QUALITY ASSURANCE AGREEMENT

between

iwis mobility systems GmbH & Co. KG
Albert-Roßhaupter-Straße 53
81369 Munich, Germany

- referred to as "**iwis**" in the following -

and

Muster GmbH & Co. KG
Vorschlagstraße 100
12345 Musterbach

- referred to as "**Supplier**" in the following -

PREAMBLE

iwis mobility systems GmbH & Co. KG and the companies controlled directly or indirectly by it (referred to individually or jointly as "iwis") develop, manufacture and distribute products that are used worldwide in vehicles manufactured by the automotive industry as well as other products. Goods and services provided by the Supplier are used by iwis within the framework of its Product Engineering Process (PEP), further processed by it or are included by it in the form of components in its own products. iwis's products are subject to high quality and product safety requirements, while iwis's customers also demand outstanding and consistent quality, reliability, transparency, adherence to delivery schedules and competitiveness at the levels of innovation, logistics and pricing.

This, together with risks of loss or damage in the supply chain, imposes very considerable requirements on the Supplier and the series parts, tools, operating equipment, raw materials and input materials that it manufactures and supplies and/or uses, including any associated processes, in particular with regard to development and manufacture (jointly referred to as the "Contractual Product" or "Contractual Products"). These requirements relate, in particular, to quality, reliability, transparency, adherence to delivery schedules and competitiveness at the levels of innovation, logistics and pricing.

The readiness of the Supplier to meet these requirements and to strive for continuous quality improvements and the zero defects target forms the basis for the contract for delivery between iwis and the Supplier, acting as an experienced (automotive) Supplier in its field. In order to create joint rules for collaboration on this basis, iwis and the Supplier (the "Parties") are concluding the present Quality Assurance Agreement (the "Contract").

SCOPE

The provisions of this Contract automatically apply as an integral part of any individual supply agreements, orders, transactions or other individual contracts (also referred to jointly as "Individual Contracts") that may be concluded between iwis and the Supplier with regard to the Contractual Products, including in the case of subsequent modifications to the Contractual Products or revision versions.

If the Supplier intends to fulfil its contractual obligations arising out of Individual Contracts through affiliated companies as defined in § 15 of German Company Law (AktG) (also referred to jointly as "Supplier Companies") then iwis will not refuse the prior authorisation required for this without good reason. If Supplier Companies authorised by iwis fulfil contractual obligations that form the object of the present Contract then the associated activities continue to be subject to the provisions of the contractual relation between the Parties, even if delivery instructions and invoicing are organised directly between iwis and the employed Supplier Companies. Clarifications given by or to Supplier Companies are also

effective with regard to the Supplier. Regarding the internal relationship between iwis and the Supplier, both the Supplier and its Supplier Companies are deemed to be vendors and manufacturers. The Supplier and Supplier Companies are jointly and severally liable vis-à-vis iwis (both contractually and extra-contractually) for claims in respect of, resulting from or in connection with the Individual Contracts and the corresponding supplied goods and services.

Conclusion of the present Contract confers no right to the conclusion of Individual Contracts on the Supplier and no entitlement to deliver Contractual Products to iwis or to require iwis to accept such products. Such entitlements arise only out of separate express and written agreements.

1. Purpose and object of the Contract

The Contract has as its object the agreement of measures for ensuring the quality of the Contractual Products and the obligations to be respected by the Supplier regarding the manufacture and testing of the Products, as well as compliance with the requirements set out in the Supplier Requirements Manual (version of May 2025). The Supplier Requirements Manual is **appended** to the present document and constitutes an integral part of this Agreement.

2. Contractual Products and warranted characteristics

(1) The Supplier shall ensure that the Contractual Products are at all times suitable for their intended use, free from design (in case of development responsibility), manufacturing, material and dimensional defects and that they are fully compliant with the requirements set out in specifications, requirements specifications, drawings and other technical documents (referred to jointly as “Technical Documents”) and other legal or contractual requirements placed upon them. If the Technical Documents do not impose any particular specification for a requirement, then the supplied goods or services must be of at least the habitual market quality encountered in the automotive industry.

(2) Indicators that are of relevance with regard to quality and logistics, for example the number of complaints, adherence to agreed delivery dates and quantities, will be evaluated on the basis of defined criteria (see point 5.3.6 of the Supplier Requirements Manual).

(3) In response to enquiries, the Supplier must, among other things, provide a confirmation of feasibility. Further details in this regard can be found in the Supplier Requirements Manual (see point 4 of the Supplier Requirements Manual).

(4) The Supplier must continue to ensure smooth, uninterrupted deliveries even if individual deliveries or parts thereof are rejected due to quality defects. The Supplier must take suitable measures to ensure this.

(5) The Supplier must also ensure that the Quality of the Contractual Products is impaired neither by transportation to the iwis recipient plant nor by the conveyance of the Contractual Products into ongoing production. To this end, the Supplier shall only use transport equipment and packaging that fulfils this requirement and that has been approved by iwis. For further information, see the “Logistics manual - Global”. Approval by iwis does not free the Supplier from the obligation to use suitable transport equipment and packaging.

3. Quality management system

(1) The Supplier shall ensure that, for the entire period of the contract for delivery concluded with iwis, it possesses an effective quality management system of the type commonly used in the automotive industry, that this complies with the current state of knowledge and technology, that it is adhered to at all times and that it is continuously further developed (see point 5.3.5 of the Supplier Requirements Manual). At the same time, the Supplier must ensure that its deliveries to iwis comply with the very highest quality standards at all times and must continuously strive to improve in terms of the criteria of quality, price and service.

(2) The Supplier is responsible for its supply chain and must ensure that the requirements of the present Contract, of the Supplier Requirements Manual, of the data made available at the time of the enquiry in the iwis Supplier Portal and also available for download at www.iwis.com, and of the required quality management system are fulfilled in the supply chain in addition to the commitment to the zero defects target and continuous improvement (see point 5.2.4 of the Supplier Requirements Manual).

4. PPA/PPAP (*Production Process and Production Approval* / Production Part Approval Process)

The PPA/PPAP procedure is regulated by the provisions set out in the Supplier Requirements Manual (see point 5.2.3 of the Supplier Requirements Manual).

5. Visits and audits

(1) The Supplier grants iwis, its agents and its customers the right to inform themselves about the Supplier's manufacturing and quality management system by means of visits and/or audits that have been announced and agreed in good time in advance. To this end, iwis, its agents and its customers will be allowed access to operating facilities, inspection areas, warehouses and adjoining areas.

