between **Elektra GmbH**
Auweg 1
96528 Schalkau

- hereinafter referred to as “Elektra“ -

and **Company Name**
xx (address)
xx

- hereinafter referred to as “Supplier” -

Preamble

This quality assurance agreement is the contractual definition of the technical and organizational framework and processes between Elektra and the supplier which are necessary to ensure the quality of the product development and the products and to achieve a continuous improvement in the quality of the products, taking into account the relevant environmental requirements.

1. Scope, subject of the contract

The following agreement regulates the quality requirements for all development services and / or products that are provided and / or supplied to Elektra during their term, unless the scope is limited to specific services and / or deliveries by separate stipulations in the annex.

This Agreement is in conjunction with all purchase and delivery agreements concluded between Elektra and the Supplier. The conditions of sale of the supplier are not part of this agreement and are therefore not valid or are not recognized by Elektra.
Individual clauses of this agreement do not apply insofar as they conflict with priority contracts.

If additional product-related agreements are required, these will be documented. These agreements are also part of the contract between Elektra and the supplier and apply in addition to the respective delivery contracts.

This agreement as well as changes and additions must be made in writing. Specific changes and additions to this QAA are set out in the annex (additional agreement).

2. Quality

The ever increasing quality requirements of the automotive industry for our products also require a constantly increasing quality standard of the products to our suppliers. We want to maintain and extend the quality level achieved by Elektra GmbH and recognized by our customers together with you. The aim is generally a 0 error strategy. Individual ppm figures for critical products can be specified but these must be fixed in writing and must not be higher than 10 ppm in the starting phase. Customer satisfaction is the ultimate goal of all quality assurance activities. All deliveries and services to Elektra and / or its customers must comply with the agreed and statutory requirements.

3. Quality management of the supplier

The supplier undertakes to permanently apply a quality management system in accordance with IATF16949 or at least one system which is certified in accordance with ISO 9001 in the respectively valid version.
The supplier is committed to the zero-defect target and must continuously optimize its services to this effect. This goal is pursued through consistent quality planning and series monitoring with a focus on error prevention and continuous improvement.
Insofar as Elektra provides the supplier with production and test equipment, in particular resources and facilities in connection with the purchase of supplies, these must be included by the supplier in its quality management system as own production and test equipment, unless otherwise agreed (e.g. in lending contracts).

4. Quality management of subcontractors

The supplier shall oblige its subcontractors to comply with the rights and obligations it has assumed under this contract.

Elektra may require documented evidence from the supplier that the supplier is convinced of the effectiveness of the quality management system at its subcontractors and / or has ensured the quality of its purchased parts through other suitable measures.

5. Environmental management of the supplier

The statutory requirements and limit values must be met as minimum requirements for all processes and for all services to be provided. Investigation results, if required by law, will be made available to Elektra. For all processes as well as for all services to be provided by subcontractors of the supplier, the test results shall be made available to Elektra upon request.

The medium-term goal for the supplier should be the establishment of an environmental management system, certified by DIN EN ISO 14001 certification.

With regard to the end-of-life vehicle directive 2000/53 / EC and, if applicable, the electronic waste ordinance 2002/96 / EC, the supplier must provide all necessary data. Material data regarding the end-of-life vehicle regulations are provided to Elektra via the international material database (IMDS).

The REACH regulation on the Registration, Evaluation, Authorization (and Restriction) of Chemical Substances entered into force on 01.06.07 in EU member states. In addition, it may be necessary to apply for authorization to use them (belonging to the SVHC category). The supplier complies with these standards.
The RoHS directive on the restriction of the use of certain hazardous substances entered into force on 01.07.06 in EU member states. The RoHS directive restricts the use of hazardous substances and thus supports the efficient recycling of products that are no longer being used. These requirements are met by the supplier.

