the event that the external provider finds that this is the case, he shall notify btv technologies promptly in writing before commencing the production process or performing the service.

3. Priorities

If any differences exist between the requirements of this QAA and other documents, the following hierarchy shall be deemed as agreed upon:

1. Purchase contracts or supply contracts
2. Product specifications/drawing
3. Other general specifications (e.g. general qualification and approval standards)
4. This Quality Assurance Agreement
5. Standards, in the applicable version, mentioned in this Quality Assurance Agreement

Regarding the definition of the quality requirements for the products, the issue of the specifications that is in force at the time of order placement, in the applicable version, shall apply.

4. Quality management system / information security

The external provider maintains a management system in accordance with the following policy:

DIN EN ISO 9001 (latest version of the standard)

If the external provider is not certified on the basis of this standard, he shall develop his management system in this direction and notify btv technologies when a certification is planned and will be implemented.

Certified external providers are required to inform btv technologies within 10 working days if the validity of their registered certificate is suspended and to submit the new issue of their certificate after successful recertification.

btv technologies gmbh recommends that suppliers of products and services relevant under the data protection law and/or information security to implement a management system for data protection and information security. In so doing, recognised standards such as ISO/IEC 27001 or TISAX as well as the BSI IT basic protection may serve as the basis. Such management systems are not binding on suppliers for products and services, however, unless they are explicitly required by contracts.

5. Audits by btv technologies

Representatives of btv technologies are entitled, upon announcement, to visit the principal firm of the external provider as well as his branches and conduct audits on the basis of DIN EN 9001 and VDA 6.3 and ISO 14001 (each in its latest version). These audits may also extend to the sub-suppliers of the external provider. The external provider is required to make available all resources necessary to perform this task. However, without a confidentiality agreement concluded between the two parties, the external provider is not obligated to disclose internal company information. Audit reports (certification or customer audits) already on hand, which are based on the above-mentioned standards, are used to the greatest possible and practicable extent.

6. Initial sample approval

Prior to the start of series production, btv technologies must approve an initial sample in order to determine whether all requirements of btv technologies have been correctly understood by the external provider and whether the process has the potential to manufacture products that meet these requirements in real production operations and at the production rates offered. This approach applies analogously to all potential changes or alterations to specific products or components of btv technologies.

Alterations or changes include the use of new sub-suppliers, changes in the design or material, new production sites or processes as well as new or revised tools (including moulds).

Before initiating such alterations, the external provider must obtain the written consent of btv technologies.

7. Product approval information

Once all required approvals have been given, btv technologies shall notify the external provider in writing. This approval applies to

- the relevant product (identified by part number and revision level)
- the relevant technology
- the relevant process line
- the relevant production site

Changes to the conditions prevailing at the time of product approval require a new submission as defined by btv technologies. All deviations from this procedure may result in the approval being withdrawn.

8. Qualification and approval of subsuppliers

In the event that the external provider receives production equipment or test equipment, software, services, materials or other preliminary deliveries from subsuppliers for the manufacture or quality assurance of the products, he shall involve them in his quality management system on the basis of contracts or assure the quality of the deliveries himself. If subsuppliers are involved, the external provider is also solely responsible for the fulfilment of all contractual obligations in relation to btv technologies. The external provider shall be responsible for any fault of his subsuppliers to the same extent as for his own fault. All regulations described in this document apply equally to the subsuppliers of the external provider.

9. Procedure in the event of changes (PCN/PTN)

Product change notifications (PCN) and product termination notification (PTN) apply to all products and prototypes in production, independent of their last day of delivery. The rules and periods for product and/or process changes as well as for discontinued products are defined as follows and must be adhered to.

- PCN – 6 months in advance
- PTN – 12 months in advance

Only written statements from btv technologies are deemed replies. If btv technologies does not respond, it does not mean that a change has been accepted.

The external provider is expected to comply with these regulations for all products and technologies (for both electronic and mechanical products).

Deliveries with altered materials are not allowed to be made prior to the issue of a written approval by btv technologies. The external provider is obligated to furnish the first delivery affected by the change with an appropriate marking, which is to be agreed upon between the external provider and btv technologies.

10. Continuous improvement

To ensure that all products and processes of the external provider reflect the state of the art of the respective industry, the external provider is required to maintain a continuous improvement process that uses all relevant feedback information, e.g. field failures, quality reports, etc.

11. Non-conforming products / remedial measures

In the case of non-conforming products, the external provider shall respond within the timeframe defined below if the non-conformity was caused by the external provider, unless agreed upon otherwise. The external provider must have a procedure and appropriate process in place to take all necessary corrective and preventive measures for products that are rejected by btv technologies or are non-conforming. The external provider shall apply the system of 8D analysis, including risk assessment.

Timeframe

We expect a written statement in the form of an 8D report according to VDA (German Association of the Automotive Industry):

Fill level, 8D report	Up to Item 3	Up to Item 5	8D procedure completed
Timeframe	< 24 hours	< 7 calendar days	Immediately, at the latest <1 month*

* or in accordance with a well-founded plan as agreed upon with btv technologies. The defined damage limitation measures must be maintained until the effectiveness of the implemented corrective measures has been successfully demonstrated.

The corresponding period begins with the first notification to the external provider by btv technologies, which informs the external provider that there is a problem.

btv technologies determines the classification of the incident on a case-by-case basis.

The incident is classified in the "Priority" category if there is a risk of a delay in delivery at BTV technologies or reliability is threatened.

Regardless of the classification of the incident, the external provider is required to take, at short notice, all necessary measures at its manufacturing sites and those of his suppliers so as to ensure continuous delivery of faultless parts to btv technologies.

In general, all agreements with third parties for the purpose of damage limitation are the responsibility of the external provider.

The external provider shall inform btv technologies on a regular basis of the progress in the error analysis process.

In the event that the external provider finds that the non-conformity of a rejected product is not due to him or if he does not determine any fault, the parts affected by this shall be returned to btv technologies immediately, including the previous analysis results of the external provider. Otherwise, the parts shall be deemed a fault of the external provider 6 weeks after the date of the first notification. btv technologies will conduct further investigations, if necessary.

12. Supplier evaluation

btv technologies evaluates its external providers internally. If required, it will contact the external provider and demand action.

13. Identification and traceability

The external provider undertakes to ensure the traceability of products supplied by him. In the event of a detected defect, containment of the defective parts/products/batches, etc., must be ensured. The external provider shall assign a trace code (date) for each production lot on each individual packaging so that it is possible to trace all materials and process steps at any time.

The external provider must be able to identify all relevant trace codes of a delivery in the delivery documents (delivery slips).

Traceability documents must be provided by the external provider within 2 working days after request by btv technologies.

As a minimum requirement, the following information must be included on the label:

- Name of the external provider
- Part number of btv
- Part number of the external provider
- Quantity
- Traceability information (e.g. date code on a daily basis)

14. Shelf life

Products or their individual parts that are older than 1 year (date code) on the day of delivery to btv technologies will be returned to the external provider for replacement, unless another period is defined by btv technologies via the respective order.

15. Packaging, labelling

The external provider shall deliver the products in suitable means of transport in order to avoid damage and quality degradation (e.g. contamination, corrosion, chemical reactions).

The external provider undertakes to label the products, parts and packaging in a way that ensures that the labelling of the packaged products remains legible during transport and storage. The packaging design for products and parts shipped to btv technologies shall be the responsibility of the external provider, unless a different agreement is documented in the contract or contract supplements.

The packaging design must ensure that absolutely no damage is caused during shipping, stacking or other common handling.

The outer packaging shall be marked according to btv technologies' specification.

16. Non-compliance (request regarding “waiver”)

For each delivery in the series production phase that does not comply with the requirements of btv technologies (deviation from the approved status), the external provider shall request a special approval prior to shipment to btv technologies.

This request must be made in writing, providing all required information and a description of the deviation.

17. Incoming goods inspection

btv technologies expects a “zero fault” approach for all delivered products.

Within the scope of the delivery of the goods, btv technologies is exclusively obliged to conduct a purely visual inspection of the goods. The incoming goods inspection refers to checking the identity, quantity and integrity of the goods before the goods are stored. The original packing unit will not be opened. In this context, the external provider is also aware of and accepts that the contractor is neither technically nor in terms of know-how able to assess and/or check whether the products are functional or not and whether the specified contents (including the specified quantity) are included. If defects are detected during the initial inspection, the external provider shall be informed thereof in writing promptly. In this respect, the external provider waives the objection of delayed notification of defects. The external provider must initiate his corrective measures immediately upon receipt of the information about the identified defects.

There shall be no further obligations on the part of btv technologies other than the above inspections and notifications.

A corrective measure plan is mandatory for all discovered non-conformities.

