



Agreement for suppliers without IATF 16949 certificate with contractual products for use in the automotive sector

(Status 11/2019)

between

MS-Schramberg group of companies consisting of the following companies:

MS-Schramberg Holding GmbH

MS-Schramberg Werkzeug GmbH & Co. KG

MS-Schramberg GmbH & Co. KG

MS-Schramberg Sinter GmbH & Co. KG

MS-Schramberg System GmbH & Co. KG

hereinafter referred to as „**MS-Schramberg**”

and

hereinafter referred to as „**Supplier**”

Preface

The competitiveness and position of MS-Schramberg on the world market is decisively determined by the quality of our products. The impeccable quality and reliability of the products and services (hereinafter referred to as "contractual products") thus have a direct influence on the quality of the products of MS-Schramberg.

The supplier delivers contractual products for the automotive industry to MS-Schramberg. Since the supplier is not in possession of the IATF 16949 certification, the following points are agreed in order to meet the requirements of automotive customers for the supply chain.



1. Scope of Application

This agreement applies to all deliveries (e. g. materials, assemblies, parts, products and services) delivered or rendered by your company. They are, therefore, an indispensable part of all purchasing contracts and thus of the business relationship with MS-Schramberg.

The stipulations of these agreements are general in nature. Requirements for individual contractual products are regulated in technical drawings, specifications or the contents of the order.

This agreement complements the quality agreement signed by both parties.

2. Requirements on the Supplier's Management System

The IATF 16949 pursues the goal of optimizing customer satisfaction, by improving system and process quality, identifying potential dangers and errors both in production and in the supply chain in due time and eliminating their causes through corrective measures. Since not the discovery but the prevention of errors is a central concern of the IATF 16949, the main purpose of this agreement is to take preventive measures to avoid future errors. Accordingly, a quality management system is to be developed whose goal is a "zero-defect strategy". This system provides for continuous improvement, with emphasis on error avoidance and reduction of dispersion and waste.

This means for you, as a supplier, not certified according to IATF 16949, since your contract products are used in the automotive sector, that you must observe the following points and ensure their implementation:

1. Complying with customer-specific requirements as well as legal and statutory requirements. It must be ensured that all customer-specific, legal and statutory requirements are checked for feasibility and their implementation is ensured.
2. Any product and process changes in accordance with the VDA change matrix must be monitored and MS-Schramberg must be informed in writing. The time requirements of the VDA must be observed.
3. Information from recalls, product audits, complaints, rework and rejects must be documented, evaluated and included in risk assessments.
4. Planning for possible emergencies must take place, which also provides the customer with information in the event of emergencies.
5. Measuring equipment must be verified for process applicability.
6. The qualification of subcontractors must be monitored.
7. A production control plan must be created for each contractual product.
8. Any rework of contractual products must be reported to MS-Schramberg.
9. The FiFo method must be observed without exception.



3. Duration of Agreement, Termination

This agreement is not limited in time. It can be terminated in writing with a notice period of six months to the end of the year. This does not affect the validity of contracts under this agreement, that is to say the provisions of the agreement continue to apply to such contracts until the end of their respective term.

The termination for important reasons remains unaffected.

If the supplier violates essential provisions of this agreement, MS-Schramberg can terminate existing supply contracts without notice after unsuccessful warning. In the event of this termination, the supplier shall not be entitled to any compensation claims against MS-Schramberg.

4. Final Provisions

Amendments and additions to this quality assurance agreement must be made in writing. Should any provisions of this agreement be invalid in whole or in part, this shall not affect the validity of the remaining provisions. In this case, the contracting parties shall agree on an effective provision which comes closest to the economic purpose of the invalid provision. The same applies to any gaps. The agreements made in other contracts with the supplier shall apply in addition, insofar as this agreement does not contain any more specific regulations. The law of the Federal Republic of Germany shall apply to this agreement. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded. The exclusive place of jurisdiction for all disputes arising from the contractual relationship is Rottweil.

Place/Date: _____

Signature of supplier
Name in plain text:

Place/Date: _____

Signature MS-Schramberg
Name in plain text: