

## Rosenberger Hochfrequenztechnik GmbH & Co. KG – General Quality Terms and Conditions

### Preamble

Rosenberger is a globally active company with the business segments Automotive, Communication, Test & Measurement, Medical & Industries, Mechanical Engineering and Fibre Optics. Rosenberger products are bound by quality worldwide. Therefore, only high-quality deliveries with a zero error target conform to our corporate model. These General Quality Terms and Conditions epitomise the minimum requirement for the quality management system of our delivery partners, in order to be able to guarantee our customers a consistently high quality and to organise the cooperation with our delivery partners more efficiently for our mutual benefit.

### 1 Applicability

These General Quality Terms and Conditions apply to all delivery contracts between the contracting parties and to all parts or components supplied to Rosenberger unless otherwise agreed in writing.

### 2 Product qualities, product release, changes

2.1 The products must meet the agreed or assured quality (e.g. specifications, datasheets, drawings, samples pursuant to the initial sample test report). Manufacturing processes shall be carried out in compliance with the applicable statutory provisions, especially with respect to safety technology and the handling of dangerous or noxious substances, e.g. pursuant to the REACH Directive EC No. 1907/2006, the CLP Regulation EC No. 1272/ 2008 and the German ElektroStoffV (Ordinance on the restriction of the use of certain hazardous substances in electrical and electronic equipment), etc. The supplier shall undertake to constantly improve his manufacturing processes, in order to further expand his delivery capability.

2.2 If the supplier has to recognise on the basis of his expert knowledge that a description presented by Rosenberger (e.g. specification, datasheet, drawing) is incorrect, unclear, incomplete or obviously differs from an actual sample, he shall inform Rosenberger in writing immediately before commencing the manufacturing process or executing the service.

2.3 In the case of a delivery of products which do not conform to the specifications, drawings, samples, etc., the statutory provisions and contractual agreements shall apply in addition to the provisions of these General Quality Terms and Conditions, especially subsection 4 and 5; in this respect the following applies in particular: In case, Supplier doesn't immediately start with subsequent performance after request by Rosenberger or in case subsequent performance would obviously take too much time, Rosenberger shall be entitled in urgent cases, especially to avert acute danger or to prevent more extensive damage, to carry these works itself or have them carried out by a third party at the supplier's expense. If Rosenberger legitimately makes a covering purchase for time reasons according to the above measure, the supplier shall reimburse us for the associated additional costs. The supplier shall also reimburse us for any necessary expenses incurred as a result of the defective delivery, such as, in particular, sorting costs and, if we have already installed the supplied defective products, the costs for removing the defective products and installing non-defective products.

The supplier shall also undertake to perform a prompt fault analysis and initiate fault rectification and preventative measures immediately. The supplier shall inform Rosenberger thereof without delay in text form (e.g. by email).

2.4 Rosenberger reserves the right to amend specifications provided this is not unacceptable to the supplier.

2.5 The presentation of a Production Part Approval Process (PPAP) record/an Initial Sample Inspection Report (ISIR) in accordance with QS-9000 or VDA (German Association of the Automotive Industry) is necessary for product release by Rosenberger. The Rosenberger release specifications based on the respective valid documents e.g. VDA 2 standard, apply.

2.6 After the release of a sample by Rosenberger, the supplier is obliged to inform Rosenberger in writing of any planned changes to the product realisation in his production process or that of his upstream supplier without delay, but at the latest six months before the change is introduced. This also applies to a change in the procurement sources for input material or components as well as a change in production site or significant changes to the manufacturing process at the premises of the supplier or his upstream supplier. All such changes are subject to the prior written approval of Rosenberger.

2.7 In particular, in the case of injection moulded, pressure die cast, cast metal and stamped parts Rosenberger shall be informed immediately in writing if a new or modified tool is used or if the tool has broken or been repaired and new approval shall be obtained.

### 3 Disclosure and documentation obligations, audit

3.1 The supplier shall adhere to his delivery obligations (in particular, quality requirements, deadlines, delivery quantity) in full.

Should the supplier realise that agreements reached between the contracting parties cannot be adhered to (especially quality requirements, deadlines, delivery quantities), the supplier shall inform Rosenberger immediately in text form. In the event of a delivery delay, the supplier shall ascertain the cause and specify it to Rosenberger on request. Increased freight costs due to a delivery delay shall be documented and proven on request. Any contractual and statutory claims of Rosenberger against the supplier due to a delivery delay shall remain unaffected.

The supplier shall inform Rosenberger immediately in writing of any deviations recognised after delivery.

3.2 If the supplier has quality certificates when concluding this agreement, e.g. in connection with ISO quality management systems, he shall send to Rosenberger unrequested a copy of the valid certificate(s).

If the supplier loses a certificate during the business relations, he shall notify Rosenberger of this loss in writing immediately and without being prompted.

The storage requirements of the quality relevant test reports are regulated by the VDA Volume 1. Following the discontinuation of series production, the PPA process documents must be archived for 15 years by the supplier and submitted on request.

3.3 Rosenberger is entitled to check whether the supplier's measures for ensuring quality meet Rosenberger's requirements. An audit by Rosenberger at the supplier's expense may especially be carried out if there are serious problems with Rosenberger's production process, triggered by the supplier, or if the supplier cannot prove that the cause of the defect has been found and effective remedial measures have been taken or if the supplier has breached joint improvement agreements.

