

# Quality Assurance Agreement

## Introduction

- (i) This Quality Assurance Agreement (hereafter referred to as the 'QAA') sets out the framework for the technical and organisational conditions and processes that will enable the supplier to manufacture and deliver products and/or services of the agreed quality.
- (ii) The QAA describes the minimum requirements for the supplier's management system and regulates the supplier's rights and obligations with regard to quality assurance for the products and/or services to be delivered. Provisions on quality assurance and/or liability for quality defects in other agreements remain unaffected.

## 1. Scope of application

- 1.1. The provisions set out below apply in addition to existing contracts with ABUS, the ABUS General Terms and Conditions of Purchase, and the Logistics Agreement. In the event of conflicting clauses in these documents, the wording of the existing contract with the supplier shall take precedence, followed by the General Terms and Conditions of Purchase, the Quality Assurance Agreement, and finally the Logistics Agreement.
- 1.2. The QAA applies to all deliveries and services provided by the supplier.
- 1.3. The QAA is provided in German and English. In the event of any discrepancies or inconsistencies between the language versions, the German version shall prevail and be legally binding.

## 2. Supplier responsibility

- 2.1. The supplier is responsible for executing its products and services faultlessly and without errors in accordance with the agreed technical documentation. This Quality Assurance Agreement does not affect the supplier's liability for faultless and error-free delivery and provision of services, or for any other breaches of duty.
- 2.2. Once an order has been accepted, the supplier must check that the order documents are complete and accurate. The supplier must familiarise itself with the product requirements and seek clarification in the event of any ambiguities. The supplier must notify ABUS immediately in writing of any contradictions, other errors or inaccuracies in the order. If there are any deviations from the order documents, written approval must be obtained before production can begin.
- 2.3. If the supplier places orders with subcontractors, it is obliged to implement and check the QAA requirements with regard to its subcontractors, and assume responsibility for doing so. Furthermore, the supplier must carry out regular product checks with its subcontractors. The supplier's obligations to ensure supply chain security and compliance with applicable legal requirements remain unaffected.
- 2.4. To ensure high product quality, the supplier must regularly review its production and other processes relevant to the provision of its services, document the results, and strive for improvements. The supplier must pursue the goal of achieving completely defect-free production and error-free service provision, as well as continuous cost reduction.
- 2.5. The supplier is responsible for and liable for the safety of the products or services it provides.

- 2.6. The supplier must carry out incoming goods inspections and process-accompanying inspections to prevent defective products. For parts supplied by ABUS, the test characteristics must be agreed with ABUS separately and then implemented.

### **3. Quality management**

- 3.1. This agreement does not replace the requirements of the currently valid version of DIN EN ISO 9001, but only represents the minimum requirements of the supplier.
- 3.2. Upon request, the supplier must submit its certificates to the ABUS procurement department and report any updates immediately after the expiry of the validity period or if a certificate is withdrawn.

### **4. The supplier's duty to notify in the event of relevant changes**

- 4.1. If it becomes apparent that agreed quality characteristics cannot be met, the supplier shall inform ABUS immediately in writing. The supplier shall also notify ABUS immediately of any deviations or quality defects identified after delivery (supplier self-reporting). To facilitate a prompt resolution, the supplier shall disclose all necessary data and facts without being specifically requested to do so.
- 4.2. The supplier undertakes to notify ABUS in advance of:
- (i) Changes to manufacturing processes, procedures and materials (including those of subcontractors); or
  - (ii) Changes to testing procedures/facilities; or
  - (iii) Relocating production sites; or
  - (iv) Relocating essential production facilities at the site; and
  - (v) Outsourcing work processes.

These changes may impact the quality and deliverability of products or services, enabling ABUS to assess the potential negative effects of the planned changes. ABUS reserves the right to decide the extent to which new sampling, testing or documentation is to be carried out.

- 4.3. The supplier must notify ABUS in advance of any intended change to its own suppliers of essential preliminary products or services.

### **5. Supplier development**

- 5.1. The supplier must carry out internal process and product audits at regular intervals and document the results. This documentation must be kept for at least five years and made available to ABUS upon request.
- 5.2. If any quality or process defects are found to have been committed by the supplier, ABUS shall be entitled to check that the supplier is complying with the agreed contractual requirements for its products or services. Depending on the circumstances, this may take the form of a technical or quality discussion, or a system, process or product audit. This will be agreed with the supplier well in advance of the planned check. The supplier must ensure that sufficiently competent employees are involved and that all necessary information is available.
- 5.3. In the event of quality issues, ABUS may also carry out quality assurance checks without prior notice, taking into account the supplier's normal production process and protecting the supplier's confidentiality interests as far as possible. Upon request, the supplier undertakes to provide ABUS with transparent information about its supply chains and to cooperate actively to facilitate the

necessary communication and access rights to subcontractors for quality controls.

## **6. Development cooperation**

- 6.1. If the order to the supplier includes development tasks, the contracting parties shall specify the requirements in writing, e.g. in the form of a specification sheet. The supplier undertakes to appoint a suitable project manager for products, processes and other cross-departmental tasks as early as the planning phase, and to grant ABUS access to the relevant documents on request.
- 6.2. Upon receipt, the supplier shall review all technical documents, such as specifications, drawings, parts lists and CAD data, to ensure they are feasible. The supplier shall immediately notify ABUS in writing of any identified defects or risks.
- 6.3. During the development phase, the supplier shall apply suitable preventive quality planning methods, such as manufacturability analysis, reliability studies and FMEA. The supplier shall also take into account process data and capability studies from similar processes.