18. Withdrawal of approval

btv technologies reserves the right to withdraw a given approval if it is recognised that the standards defined in this document or related documents have been violated in a way that affects the quality, reliability, processing or usability of the products.

19. Change of the specification

btv technologies reserves the right to change its specifications. Changes are to be agreed upon with the external provider. The external provider shall be given a reasonable amount of time to implement the desired changes. In case of changes, the last mutually agreed status shall be considered valid until a new status is issued by btv technologies.

20. Environmental protection

The external provider undertakes to take environmental protection into account by complying with legal regulations and to develop or maintain an environmental protection management system in accordance with ISO 14001 (current version) or other equivalent standards. Furthermore, the company should be aware of the importance of the transition to a low-carbon economy.

Further, the following environmental criteria shall be observed/implemented by the external provider:

- Environmentally friendly packaging
- Careful use of resources
- Qualification for and motivation of all employees for environmental protection measures
- Compliance with all applicable laws and environmental regulations

21. Prohibited substances

The external provider undertakes to refrain from using any substances in the products he supplies that are prohibited by law. The REACH regulation as well as the ECHA guidelines on substances of very high concern (SVHC) are to be observed continuously.

Activities regulated by international agreements, such as the ban on the use of mercury and other specific chemicals as well as the disposal and export of hazardous waste, serve to prevent harm to human health and the environment. This is part of the corporate responsibility of btv technologies gmbh and should apply to the external providers as well, with the aim of preserving the natural basis of life of future generations.

22. Code of Conduct and ethical principles

btv technologies wishes to assume its share of social, economic and ecological responsibility in a form acceptable to both contractual partners, in which it undertakes to comply with the principles listed below and expects the same from its contractual partner:

- Rejection of any kind of corruption and bribery
- Compliance with applicable laws on working hours, occupational safety and health protection
- Appropriate and full remuneration for work performed and compliance with the minimum wage stipulated by law.
- Rejection of child labour
- Rejection of any discrimination with regard to gender, skin colour, age, religion, political opinion, physical or mental disability, ethnic, national or social origin, sexual orientation or other personal characteristics.
- Employee development and training, access to further education and training events should be available to all employees based on the principle of equal opportunity.
- The importance of the transition to a low-carbon economy and environmentally conscious actions must be part of corporate responsibility.

23. Tests -> regarding manufacturers and importers from a third country

The external provider shall monitor its manufacturing process through appropriate statistical methods to provide evidence of process capability.

Critical characteristics, which are to be tested and documented 100%, are specified separately.

btv technologies expects the external provider to implement and comply with the following requirements:

- The external provider shall prepare a test plan, which includes all test steps, starting with the receipt of goods, through production to shipping, specifying the operation, the machine or device used, the product feature, the product specification, the test system, the scope and frequency of testing, the type of recording and an appropriate response plan.
- The test plan must be approved by btv technologies prior to the start of series production.
- Changes to the product development process must be reflected in the test plan and require a new approval.
- Test records shall be made available to btv technologies without request at regular intervals in accordance with a separate agreement. If no separate agreements are made, it shall be stipulated that the associated test records shall be supplied in written form with each delivery lot.
- The external provider shall determine at his own discretion the scope of testing (quality level value) of the incoming goods inspection of the preliminary products procured by itself.
- The external provider shall mark 100% of his finished products with a test label to be defined by btv technologies after positive testing.
- For products that are found to be NOK, it must be ensured that they are marked as such and safely withdrawn from further use.

24. Liability

The achievement of the agreed quality goals and intervention limits shall not result in the exclusion of warranty claims or claims for damages by the purchaser for defective deliveries.

25. Insurance

The external provider is obliged to provide evidence of a business or product liability insurance in an appropriate amount, including recall cost coverage. A corresponding confirmation shall be provided to btv technologies on an annual basis.

The external provider shall notify btv technologies immediately of any change to or cancellation of the insurance coverage.

26. Duration of the Agreement

The external provider and btv technologies shall be bound by the agreed terms in the performance of the Agreement. This Agreement can be terminated by either partner with a notice period of three months to the end of each calendar month. Termination of this Agreement shall not release the external provider from compliance with this QAA with respect to existing supply contracts until they have been fully settled.



27. Applicable documents (in the currently valid version)

- General Terms and Conditions of btv technologies gmbh

btv technologies gmbh
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QM Management

www.btv-gruppe.com