The supplier should be able to exclude the purchase and use of conflict minerals such as tin, old, tantalum and tungsten from the Democratic Republic of the Congo or its neighbors as part of its commercial due diligence. These requirements are met by the supplier. This must be submitted to the customer once a year in the form of a declaration and if affected by the full complement of the Conflict Minerals Reporting Template. Legislative changes are implemented and adhered to by the supplier in this context.

6. Audits

Elektra has the right to perform an audit to determine whether the supplier's quality assurance measures meet customer requirements. The audit can be carried out as a system (in accordance with VDA 6.1) or a process audit (in accordance with VDA 6.3) and must be agreed in good time before planned implementation.
Appropriate restrictions of the supplier to secure its trade secrets are accepted.
When carrying out the audits, the customer should be given the opportunity to inspect the FMEAs to be prepared by the supplier and the quality records.

If quality problems occur which have been caused by services and / or deliveries by subcontractors, the supplier must, at the request of Elektra, clarify the possibility of a joint audit at the subcontractor or the supplier is obliged to allow an audit of the affected subcontractor.

Furthermore, the supplier independently carries out product and CQI audits for his processes with suitable certified auditors and makes them available on request.

7. Quality advance planning

The principle of "error prevention instead of error detection" is taken into account by the supplier in principle. A systematic quality planning is carried out.

7.1. Manufacturability

The supplier receives technical documentation from Elektra with the order. The supplier is obliged to point out all documents (such as drawings, test specifications, standards) that appear to be unclear, incorrect or incomplete. Elektra will then issue appropriate written instructions or provide modified documentation. The supplier shall ensure via an internal distribution system that the latest version of the documents supplied by Elektra is always available to all affected areas. Documents that no longer comply with the latest version must be destroyed or returned.

The supplier verifies the deliveries and services specified in the order regarding their manufacturability. Manufacturability in this context means that the requested product can be manufactured under serial conditions, in particular with respect to requirements such as:

- Capacities / quantities
- Events
- Specification / specification
- Drawings
- Specifications
- Process capabilities for significant features with Cpk> 1.33 and Ppk> 1.67

The manufacturability is checked for all new and changed parts / products. Problems are reported to Elektra in good time.

7.2. Project plan / milestones

The supplier prepares a project and milestone plan for the purpose of project planning and project implementation. The following milestones are included in the project plan:

- Creation of a design FMEA (with responsibility for the design of the supplier)
- Creation of a process FMEA starting from the process planning phase
- Creation of a production control plan (including significant features)
- Planning and provision of test equipment including proof of test equipment capability
- Production of non-tool sample parts (if required)
- Production of the first tool-related sample parts
- Determination of the machine or process capability (for significant features)
- Initial sampling according to PPAP or VDA 2 / PPF
- Performing a capacity analysis (Run & Rate)
- Production start and system filling
- Packaging instructions or packaging regulations
- Start and finish dates, resources

The supplier communicates the status of the project to the responsible purchaser / project manager at Elektra at fixed intervals.

7.3. Test planning and test equipment planning

Through systematic inspection planning and inspection equipment planning, the supplier ensures that new and / or changed products, production processes, etc.

- all characteristics essential for quality are recorded,
- the test methods and frequencies to be used are suitable, and
- The test equipment has been designed correctly and is available in good time before the beginning of the zero series.

Quality features are included in the drawings and specifications. The determination of critical and significant product features which are to be particularly observed in the test planning and in the test equipment planning takes place in consideration of the FMEA knowledge in coordination with Elektra.

A test plan / production control plan contains the following information:

- Master data (such as manufacturer, designation, drawing no., Technical change status)
- Documentation obligation and creator / user / date
- Test feature (s), (at least all significant features)
- Test Equipment
- requalification
- Test frequency
- Test method
- type of test (quantitative or qualitative)
- Sample size or 100% exam
- corrective measures in case of errors and those responsible for implementation

7.4. Creation of FMEAs

For all parts / components manufactured according to a given design drawing, the supplier must create a design and interface FMEA. Supplier's FMEAs are subject to prior notice by Elektra. Elektra's design and planning departments support the supplier with questions about system interfaces (interface FMEA)

The FMEA preparation has to be geared to VDA volume 4 "Quality assurance before series production". FMEAs must be created according to the project plan / milestone schedule and updated accordingly.