(2) In the event of an audit as described in the preceding paragraph (1), the Supplier is obliged to allow iwis, its agents and customers to examine:

- its manufacturing processes used for the production of iwis parts
- all quality-assurance measures and organisational units
- the quality-assurance manual or manual for the quality management system
- the Technical Documents / Documentation as described in point 6
- the environmental, energy, occupational health and safety and information security management system
- all the documents relating to the AQP process (further details in this regard can be found in the Supplier Requirements Manual – see point 5.2 of the Supplier Requirements Manual).

(3) If there is no obligation to observe confidentiality or this cannot be agreed directly on-site, iwis will respect limitations to the right to information resulting from the need to protect justified business secrets.

(4) The Supplier shall ensure that iwis is also able to exercise the rights agreed here vis-à-vis sub-suppliers.

6. Technical Documents / Documentation

(1) The Supplier shall, at its own responsibility, define all the quality features of the Contractual Products in the light of their intended use and at least the quality features indicated in the Technical Documents.

Technical Documents / Documentation as understood here are drawings (including CAD data), technical terms and conditions of delivery, requirement specifications and other specifications (including any cited instructions and standards) as well as documents on the AQP process (see point 5.2 of the Supplier Requirements Manual) and other documents which the Parties agree to be applicable. However, these Technical Documents / this Documentation also include generally applicable guidelines corresponding to the current state of science or technology at the time in question and, during the development and engineering design of the products that are the object of the Contract, corresponding documents drawn up by the Supplier and approved by iwis. Approval by iwis does not, however, free the Supplier from its responsibility for ensuring that its products are free from non-conformities and defects.

In the absence of any agreement to the contrary, it is understood that characteristics indicated in agreed documents and Technical Documents are deemed to be warranted characteristics.

(2) The Supplier shall, in particular in the light of the Technical Documents / Documentation indicated in paragraph (1), draw up internal production drawings, production and test plans, engineering specifications, product (in case of development responsibility) and process-related FMEAs, and instructions. To permit preventive quality planning, point 2, paragraph (4) of the present Contract must also be applied to this end.

(3) The Supplier must ensure that manufacturing and testing are always performed on the basis of the most recently agreed and applicable Technical Documents / Documentation available to it that have also been approved by iwis.

(4) The Supplier will produce documentation for all the parts and materials it supplies. This documentation will document at least the following information in a clear and traceable way:

- Purchase order No.
- Part number
- Designation and quantity/numerical amount of the object of the delivery
- All tests and inspections (in particular incoming goods inspections in the case of input materials, in-process inspections and outbound goods inspections). The corresponding test and inspection documents must be indicated in each case.
- Delivery date
- Production date and batch identification

(5) In addition to the above, the Supplier must keep and archive (i) all quality-assurance measures (quality management system), quality-assurance manuals, supplementary internal quality-assurance regulations and instructions, (ii) all test and inspection records and acceptance documents together with all test and inspection documents, (iii) all results of tests and inspections of the Contractual Products (including input materials), (iv) all results of verifications of test and inspection equipment (v) all results of deviation approval processes.

Finally, the Supplier must keep and archive all documents relating to trials and tests. This applies in particular if the Supplier or its own suppliers have themselves developed or designed Contractual Products or parts thereof.

(6) All the documents indicated in the present point 6 may be requested by iwis at any time and must be made available without undue delay or accessible on site. They must be kept and archived within the framework of the certified QM system and applicable legal provisions and at least for the entire period of production and for a further 15 years thereafter (see point 5.2.3.2 and point 5.3 of the Supplier Requirements Manual).

7. Quality deviations, defects, obligation to inspect goods and report defects

7.1. Quality tests and inspections on the part of the Supplier

The Supplier shall ensure that due to the quality tests, inspections and quality-assurance measures undertaken by it, the Contractual Products are delivered in such a state that they can be used safely, securely and free from any defects by iwis in its processes without the need for any further inspection.

To this end, the Supplier must implement the test and inspection processes corresponding to the state of science and technology at the time in question, the test and inspection processes applicable in the automotive industry and the test and inspection processes indicated in the present Contract. In addition, the Supplier must in all cases verify the characteristics indicated in the component drawings.

7.2. Incoming goods inspection

(1) Since the quality tests and inspections required pursuant to point 7.1 are performed at the Supplier's premises, the incoming goods inspection at iwis is limited to checking the quantities and identities of items on the basis of the delivery note and examining externally identifiable transport damage. At its own discretion, iwis will also check

Contractual Products for other externally identifiable damage within the framework of sample checks (including the use of skip lot procedures).

(2) iwis will notify the Supplier of any associated complaints without undue delay (see point 5.3.4 of the Supplier Requirements Manual). iwis will notify the Supplier of defects not identified at this point as soon as they are detected during the normal course of business operations. Such notifications must be made at the latest within the applicable periods of liability for defects.

The Supplier must adapt its quality management system and quality-assurance measures in the light of this reduced incoming goods inspection and accordingly waives the right to all objections relating to late inspection or notification of defects available to it by law or in any other form (including those pursuant to § 377 of the German Commercial Code (HGB)).

7.3. Other tests and inspections on the part of the Supplier

The Supplier shall continuously examine and analyse its processes and the Contractual Products for defects and non-conformities. If, as a result of this, of complaints received in the field or in any other way, the Supplier becomes aware that its parts may suffer from non-conformities then it will inform iwis of this without delay, immediately examine the causes of the non-conformities and inform iwis of the cause of the deviation, the measures introduced to eliminate the nonconformity and prevent its recurrence as well as of the effectiveness of such measures (see point 5.3.3.4 of the Supplier Requirements Manual). The same applies if the Supplier becomes aware that defects may occur in connection with products for other customers that are the same as or similar to the Contractual Products.

The Supplier will, at its own responsibility, consider ideas or comments proposed by iwis regarding improvements to parts quality and processes (including following the conduct of any audits). To this end, it will draw up action plans, implement these in good time and inform iwis accordingly.

7.4. Deviation (product or process)

Only products free from non-conformities and defects that do not deviate from the agreed requirements and specifications and have undergone PPA/PPAP approval may be delivered to iwis. Further details in this regard can be found in the Supplier Requirements Manual (see point 5.3.3.3 of the Supplier Requirements Manual).

8. Change management (product or process)

Change management is regulated by the provisions set out in the if the request is approved (see point 5.3.3.2 of the Supplier Requirements Manual).

9. Traceability

The Supplier undertakes to ensure that its parts can be traced back as far as the input material (including when parts from its own suppliers are used). In this context, the Supplier must ensure that in the event of non-conformities, it is possible to trace and delimit non-conforming parts delivered by the Supplier and its supply chain as accurately as possible.