## **7. Documentation basis**

- 7.1. All relevant documents are referenced in the enquiry and order documents. If any documents are amended, the updated versions will be made available to the supplier.
- 7.2. The supplier undertakes to keep the following documents:
  - (i) Work plans;
  - (ii) Test plans;
  - (iii) Test records;
  - (iv) Process parameters;
  - (v) Test certificates for materials used based on DIN EN10204;
  - (vi) Calibration certificates for the test equipment used.
- 7.3. In addition, the supplier must keep all documents and evidence relating to product quality. ABUS must be granted access to these documents if necessary.

## **8. Approval procedure for products and services**

- 8.1. Before the first delivery of a series, the supplier must carry out a product and production approval procedure. Evidence of suitability and capability must be provided and agreed.
- 8.2. When sampling series parts, ABUS must be provided with an initial sample test report containing the relevant documentation and evidence.
- 8.3. Scope of sampling:
  - (i) Samples with agreed labelling, including the ABUS item number;
  - (ii) Initial sample test report;
  - (iii) Process flow diagram, including subcontractors;
  - (iv) All documents required in the Technical Delivery Conditions;
  - (v) Test instructions (test plan) for sampling and series production.
- 8.4. If the initial sample specifications are not met, the test shall be repeated with a new initial sample. Any additional costs incurred by ABUS as a result of repeat internal tests shall be borne by the supplier.
- 8.5. Series production may only commence after ABUS approval and on the basis of the approved

initial samples.

## **9. Series production, documentation, labelling of products**

- 9.1. The supplier must ensure that production takes place under verifiably reproducible conditions. In particular, the supplier must:
- (i) Draw up manufacturing and production plans;
  - (ii) Record processes in writing;
  - (iii) Monitor processes, equipment and machines;
  - (iv) Retain all documentation relating to (i) to (iii) for at least fifteen years and present it to ABUS on request.
- 9.2. The supplier shall keep records of the implementation of quality assurance measures, particularly the measured values and test results, and shall store these records in an orderly manner. The obligation to retain documents and records shall be for at least fifteen years. The supplier shall ensure that they remain legible throughout this period. They shall be made available to ABUS on request.
- 9.3. The supplier shall regulate the management of all data and documents (including external documents, such as standards and customer drawings) through procedural instructions, which shall be implemented effectively.
- 9.4. Products shall be labelled in accordance with ABUS specifications or a jointly agreed labelling system.
- 9.5. The supplier undertakes to ensure the traceability of the products it supplies. In the event of a defect being detected, the defective parts, products, batches, etc. must be traceable and isolated.

## **10. Changes to products or services**

- 10.1. If the supplier intends to make any changes to products or services, a written request must be submitted to ABUS in good time. This request must cover the following points:
- (i) Scope and reason for the change;
  - (ii) Proof of functionality and safety;
  - (iii) The planned date of implementation of the change.
- 10.2. ABUS may attach conditions to its approval of the change or qualify it itself. However, this does not release the supplier from its product liability. If ABUS incurs costs as a result of the change, the supplier shall reimburse these costs.
- 10.3. The supplier must document the change process and record the implementation date. The change may only be implemented in deliveries or services provided to ABUS once this documentation has been countersigned by ABUS.

## **11. Measuring and testing equipment**

- 11.1. If ABUS provides the supplier with measuring and testing equipment, production facilities, or test cabinets, they must be clearly marked as ABUS property. The supplier is responsible for ensuring that the equipment remains intact and functions properly. The supplier must also arrange for calibration, maintenance and repair.

- 11.2. The supplier must use suitable measuring and testing equipment, including gauges and test systems, for tests and inspections. This equipment must be properly calibrated and traceable to a national standard.
- 11.3. If an external company is used for testing or calibrating measuring equipment, it must be verifiably accredited.

## **12. Complaints about defective products**

- 12.1. If ABUS discovers defects (e.g. during further processing, due to assembly issues, laboratory testing, customer complaints or other investigations), the supplier will be notified in writing via a complaint. However, as soon as possible after receiving initial information by telephone, the supplier shall initiate the necessary measures for rapid clarification and rectification, insofar as this is possible based on the information received. ABUS expects the supplier to respond immediately or by the next working day at the latest.
- 12.2. Furthermore, the supplier undertakes to submit an 8D report to ABUS within 10 working days of the complaint report being delivered. Interim reports shall be provided on request.
- 12.3. The supplier must carefully examine the rejected products (fault/cause analysis) and summarise the corrective measures planned and initiated in the 4D report (8D report). The effectiveness of these measures must be demonstrated to ABUS.
- 12.4. If necessary, ABUS may arrange an investigation by an external expert. The supplier shall bear the costs of the investigation.
- 12.5. If the delivery of products that do not meet the specifications results in production downtime at ABUS or missed delivery deadlines to customers, the supplier must take appropriate immediate measures at its own expense, in consultation with ABUS, to remedy the situation (e.g. replacement deliveries, sorting/reworking, special shifts, express transport, etc.). This shall not apply if the supplier is not responsible for the delivery of the defective products.
- 12.6. As a rule, only new products (with a new serial number, if required by ABUS, and a full warranty) should be sent to ABUS.

## **13. Validity and final provisions**

- 13.1. This Quality Assurance Agreement shall remain in force for as long as the supplier provides products or services to ABUS. It cannot be terminated by ordinary notice.
- 13.2. All legal matters arising from this Quality Assurance Agreement shall be governed by the laws of the Federal Republic of Germany, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 13.3. The exclusive place of jurisdiction, including for international disputes, for all matters arising directly or indirectly from the Quality Assurance Agreement is the registered office of ABUS in 51647 Gummersbach, Germany. However, ABUS also has the right to bring an action before another competent state court in accordance with the German Code of Civil Procedure, the Recast Brussels Regulation (European Jurisdiction and Enforcement Regulation) or the Lugano Convention.