8. Quality assessment of design results

The supplier undertakes to carry out a quality assessment of the targeted design results (development concept, development model) in the context of design reviews in the sense of a fault-preventive production and constant quality improvement. The assessment is made against the requirements and specifications. If the results obtained deviate from the quality requirements in the specifications / specifications, corrective measures must be planned and implemented by the supplier. Any resulting additional costs shall be borne by the originator.

9. Proof of process capability

Regardless of the specification of further test features for series monitoring, the supplier must carry out process capability tests for features which in particular affect the function or safety or have an important quality-determining property.

The selection and definition of characteristics for which evidence of process capability must be provided must be made as early as possible. However, these are at least all critical and significant features:

- preliminary process capability Pp; Ppk> 1.67
- process capability (long term) Cp; Cpk> 1.33

Significant features are identified in the drawings and / or specifications and documented in the production control plan and documentations.

Proof of process capability for the specified test characteristics shall be provided by the supplier. The process capability study must be carried out on the basis of the VDA Band 4
"Quality assurance before series production". If required, Elektra is entitled to consult the corresponding documentation (control charts, SPC) on request.

If the required process capabilities are not achieved, immediate action will have to be taken by the supplier or subcontractor to optimize the process and appropriate test procedures applied so that the quality objective can be met.

Proof of process capability is a mandatory part of the initial sampling and must be demonstrated on at least 25 components per cavity.

10. Sampling

The sampling of the products should demonstrate before the start of the series that the quality requirements specified in drawings and specifications are met.

The sampling takes place in accordance with PPAP or VDA. The procedure to be followed, the submission level and the required documents are agreed with the supplier.

If slight deviations from the drawing or the specification are found during the inspection of the sample parts and these can no longer be corrected at short notice, then an deviation request must be requested from Elektra in good time before the specified sampling date. Before sending the deviation request, its content must be agreed with Elektra. If a template is rejected or released only with conditions (deviation), the supplier must submit an action plan to Elektra for full deviation request shortly after receipt of the result. The date for a required subsequent sampling must be agreed in writing.
A delivery of products to Elektra (even after changes) is only possible after approval has been granted for approval or presentation of a deviation permission / special release by Elektra.

An annual full re-qualification according to PPAP is carried out by the supplier free of charge. The results are to be provided on request

11. Process Verification (Run & Rate)

To verify and ensure that the processes used meet the process capabilities of the parts or components according to the quality requirements (defined Q characteristics in drawings and specifications) and the requirements of PPAP or VDA 2 / PPF, the current production processes with the production control plan Elektra reserves the right to perform a process verification (e.g. Run & Rate) and the contractual determined quantities can be produced in a defined time unit (number of pieces per shift or workday).

The quality capability review of the production process includes the following components:

- Initial sampling
- Proof of process capability
- Planning documents
- Production processes

During Run & Rate, all production tools and equipment must be in use. Deviations from this must be agreed accordingly beforehand.
Achievement of the planned performance must be demonstrated using the personnel planned for mass production and the required facilities.
The date and scope of the review will be timely agreed between the supplier and Elektra.

The preparation and implementation is supplier responsibility with the participation and subsequent evaluation by Elektra. Deviations are recorded in an action plan and are to be processed by the supplier. If necessary, the procedure should be repeated if there are significant deficiencies. If the result is positive (both the Run & Rates and the sampling documents), the verification will result in series production approval.
Should a satisfactory result not be achieved in the first two verifications, Elektra shall be entitled to charge for the further necessary verifications the resulting personnel costs to the supplier (travel, overnight stay, daily flat rate).

12. Labeling, storage and packaging

With regard to the marking of tools, products, parts and packaging, the following specifications agreed with Elektra must be following to.