10. Costs

Failure to respect the agreements and/or requirements set out in the present Contract and in the Supplier Requirements Manual may result in (consequential) costs to iwis and its customers which will be invoiced to the Supplier and must be borne by it. The Supplier must pay at least the amounts set out in the Supplier Requirements Manual. The payment of these amounts does not free the Supplier from its contractual obligations and does not exclude iwis' right to demand compensation above and beyond these amounts for the resulting loss or damage as well external expenses and/or costs.

11. Compliance with legislation and regulations

(1) iwis is aware of its responsibility for its employees and the environment. iwis's goals include the development of an environmental, energy and occupational health and safety system as well as a commitment to complying with all relevant legislation and regulations and cooperating constructively with authorities and the public. In order to achieve this goal under all circumstances, it is necessary to actively involve Suppliers, in particular in the areas of environmental protection and occupational health and safety (see point 3.1 of the Supplier Requirements Manual).

(2) The Supplier undertakes to go about its business activities only in compliance with international agreements, applicable legislation, regulations and other standards that are valid in the EU and USA. This applies in particular to the provisions relating to child labour.

(3) The Supplier undertakes to ensure that all delivered goods and services will correspond to the standards applicable at the time in question and that the use of impermissible substances is excluded or that permitted limit values are not exceeded. The Supplier must notify iwis in writing of any permissible instances in which, in accordance with these regulations, limit values are exceeded as a transitional measure.

(4) The Supplier must also comply with all environmental regulations as well as with legislation and directives relating to the use of dangerous substances. With regard to the delivered objects, the Supplier also guarantees that all such requirements relating to employed substances and materials are complied with, it being irrelevant whether unwanted substances are introduced as additives or contaminants or arise at a later time. In order to ensure the continued marketability of the goods, the Supplier also guarantees timely compliance with the requirements of the EC REACH Chemicals Regulation (EC Regulation no. 1907 / 2006), in particular with regard to pre-registrations, registrations and requests for authorisation. iwis shall not be obliged to perform (pre-) registration itself.

(5) The Supplier is obliged to enter all products delivered to iwis in the IMDS (International Material Data System) and/or the CAMDS (China Automotive Material Data System) (see point 5.2.2 of the Supplier Requirements Manual).

(6) The Supplier undertakes to pursue the aim of Corporate Social Responsibility (CSR) and to act appropriately and responsibly.

(7) The Supplier is required to observe and comply with the human rights and labour, social and environmental standards defined in the Supply Chain Due Diligence Act (LkSG) in the light of the applicable legal provisions. The objective is to prevent or minimise infringements of these provisions. To this end, the Supplier must implement appropriate preventive measures. The Supplier must provide iwis with comprehensive written information concerning these on request.

Each year or as and when required, iwis is entitled, after giving a corresponding notification, to conduct audits itself or to instruct third parties to conduct audits during the Supplier's normal hours of business with regard to the Supplier's compliance with its responsibilities and fulfilment of its due diligence obligations arising from the the Supply Chain Due Diligence Act (LkSG). The Supplier shall cooperate fully during such audits and provide iwis with all the necessary information and documentation.

The Supplier is obliged to incorporate the standards agreed upon in paragraph (1) and the requirement to implement preventive measures in its contractual relations with its suppliers and to secure their binding agreement to these accordingly. The Supplier will ensure that iwis is also able, as and when required, to attend corresponding audits of its immediate suppliers or to arrange for such audits to be conducted by third parties after agreement between the Supplier and iwis.

If, despite the implemented preventive measures, infringements with regard to paragraph (1) above nevertheless occur within the Supplier's own business operations or those of the suppliers it employs, then the Supplier is obliged to inform iwis of the infringement without delay and to take suitable measures to correct the situation and, if necessary, remedy its consequences and provide information concerning the state of affairs continuously and without explicit request.

Serious infringements of the human rights and labour, social and environmental standards defined in the Supply Chain Due Diligence Act (LkSG) by the Supplier or one of its own suppliers entitle iwis to terminate the contractual relationship due to exceptional grounds.

12. Period of the Contract

(1) The Contract takes effect on the date of the last signature and has unlimited validity. It may be terminated with a notice period of 12 months to the end of a quarter. However, it shall continue to apply to all deliveries made on the basis of supply agreements or purchase orders concluded or placed prior to the termination of this Contract.

(2) iwis is entitled to terminate this Contract extraordinarily at any time and with immediate effect if

- an iwis customer cancels a delivery order or terminates production of the corresponding vehicle,
- the Supplier infringes the quality agreement more than twice and fails to improve its quality within an appropriate period defined for this purpose, or
- the Supplier suspends payments, is the subject of proceedings relating to bills of exchange or cheques, has entered into the liquidation process, has filed for or (insofar as it is permitted) initiated insolvency or similar proceedings regarding its assets or if the corresponding application has been rejected due to a lack of assets.

(3) Irrespective of the foregoing, each Party to the Contract has the right to terminate the Contract on important grounds if a Party violates an important contractual obligation in a way that makes continuation of the Contract unacceptable to the other Party and the situation is not remedied within an appropriate period specified for this purpose.

(4) Any notice of termination must be given in writing.

13. Other applicable provisions

(1) Unless specified to the contrary in the present Contract, the provisions of the agreements specified below (together with their annexes and other applicable provisions) are considered to be agreed to and binding and to form an integral part of the present Contract in the sequence listed:

- the provisions of the present Contract
- the Supplier Requirements Manual (version of May 2025)
- the iwis "Logistics manual - Global" (version of April 2022)
- the iwis Group General Terms and Conditions of Purchase (version of November 2022)
- the iwis Sustainability Guideline (version of 2023)

The above documents are available to the Supplier in the iwis Supplier Portal and are also available for download at www.iwis.com.

(2) General contractual conditions will only become part of the content of the present Contract if both Parties expressly agree to their validity in writing. This also applies if iwis makes no comment regarding General Terms and Conditions of Business that are sent to iwis or referenced by the Supplier (or its affiliated companies and/or

holding companies), including during the course of the business relationship. The lack of any comment on iwis's part does not constitute agreement any more than the acceptance of or payment for the Contractual Products.