The audits, e.g. as a system process or product audit, are carried out after an announcement at short notice by employees of Rosenberger. The supplier shall support Rosenberger with the execution of the audits, e.g. through professionally qualified personnel. Rosenberger shall bear the costs of the audit unless the audit has been initiated as a

result of serious problems with the supplier's production process or serious quality problems concerning the products. In all cases Rosenberger has the right to invite its own customers to take part in such audits and the supplier shall consent to their participation.

The supplier shall ensure that even requests for appointments at short notice are fulfilled. The supplier shall grant Rosenberger and its customers access to its business premises and allow them to inspect the quality-related documents. Mandatory restrictions for the security of operating secrets will be accepted.

#### **4 Incoming goods inspection, quality management system, zero error target, requalification**

4.1 The commercial duties to examine and object to defects (sections 377 and 381 of the German Commercial Code (HGB)) shall apply with the following provisos: The duty to carry out an incoming goods inspection at Rosenberger is limited to externally visible transport damage and defects relating to the identity of the products as well as quantity deviations. Rosenberger shall notify the supplier promptly of any defects detected in this connection. Rosenberger shall notify the supplier of any other, hidden, defects without delay after Rosenberger has detected such defects, depending on the product specification. The supplier waives his right to object to the notice of defects on the grounds of lateness with respect to hidden defects.

The supplier shall undertake to gear his quality management system and his quality assurance measures to this reduced incoming goods inspection. For this purpose, the supplier shall in particular also carry out sufficient outgoing goods checks on the basis of any inspection schedules provided, as the case may be.

4.2 The supplier shall at least introduce and maintain a quality management system that meets the requirements of ISO 9001. Should the supplier not be certified for automotive parts under ISO/TS 16949, he shall further develop his quality management system, in order to bring it into line with ISO/TS 16949. In addition, the supplier shall introduce an environmental management system that is based on the requirements of ISO 14001. The current version of the ISO standards applies in each case.

The certifications shall be carried out by accredited certification companies. The supplier's disclosure obligations are based in this respect on subsection 3.2 of these General Quality Terms and Conditions.

The supplier's quality management system must contain an obligation to pursue a zero error target and to continuously improve his services and processes. The supplier shall undertake to recognise and implement a maximum error rate smaller than 10 PPM as the target value until the zero error target has been reached. Any agreement on PPM targets does not affect the liability of the supplier as to faulty delivery.

The supplier shall plan and execute corrective measures in order to already avoid possible errors in advance and prevent them.

4.3 If the supplier purchases production or testing equipment, software, services, materials or other advance deliveries from sub-suppliers for the manufacture or quality assurance of products, he shall include them in his quality management system or ensure the quality of the advance deliveries himself through suitable measures.

4.4 Unless otherwise specified, the products delivered to Rosenberger must be subjected to an annual requalification inspection, in which all dimensions, functional features and the material are checked to make sure they meet its requirements. The results shall be disclosed to Rosenberger in writing on request.

#### **5 8D report**

5.1 If the supplier delivers a faulty product, he shall in general provide a proposed solution or meaningful immediate measures within 24 hours from receipt of the complaint. If the supplier does not object to the complaint within this time period, the complaint shall be deemed to have been recognised. Complaints shall be processed with the aid of the 8D report and on request in addition using other customary problem-solving methods (e.g. 5-Why Method, Ishikawa Method, etc.). Depending on the seriousness of the problem, the supplier shall be obliged to produce process analyses or carry out process audits.

5.2 The timeframe for the 8D report shall be organised as follows:

After at the latest one working day following receipt of the complaint (photos, defective part) from Rosenberger: Confirmation of receipt of the complaint and, if applicable, the defective part as well as presentation of a solution proposal or meaningful immediate measures.

After at the latest two working days following receipt of the complaint: Interim report or 8D report including (instituted) immediate measures and planned long-term fault rectification measures.

After at the latest ten working days following receipt of the complaint: Transmission of the complete 8D report.

5.3 Rosenberger shall maintain a supplier evaluation system and determine supplier key data for this purpose. The performance of the 8D processing (time and content-wise) will be incorporated in the supplier key data or evaluation to a large extent.

#### **6 Traceability**

6.1 The supplier is obliged to ensure the traceability of the products he supplies, in order to be able to narrow down the error source (part, product, batch, delivery date) in the event of a fault.

6.2 Should a problem with quality occur, the supplier is obliged to inform Rosenberger in writing within 24 hours what batch or what product is affected.

#### **7 Confidentiality**

7.1 The supplier shall treat confidentially any information which is not already public knowledge, especially drawings, templates, models, tools, documents, software and any other data carriers which we have made available to the supplier, for five years after the contract has ended and not forward it to third parties or duplicate it without our prior written consent unless it is absolutely essential in order to perform the contractual services. The supplier shall require the persons deployed by him or his sub-suppliers to maintain secrecy accordingly. Rosenberger reserves all rights of ownership and copyright to the information and items listed in sentence 1.

7.2 If a separate confidentiality agreement exists between the supplier and Rosenberger, this shall take precedence over subsection 7.1 above.

#### **8 Disclosure obligations, applicable law, place of jurisdiction**

8.1 The supplier shall undertake to have the latest Rosenberger standards, testing schedules, testing regulations and testing instructions on hand or to acquire them from Rosenberger independently as required, but at least once a year.

8.2 These General Quality Terms and Conditions are subject to German law to the exclusion of its conflict of laws provisions and the United Nations Convention on the International Sales of Goods (CISG). The place of jurisdiction is Traunstein.

Last updated: 01/2018