1. The supplier shall mark the goods in such a way that the product condition and the test condition are clearly identifiable at all times, from receipt of goods to goods delivery.
2. The individual packaging units with goods ready for dispatch are provided with a completely filled in goods tag. The minimum requirement is that every smallest packaging unit must be labeled with the customer-specific article number, index and the number of pieces included.
3. It must be ensured that the labeling of the packaged products is also recognizable during transport and storage.
4. For the first 3 deliveries of new or changed parts and for the last delivery before the change, a form ("new version", "old version") must also be used.
5. The supplier shall ensure that the products are delivered in suitable means of transport agreed with Elektra and approved, in order to avoid damages and quality reductions (for example, contamination, chemical reactions). The packing instructions are to be filled in a corresponding packaging data sheet.
6. If tools have been built which have been transferred to Elektra GmbH, they must be provided with special signs showing that they are the property of Elektra or its customers.

Deviations from the agreed labeling requirements require a written agreement of both partners.

13. Traceability and documentation

The supplier undertakes to provide proof of QS documentation required for traceability of parts with significant characteristics.

In case of a detected deviation, traceability must be possible in such a way as to limit the quantity of defective parts.
Elektra will provide the supplier with the data required for traceability.

For the creation and storage of documents, the recommendation of the VDA (Volume 1 "Verification") in the currently valid version must be taken into consideration Documents (D-Parts) with special archiving that relate to special security-relevant features must be archived for 15 years, other documents at least 3 years.
In the event of claims by third parties, the Supplier shall grant Elektra access to the relevant quality documentation for the defense against claims and shall make them temporarily available as far as necessary for the execution of the documentation.

14. Production / series monitoring

The quality of the purchased materials or parts is ensured by appropriate security measures (test certificates, random samples, etc.). The type of proof (e.g. delivery of work certificates or certificates for each delivery) is specified in an additional agreement or in the drawing.

The supplier ensures a systematic monitoring of its production by means of suitable test methods in accordance with test planning. The scheduled review and documentation of process parameters and product features ensures a stable and capable production process, thus ensuring the quality of the manufactured products.
In case of process disturbances and quality deviations at Elektra or supplier, the causes must be analyzed, improvement measures initiated and their effectiveness checked.

15. Delivery

The supplier ensures the supply of parts according to the agreed delivery quantities and deadlines. To prevent malfunctions and machine and tool failures, the supplier maintains a preventive maintenance / service.

16. Defect Parts

If defective or suspect parts are detected, they must be selected, marked and separated. The performance is based on costs and capacities (Elektra, customer or third parties). The
Originator pays the costs or expenses. Mixing with good parts must be excluded to ensure that only defect-free contractual items are delivered.

The supplier is only allowed to deliver parts that deviate from the specification or drawing requirements if approved deviation permission is available. Elektra must also be notified immediately of any deviations detected in retrospect.

17. Receipt inspection and notification of defects

Upon receipt, Elektra will check the supplier-sourced products for compliance with quantity and identity, for outside visible identifiable damages and, at its discretion, carry out a random qualitative in-goods inspection which does not deprive the supplier of its obligation to deliver products. which comply with the agreed documents in all respects.

In addition, Elektra is exempted from the obligation to inspect and to give notice (§377 HGB).

18. Complaints

The supplier responds immediately to complaints due to faulty deliveries / services. The supplier submits a report (8D report) that at least includes the following points:
• Knowledge of the error description and initiated emergency measures (within 24h)
• Root cause occurrence / non-detection (within 5 working days)
• Corrective actions (cause elimination within 10 working days).

19. Rejection of defective deliveries / services

Before sorting out, rejecting or reworking faulty deliveries / services, the further procedure is coordinated between the supplier and Elektra in order to minimize potential damage.

Taking into account the safeguarding of production and readiness for delivery, appropriate measures must be taken:
• Return and short-term replacement
• Sorting by sorting company, supplier or Elektra
• Rework by sorting company, supplier or Elektra
• Exchange by Elektra

Three (3) part deliveries after correction have to be marked.