14. Applicable law, place of performance and jurisdiction

(1) This Agreement is subject to the law of the Federal Republic of Germany, excluding its conflict-of-laws provisions and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

(2) **[Alternative 1]** iwis and the Supplier agree that all disputes arising out of or in connection with the present Contract and each Individual Contract shall be subject to the courts of the place of the head office of the iwis company that is in the contractual relationship with the Supplier. iwis is also entitled to take legal action before the courts competent for the place of the Supplier's head office or for the object of the dispute. If proceedings are initiated against iwis by a third party as a result of a defective Contractual Product, iwis may, at its own discretion, initiate the necessary procedural steps at the relevant place of jurisdiction in order to assert its rights to indemnification or to seek recourse against the Supplier. **[for EU]**
or

[Alternative 2] All disputes arising out of or in connection with the present Contract or relating to its applicability and the deliveries or Individual Contracts falling within its scope shall be definitively determined in accordance with the arbitration regulations [of the International Chamber of Commerce (ICC) / the Deutsche Institution für Schiedsgerichtsbarkeit e.V. (DIS)] by three arbitrators appointed in accordance with these regulations and excluding ordinary courts of law. Provisions relating to the accelerated procedure are not applicable. The place of arbitration is Munich, Germany. The language used for the arbitration procedure is German. If proceedings are initiated against iwis by a third party as a result of a defective Contractual Product, iwis may, at its own discretion, initiate the necessary procedural steps at the relevant place of jurisdiction in order to assert its rights to indemnification or to seek recourse against the Supplier. **[for Non-EU including USA / China]**

15. Final provisions

(1) If one or more provisions of the present Contract should prove to be or become ineffective, invalid or unenforceable then this shall not affect the validity of the remaining provisions of the Contract. In place of the ineffective, invalid or unenforceable provision, an effective provision shall be considered to be agreed which comes as close as possible at the legal and economic levels to the meaning and purpose of the ineffective or unenforceable provision. The same shall apply to the filling-in of contractual omissions.

(2) The present Agreement together with the other applicable provisions represents the full and complete agreement of the Parties to the object of the Contract and replaces - with the exception of agreed technical documents and procedures - all previous commercial offers, negotiations or agreements relating to the object of the contract.

(3) All changes and additions to this Agreement, including to the present clause requiring the written form, must be made in writing.

Annex: Supplier Requirements Manual (version of May 2025)

iwis mobility systems GmbH & Co. KG

_____
Place, date

_____
Signature

_____
Signature

_____
Name (block capitals)

_____
Name (block capitals)

_____
Title (block capitals)

_____
Title (block capitals)

[Supplier company]

_____
Place, date

_____
Signature

_____
Signature

_____
Name (block capitals)

_____
Name (block capitals)

_____
Title (block capitals)

_____
Title (block capitals)

Annex: Supplier Requirements Manual (version of May 2025)

1 TABLE OF CONTENTS

2 PREFACE

We move the mobile world with passion.

The requirements of our globally active customers regarding quality, costs and time schedules are constantly increasing and will continue to demand a high level of commitment from iwis mobility systems GmbH & Co. KG and its directly or indirectly controlled companies (referred to as "iwis" in the following). We therefore need competent and motivated suppliers who will work with us to rise to these challenges in order to ensure a high level of efficiency, reliability and customer satisfaction and strengthen our combined competitiveness and process reliability.

This new revised Supplier Requirements Manual replaces all previous versions and represents an iwis Customer Specific Requirement with regard to IATF 16949. The requirements contained herein are iwis minimum requirements: compliance with them and any approvals issued by iwis do not release the supplier from the need to comply with all contractual agreements, rules and standards, regulatory requirements, self-responsibility, warranty or liability obligations. If iwis does not carry out actions provided for in the Supplier Requirements Manual (e.g. PSO, process audit, etc.), this does not relieve or release the supplier from its responsibilities.

The zero defects target is our highest priority.

To achieve this, we aim to attain the following goals together with our suppliers:

- Reliable, long-term partnerships
- Safeguarding of the competitiveness of both iwis and its suppliers
- Open communication
- Guaranteed quality starting with the pre-series
- Guaranteed series quality
- Constant continuous improvement process

Alois Hinterstocker
Vice President Supply Chain Management

Ingo Stenzel
Vice President Quality Management

Philippe Chabaud-Sassoulas
Director Project Quality & Supplier Development

3 SUPPLIER APPROVAL

3.1 SUPPLIER PREREQUISITES

The potential supplier shall meet the following requirements:

- quality management system: certification according to ISO 9001 based on a "third party" audit performed by a certification company accredited by ISO; automotive industry suppliers shall strive for certification according to IATF 16949.
- environmental management system: suppliers shall strive for certification according to ISO 14001 (or equivalent).
- energy management system: suppliers shall strive for certification according to ISO 50001 (or equivalent).
- occupational health and safety management system: suppliers shall strive for certification according to ISO 45001 (or equivalent).
- information security management system: suppliers shall strive for and provide evidence of an appropriate level of information security, in particular by presenting suitable certificates (e.g. ISO 27001) or an assessment according to the VDA "TISAX" model (Trusted Information Security Assessment Exchange).
- iwis Compliance Code of Conduct for Business Partners: the supplier shall conduct regular effectiveness checks to ensure that these compliance and ethics principles are respected in its company and by its suppliers.

3.2 SUPPLIER SELF-ASSESSMENT

The supplier self-assessment is used for an initial general evaluation of the potential supplier. This includes:

- asking for general company data, inquiring about existing technologies and the functionality of project and quality management
- signing of the confidentiality agreement
- ensuring awareness of the iwis Group General Terms and Conditions of Purchase
- ensuring awareness of the Supplier Requirements Manual
- ensuring awareness of the iwis Logistics Manual
- registering free of charge in the iwis supplier portal (https://suppliers.iwis.com/)

The "Supplier Self-Assessment" form shall be completed and saved by the potential supplier in the supplier portal.

3.3 SUPPLIER AUDIT

iwis carries out a potential analysis at the potential supplier according to VDA Volume 6.3 (P1) to assess whether the supplier can meet the requirements for the requested product. This analysis is carried out on existing production processes for comparable products and acts as the documentary basis for the recommendation regarding the supplier approval.

3.4 SUPPLIER APPROVAL DECISION

If all the requirements specified in sections 3.1 - 3.3 and the free of charge registration for the cloud-based supplier platform BabtecQube (https://app.babtecqube.com/start - further information can be found at www.babtecqube.com) are met in full, the potential supplier can be approved by iwis Purchasing and iwis Quality and then subsequently be included as an active supplier.

4 SUPPLIER NOMINATION

4.1 REQUEST FOR QUOTATION

iwis will provide the following information in the supplier portal in order to obtain a free and non-binding offer:

- drawing / Bill of Materials (BOM) / 3D model / specifications
- planned annual quantities*
- iwis cost breakdown form
- iwis form “feasibility study” (F068)
- iwis form “capacity” (F288)
- time schedule
- requirements of iwis customers

The submission date given by iwis shall be strictly respected. Any deviations shall be clarified with iwis Purchasing.

*These annual quantities are non-binding estimations, which are usually based on planning data provided by iwis customers. iwis is not in a position to verify this information. The notification of planned annual quantities by iwis does not entitle the supplier to deliver any (minimum) quantities, even if the supplier is designated as a "single source" for the product in question.

4.2 QUOTATION

The supplier's quotation shall contain the following items, which are a prerequisite for supplier nomination:

- ratios and cost reduction potentials
- cost breakdown for product and tools, indicated by completing the iwis cost breakdown form
- confirmation of feasibility, indicated by completing the iwis form “feasibility study” (F068) incl.:
    - acceptance of the information provided in the supplier portal (see 4.1) incl. checking for completeness, clarity, nonconformities and possibilities for improvement
    - acceptance of the tolerances and process capability requirements (see 5.2.1)
    - acceptance of the feasibility of the planned development project (with development suppliers)
- confirmation of the capacity to manufacture the product, indicated by completing the iwis form “capacity” (F288)
- confirmation of the time schedule

4.3 NOMINATION

The supplier can be nominated under the following conditions and subject to iwis requirements:

- iwis Quality Assurance Agreement (QAA) including the appendix “Supplier Requirements Manual” is signed
- framework contract is signed.
- full feasibility study by the supplier is confirmed.
- capacity and time schedule are agreed.
- cost analysis by iwis Purchasing has been carried out and approved.
- multi-year price agreement incl. ratios has been agreed.
- Registration on a platform for the Supply Chain Due Diligence Act (LkSG) completed – if invited to the assessment.

Any deviations shall be approved in written form by iwis Purchasing.

4.4 CONTINGENCY PLAN

A contingency plan is mandatory for all processes that can directly or indirectly affect quality and delivery performance and shall be submitted via the supplier portal after supplier nomination: contactability shall be ensured within one working day. In addition, the supplier shall check its emergency contact details in the supplier portal at least once a year and update them if necessary.

5 QUALITY REQUIREMENTS

In line with the product engineering process (PEP), the supplier is responsible for ensuring that all stated requirements with respect to development, manufacturing, functionality, quality, costs and time schedule are reliably met during the prototype / pre-series / series production process.

5.1 PROTOTYPES / OTHER SAMPLES

In its quotation, the supplier shall take account of measurement requirements summarized in the table below (depending on the production lot and the order quantity).
If some characteristics cannot be measured or can only be measured at very high cost, the supplier shall mark these characteristics in the drawing and send the marked drawing together with the quotation.

production lot	order quantity	supplier scope of measurement	
		full scope	partial scope
first	1-5	1	all
	>5	1	4 (1) (3)
subsequent	1-5	0	all (2)
	>5	0	5 (1) (2) (3)

(1) including first and last part checking
(2) including one material test (a dummy can be permitted for some material tests)
(3) if applicable, deviating for other measurement requirements of iwis customers (if specified in iwis request)

Unless otherwise specified in iwis request, there are two supplier scopes of measurement (according to the requested drawings):

- full scope: all geometric characteristics (except for the theoretical and bracket dimensions) and a material test (a dummy can be permitted for some material tests)
- partial scope: Key Characteristics and Functional Surface Characteristics (tolerated FS characteristics as well as all geometric dimensioning and tolerancing, surface quality specification referenced on a surface with FS)

The supplier shall correctly fill in all the fields marked in yellow in the iwis form “inspection report” (F143) and return it together with the material certificate and, if applicable, the hardness report to the “prototypes” e-mail address specified in the purchase order (with the purchase order number in the subject of the e-mail) **before** delivering the prototypes / other samples. The file name shall be extended with the iwis part number, order number and date YYMMDD (example: F143 Measurement Report VDA 40011111_45441234_240628) and the Excel format shall be kept. The checked characteristics shall be numbered consecutively on the drawing(s) by the supplier in order to clearly indicate the correspondence between the drawing(s) and the inspection report.

The supplier shall notify the responsible iwis Quality Engineer in writing of any deviations **before** delivering the prototypes / other samples. Only after receiving written confirmation from iwis is the supplier allowed to deliver the deviating prototypes / other samples to iwis. The approved deviations shall be documented accordingly in the “comments” field of the cover sheet and the written approval received from iwis shall be included. This iwis approval:

- is valid only for the specific delivery of prototypes / other samples.
- has no influence on the PPA/PPAP approval (PPA/PPAP samples).
- does not release the supplier from its warranty and liability obligations.

5.2 Advanced Quality Planning (AQP)

The AQP process, as described in the respectively valid versions of the AIAG (APQP) and VDA (Product development – Maturity level assurance for new parts) reference manuals, is a preventive quality planning process intended to ensure that the supplier:

- meets the product-related manufacturability and quality requirements.
- clearly understands and fulfills the iwis specifications and drawing requirements.
- defines a manufacturing process to meet all iwis requirements.

The purpose of this AQP process is to:

- receive products on time without any deviations.
- ensure that the supplier's processes are robust and capable before start of production (SOP).
- avoid any problems regarding quality, manufacturability or delivery before and after SOP.

This process shall be established, consistently implemented and adhered to by the supplier in its organization. It begins for each purchased product with the responsible iwis Quality Engineer, is documented and agreed between iwis and the supplier using the iwis form "PPA/PPAP agreement meeting" (F475).

5.2.1 Process capability

The following process capability requirements apply for each "Key Characteristic" indicated in the drawing:

- short-term process capability: for each cavity, at least 25 sub-groups (each consisting of five samples) together with the list of all individual measured values shall be verified. The iwis form "short-term capability calculation" (F395) shall be used if the supplier does not have CAQ software or an equivalent form indicating the required scope of evaluation (list of all individual measured values, test for normal distribution, histogram, etc.). If the process does not comply with capability requirements, the supplier shall correct its process and/or adapt its control plan (e.g. Poka-Yoke, 100% check, etc.) to show that the characteristic in question meets capability requirements or complies with the agreed inspection method/frequency.
- long-term process capability: the supplier shall use appropriate methods (e.g. Statistical Process Control, control charts, etc.) to show that the process meets capability requirements over a longer period of time irrespective of external factors. The supplier shall verify this capability once a year and submit the result together with the list of all individual measured values to iwis on request. If the process does not meet capability requirements, the supplier shall:
    - immediately inform iwis and define additional inspection methods to be agreed with iwis (e.g. Poka Yoke, 100% check, firewall, etc.) in order to ensure the quality of the delivered products.
    - optimize the production process in such a way that the required long-term process capability is achieved (otherwise, the defined additional inspection methods shall be included in the control plan).