20. Repeated quality or delivery problems

In case of repetitive quality or delivery problems and in the event of significant default / rejection rates due to the fault of the supplier, it shall be authorized by Elektra staff to carry out a problem analysis or a system (according to VDA 6.1) or process audit (according to VDA 6.3) at the supplier.

In addition, a quality discussion will be held to discuss the issues of quality, delivery, etc., and to initiate and implement appropriate, effective corrective action.

Depending on the problem and the frequency of the problems, a distinction is made in discussions at the following supplier levels (escalation process):

Level 0: No problems in the daily business (a delivery performance of 80-100%)
Level 1: Escalation Level 1 (A delivery performance of 60-79%)
Level 2: Escalation Level 2 (A delivery performance of 0-59%)
Level 3: Escalation Level 3 (A delivery performance of 0-59% over more than 2 evaluation periods)

If sufficient success is not achieved with the specified measures, the conversation is conducted at the next higher level.

In the case of repeated quality or delivery problems and if the ppm target is exceeded, Elektra is entitled to charge a contractual penalty of € 200.00 per complaint report to the supplier.

21. Changes

Before changing manufacturing processes, materials or supply parts for the products, relocating manufacturing sites, using new subcontractors and modifying procedures or facilities for testing the products, the supplier will notify Elektra in good time so that Elektra can verify their scope. Approvals for modifications must be handled in accordance with the sampling regulations (PPAP, VDA 2 / PPF). The supplier will be informed in a timely manner about the necessity to carry out unscheduled audits.

All changes to the part and product-relevant changes in the process chain must be documented in a parts history and treated in accordance with VDA Volume 2 "Securing deliveries". Part life histories are to lead to the beginning of the pattern production to the end of series production. Partial returns contain at least information on part designation, part number, change status of the drawing or construction stage, description of change, delivery date sample, delivery date series, sampling.

22. Confidentiality

The parties agree to keep confidential information and knowledge obtained by the other party, however they may be, and not to make it available to third parties or to use it for any other purpose for which they are transmitted without the written consent of that party were.

This obligation remains in effect for a period of 3 years from the date of termination of this agreement.

23. Writing Requirement

Changes or additions to this agreement must be made in writing in order to be effective. This also applies to the waiver of the written form requirement.

24. Validity and Duration

This agreement enters into force on the date of signing by supplier and Elektra. It is valid for an indefinite period and can be terminated in writing by registered letter with a period of 6 months from both the supplier and Elektra. The right to extraordinary termination is not affected.

The termination of this agreement shall not affect the validity of current delivery contracts until their full settlement.

25. Further customer / product-specific requirements

Further customer / product-specific requirements are specified in an additional agreement.

26. Final Provisions, Law, Jurisdiction

Should individual provisions of this contract be ineffective or impracticable or become ineffective or unenforceable after conclusion of the contract, the validity of the remainder of the rest remains unaffected. The ineffective or unenforceable provision shall be replaced by the effective and enforceable provision whose effects come closest to the economic objective pursued by the contracting parties with the invalid or unenforceable provision. The above provisions shall apply mutatis mutandis in the event that the contract proves to be incomplete.

The agreement is subject to the law of the Federal Republic of Germany, but excluding the UN Sales Convention.

For all contractual and non-contractual disputes, the local and international exclusive jurisdiction is agreed at the place of business of the customer. In particular, this jurisdiction also excludes any other jurisdiction which is provided for by law because of a personal or factual connection.

However, Elektra is entitled to sue the supplier at his place of business.

Elektra GmbH	**Supplier**
Schalkau, the	Place:_____ Date _____
_____	_____
pp Ralf Dittmar Director of Purchasing	Legally binding signature / signature of MD Name/ role
_____	_____
pp Sandro Bartsch Quality Manager Quality Management Representative	Signature of QM Name/ role