The following process capability acceptance criteria apply for each "Key Characteristic" indicated in the drawing:

- short-term process capability: at least 1.67 (at least 2.00 for safety-relevant characteristics (CS))
- long-term process capability: at least 1.33 (at least 1.67 for safety-relevant characteristics (CS))

If other process capability requirements and/or acceptance criteria are defined by iwis customers, these can be found under the requirements of iwis customers (see 4.1).

Further details on process capability and statistical process control are described in the respectively valid versions of the AIAG and VDA Volume 4 reference manuals and shall be respected by the supplier.

5.2.2 Pre-series complaint

Pre-series complaints shall be processed by the supplier's appropriately qualified employees in the same way as series complaints (see 5.3.4). The supplier shall provide the following information:

- D3 report (without iwis form "Q-Tools" F183) within 5 working days following receipt of the complaint (unless otherwise agreed)
- D4 report (due date to be agreed upon with iwis)

- at iwis' request (e.g. in the event of a complaint by an iwis customer, repeat failure, etc.), 8D report with, if applicable, the requested Q-Tools (see iwis form “Q-Tools” F183)

Justified pre-series complaints will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:

- a lump-sum amount of €195 as a contribution to the costs associated with the handling of the pre-series complaint if the complaint is triggered by iwis
- a lump-sum amount of €275 as a contribution to the costs associated with the handling of the pre-series complaint if the complaint is triggered by an iwis customer
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments (in particular, but not exclusively, costs for scrapping incl. connection failure, etc.)

The quantity of complaints will be assessed as part of the supplier performance for pre-series (see 5.3.6.2) and may lead to the supplier being placed on an escalation level (see 5.3.7).

5.2.3 IMDS/CAMDS (International / China Automotive Material Data System)

IMDS is a worldwide common exchange and management system for the material composition of products used in the entire automotive industry supply chain; the CAMDS system shall be used for the Chinese market.

The supplier shall register free of charge in IMDS/CAMDS and send the material composition of the products to the iwis registration number (IMDS/CAMDS Company ID) of the requesting iwis location as indicated below:

- Germany: IMDS ID 8459
- China: IMDS ID 199653 / CAMDS ID CA_3_14170
- India: IMDS ID 199655
- USA: IMDS ID 199654

This requirement is mandatory for new and modified products and the IMDS entry shall be submitted with the PPA/PPAP procedure at the latest (see 5.2.3).

5.2.4 PPA/PPAP (Production process and Production Approval / Production Part Approval Process)

5.2.4.1 Production process

Prior to iwis Process Sign-Off (PSO), the supplier is required to perform a self-audit of the production process based on the iwis form “Process Sign Off (PSO)” (F136) or a comparable checklist, which shall contain all iwis requirements, and based on the iwis form “capacity” (F288). If requirements are not fulfilled (rating 2 according to F136) or insufficiently fulfilled (rating 4 according to F136) in the self-audit of the production process or the planned capacity is not reached, these shall be reported to iwis immediately and shall be corrected by the supplier. iwis PSO can only be performed after fulfilment of the requirements, successful correction of the deviations and achievement of the planned capacity.

The supplier is required to ensure that PSO (self-audit of the production process by the supplier as well as iwis PSO) are carried out with series production equipment, series tools and under series conditions. The scope shall be sufficient to evaluate the production process: the requirement is for a minimum of two hours of production and/or the production of 300 parts ordered by iwis. These requirements can be changed by iwis and/or iwis customers depending on the nature of the production processes. In exceptional cases in which an on-site PSO is not possible, the supplier shall enable the conduct of a remote PSO as an alternative to an on-site PSO.

The result of the iwis PSO will be assessed as part of the supplier performance for pre-series (see 5.3.6.2) and may lead to the supplier being placed on an escalation level:

- conditionally approved iwis PSO automatically activates escalation level 1 for the supplier (see 5.3.7.1).
- rejection of the iwis PSO automatically activates escalation level 2 for the supplier (see 5.3.7.2).

5.2.4.2 Product

PPA/PPAP samples are products and materials which are manufactured and inspected entirely using the defined series production equipment and series tools and under series conditions (if this is not the case, the sample simply falls into the category “Other samples”). The aim is to ensure that the product complies with iwis requirements and that the process developed by the supplier is capable of producing the product according to iwis requirements. In addition to this, the requirements of iwis customers (see 4.1) shall be fulfilled.

PPA/PPAP samples with PPA/PPAP documentation are always requested with a PPA/PPAP purchase order. The following requirements shall be met by the supplier:

- all costs for the PPA/PPAP procedure shall be covered by the supplier.
- PPA/PPAP documentation shall be supplied at the same time as the PPA/PPAP samples.
- any delay in the PPA/PPAP procedure shall be notified immediately in written form to iwis Purchasing.
- the delivery date and delivery address from the PPA/PPAP purchase order are binding. Any delay in receiving the PPA/PPAP samples and/or PPA/PPAP documentation without agreement from iwis Purchasing will be assessed as part of the supplier performance for pre-series (see 5.3.6.2) and may lead to the supplier being placed on an escalation level (see 5.3.7).

The supplier shall notify the responsible iwis Quality Engineer in writing of any deviations **before** delivering the PPA/PPAP samples. Only after receiving written confirmation from iwis is the supplier allowed to deliver the deviating PPA/PPAP samples with the PPA/PPAP documentation to iwis. The written confirmation from iwis shall be attached to the submitted PPA/PPAP documentation.

PPA/PPAP documents shall be numbered according to the list of PPA/PPAP elements and sent as individual documents. The iwis part number and iwis drawing number shall be correctly indicated on all necessary PPA/PPAP documents (in particular PPA cover sheet/PSW) in accordance with the PPA/PPAP purchase order.

The PPA/PPAP samples and PPA/PPAP documentation shall be archived by the supplier for the entire production period + 15 years.

Further details on the PPA/PPAP procedure are described in the respectively valid versions of the AIAG (PPAP, MSA, FMEA, etc.) and VDA (Volume 2, Volume 5, etc.) reference manuals and these shall be respected by the supplier.

If boundary samples (samples representing limit values of a quality characteristic) are required, they shall be produced by the supplier free of charge, clearly identified, protected against all environmental influences and stored by both the supplier and iwis (or shall at least be available to iwis on request).

5.2.4.3 Approval

iwis gives PPA/PPAP approval after the supplier has complied with all the requirements according to the drawing and PPA/PPAP agreement meeting (F475) and, if necessary, counterchecking of the PPA/PPAP samples and PPA/PPAP documentation by iwis.

iwis PPA/PPAP decision will be assessed as part of the supplier performance for pre-series (see 5.3.6.2). A rejected PPA/PPAP automatically activates escalation level 1 for the supplier (see 5.3.7.1). This rejection can result in costs for iwis customers, pursuant to the iwis cost breakdown of incurred expenses, which will be charged to and paid by the supplier.

iwis PPA/PPAP approval shall have been obtained prior to series delivery to iwis. A series delivery without iwis PPA/PPAP approval is a violation of IATF 16949 / ISO 9001 and automatically activates escalation level 2 for the supplier (see 5.3.7.2).

5.2.5 Quality assurance of the supplier’s suppliers

iwis requires its suppliers (including directed suppliers) to operate a supplier management system which includes at least ISO 9001 certification for their suppliers.

iwis requirements include, among other things:

- supplier approval and compliance with the required quality management system
- communication (iwis requirements regarding manufacturability, quality, engineering, milestones, etc.)
- cascading of all requirements from "PPA/PPAP agreement meeting" (F475) including process capability (see 5.2.1) and guaranteed compliance with them
- PPA/PPAP approval which shall be obtained before submitting the PPA/PPAP to iwis and before the iwis PSO (audit results shall be kept together with PPA/PPAP samples and PPA/PPAP documentation and provided to iwis without undue delay on request. A copy of the approved PPA cover sheet/PSW shall be attached to the PPA/PPAP documentation submitted to iwis.)

If necessary (e.g. in the case of a critical complaint), iwis reserves the right to visit sub-suppliers with the responsible iwis supplier (and, if necessary, also together with iwis customers or a third party designated by iwis) after the responsible iwis supplier has been informed by iwis and has agreed to the date.

However, these requirements do not exempt the iwis supplier from its responsibility with regard to its own suppliers.

5.2.6 Product Safety and Conformity Representative (PSCR)

Product safety is a key factor in the automotive industry: every organization is required at all times to ensure product safety and the conformity of its products and processes with applicable laws and regulations.

Compliance with these important obligations shall be ensured by appointing a Product Safety and Conformity Representative (PSCR) – previously referred to as a Product Safety Officer (PSB) – with appropriate qualifications, competences and responsibilities. These include systematic tasks in the fields of contract preparation, product development and advance quality planning as well as quality assurance and documentation procedures.

iwis has already appointed a PSCR and expects its suppliers to do likewise. The supplier is requested to send its PSCR contact details together with a PSCR qualification certificate, if available, to iwis Quality.

5.3 SERIES PRODUCTION

Once the supplier has received iwis PPA/PPAP approval, series deliveries of the product may commence according to iwis call-offs. Series products shall comply with the PPA/PPAP samples and production process approved by iwis. All records (quality instructions, inspections, etc.) shall be archived by the supplier for the entire production period + 15 years and shall be provided to iwis immediately upon request.

5.3.1 Delivery certificate

During the PPA/PPAP agreement meeting (F475), iwis can request delivery certificates (dimensional report, material certificate, material report, hardness report, etc.) for each delivery. These shall be sent by e-mail in pdf format, preferably in English and with the iwis part number and delivery note number (or, if applicable, invoice number) indicated in the subject line, to the following e-mail addresses as appropriate:

- Germany: WEPZertifikate@iwis.com
- Romania: supplier-delivery-RO@iwis.com
- China: IQCCertificatesSHA@iwis.com
- India: supplier-delivery-IN@iwis.com
- USA: supplier-delivery-US@iwis.com

For products involving a hardening process, the supplier shall send two additional pieces for the first five hardening batches free of charge and separately with the following series deliveries:

- for new projects (start of production).
- in the case of series changes that could have an influence on hardness.
- in the case of complaints due to a characteristic that could have an influence on hardness.

5.3.2 Audits and requalification

5.3.2.1 Product audit performed by supplier

Unless otherwise agreed, product audits shall be performed annually and in accordance with the risk-based approach and the requirements of iwis customers (see 4.1) by the supplier's appropriately qualified auditors. These product audits shall be included in the audit program and, in case of similar products, can be divided into product groups/families after prior agreement with iwis. The requirements from the respectively valid versions of VDA Volume 6.5 or equivalent procedures shall apply for the conduct of product audits.

The supplier shall keep the complete documentation (e.g. inspection report for each cavity if the tool has multiple cavities, etc.) and submit it to iwis without undue delay on request. If the results of the product audit reveal any deviations, iwis shall be informed without undue delay, a root cause analysis shall be undertaken using the 8D standard procedure and an action plan shall be submitted. The effectiveness of the actions shall be proven by the supplier and may be verified on site by iwis or a third party designated by iwis.

5.3.2.2 Process audit performed by supplier

Unless otherwise agreed, process audits shall be performed over each three-year calendar period and in accordance with the risk-based approach and the requirements of iwis customers (see 4.1) by the supplier's appropriately qualified auditors. These process audits shall be included in the audit program. The requirements from the respectively valid versions of VDA Volume 6.3 or equivalent procedures shall apply for the conduct of process audits.

The supplier shall keep the complete documentation and submit it to iwis without undue delay on request. Each manufacturing process shall be audited in all shifts (incl. shift handover). Additional factors such as process changes, internal and customer complaints, identified risks, etc. shall automatically lead to a review of the frequency of the process audits.

5.3.2.3 Requalification performed by supplier

Unless otherwise agreed, requalification according to IATF ("layout inspection and functional testing") shall be performed at least once a year and in accordance with the requirements of iwis customers (see 4.1) by the supplier. These requalifications shall be included in the control plan and, in case of similar products, can be divided into product groups/families after prior agreement with iwis. They can be performed together with the product audit.

The supplier shall keep the complete documentation (e.g. long-term process capability study, etc.) and submit it to iwis without undue delay on request. If the results of the requalification reveal any deviations, iwis shall be informed without undue delay, a root cause analysis shall be undertaken using the 8D standard procedure and an action plan shall be submitted. The effectiveness of the actions shall be proven by the supplier and may be verified on site by iwis or a third party designated by iwis.

5.3.2.4 Process audit according to VDA 6.3 performed by iwis

Unless specific requirements of iwis customers are agreed, iwis or a third party designated by iwis will perform process audits according to VDA 6.3 at its supplier over each three-year calendar period, after agreement on the audit date. The frequency of this process audit will be reviewed according to the supplier performance and supplier escalation level. In exceptional cases, when an on-site process audit is not possible, the supplier shall permit a remote process audit as an alternative to an on-site process audit.

If the VDA-QMC licensed analysis tool is used for this process audit, the action plan shall be processed by the supplier using this free tool (see "Handout Supplier Audits 6.3:2023 in VDA analysis tool (action plan)" in the supplier portal).

The result of the iwis process audit will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).

5.3.3 Supplier notification to iwis

5.3.3.1 Standstill of 12 months or more

After lines, facilities, machines, tools, cavities, etc. have not been used for 12 months or more for a specific product, the supplier shall perform an internal PPA/PPAP procedure according to the respectively valid versions of VDA Volume 2 or AIAG (PPAP) reference manuals before restarting series production and shall also keep the complete documentation.

The supplier shall notify the responsible iwis Quality Engineer by sending the internally approved PPA cover sheet/PSW and shall also submit the PPA/PPAP documentation on request.

5.3.3.2 Change management (production process or product)

The supplier is not allowed, without iwis written approval, to independently make changes to a production process or a product or to have such changes made in its supply chain.

The supplier shall notify iwis Purchasing, with a lead time of at least six months, of any requests for changes to a production process or a product made by it or by its own suppliers (for example: design, material, tools, manufacturing process, production facility, production site, relocation of production facilities, change of supplier, supplier products, packaging, preservatives, etc.). Shorter lead times require additional written approval with iwis Purchasing.

The following documents shall be submitted to iwis Purchasing to ensure that such change requests can be evaluated by the iwis Change Committee:
- the completed iwis form “Change request” (F222) incl. a detailed schedule, which should also include necessary pre-production and safety stock, a schedule for validation and approval by iwis and iwis customers, etc.
- a presentation describing the change request

Only if the iwis form “Change request” (F222) is approved in writing by the iwis Change Committee may the “changed” product be delivered subject to the following conditions:
- PPA/PPAP approval obtained from iwis Quality (PPA/PPAP-content to be agreed with iwis Quality)
- first delivery identified with iwis change request number on all load carriers as well as on the delivery note (invoice if applicable)
- first delivery note number (invoice number, if applicable) notified to iwis Logistics before shipping the "changed" product

Change requests made by the supplier or its suppliers will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:
- a lump-sum amount of €500 as a contribution to the costs associated with the evaluation of the change request by the iwis Change Committee
- other iwis costs based on a listing of incurred expenses (in particular, but not exclusively, costs for drawing changes, calculations, PPA/PPAP-procedure, etc.), if the request is approved
- all costs pursuant to the iwis cost breakdown of incurred expenses charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments (in particular, but not exclusively, costs for drawing changes, PPA/PPAP procedure, product tests, engine tests, validations, etc.)

iwis shall be informed immediately in the event of any emergency (e.g. insolvency in the supply chain, etc.).

Implementation of a production process or product change by the supplier without written iwis PPA/PPAP approval is a violation of IATF 16949 / ISO 9001 and automatically activates escalation level 2 for the supplier (see 5.3.7.2).

5.3.3.3 Deviation request (production process or product)

Deviation requests shall be considered to constitute an exception and shall be avoided by the supplier as far as possible.

The supplier shall notify iwis immediately of any temporary deviation (limited by duration or quantity) made by it or by its own suppliers in the production process or in the product from the PPA/PPAP approval. This obligation shall also apply before the start of any rework not approved by iwis.

To enable this temporary deviation to be assessed by the iwis Change Committee, the completed iwis form “Deviation request” (F222) and, if necessary, a presentation explaining the deviation shall be submitted to the following e-mail addresses as appropriate:

- Germany: supplier-delivery-DE@iwis.com
- Romania: supplier-delivery-RO@iwis.com
- China: supplier-delivery-CN@iwis.com
- India: supplier-delivery-IN@iwis.com
- USA: supplier-delivery-US@iwis.com

Only if the iwis form “Deviation request” (F222) is approved in writing by the iwis Change Committee may the “deviating” product be delivered subject to the following conditions:

- all affected deliveries identified with iwis deviation request number on all load carriers as well as on the delivery note (invoice, if applicable)
- all delivery note numbers (invoice numbers, if applicable) notified to the same mailboxes as indicated above before shipping of the "deviating" product

Furthermore, iwis will also send an unjustified complaint to the supplier. An 8D report with root cause analysis, corrective actions and actions to avoid a recurrence is mandatory. Deliveries made under approved deviation requests may be subject to additional checks at iwis. Deviation requests will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).

Deviation requests made by the supplier for which the supplier is responsible will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:

- if the request is rejected, a lump-sum amount of €500 as a contribution to the costs associated with the evaluation of the deviation request by the iwis Change Committee
- if the request is approved, a lump-sum amount of €800 as a contribution to the costs associated with the evaluation of the deviation request by the iwis Change Committee
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments

Deviation request approvals do not release the supplier from its liability; any loss or damage incurred by iwis or iwis customers (pursuant to the iwis cost breakdown of incurred expenses) shall be paid by the supplier.

5.3.3.4 Supplier self-notification

If, after delivery of a product, the supplier or its own suppliers suspect or become aware that the product deviates or could deviate from the PPA/PPAP approval, the supplier shall inform iwis immediately. Detailed documentation (including iwis part number and name, clear description of the non-conformity, quantity of affected parts, identification of the affected parts as per delivery note number / production date, etc.) shall be submitted to the following e-mail addresses as appropriate:

- Germany: supplier-delivery-DE@iwis.com
- Romania: supplier-delivery-RO@iwis.com
- China: supplier-delivery-CN@iwis.com
- India: supplier-delivery-IN@iwis.com
- USA: supplier-delivery-US@iwis.com

Furthermore, iwis will send a complaint to the supplier. An 8D report with root cause analysis, corrective actions and actions to avoid a recurrence is mandatory. Supplier notifications will be assessed as part of the supplier performance for series (see 5.3.6.1).

Early supplier self-notification if deviations are suspected or become known helps iwis and the supplier work together to minimize the negative consequences and to better protect iwis customers.
If iwis does not receive a supplier self-notification in cases where the supplier suspects or becomes aware of deviations, this represents a violation of IATF 16949 / ISO 9001 and automatically activates escalation level 2 for the supplier (see 5.3.7.2).

Supplier self-notifications can result in costs to iwis and possibly also to iwis customers. These costs, pursuant to the iwis cost breakdown of incurred expenses, will be charged to and paid by the supplier. A self-notification does not release the supplier from its liability; any loss or damage incurred by iwis or iwis customers (pursuant to the iwis cost breakdown of incurred expenses) shall be paid by the supplier.

5.3.4 Complaint

The top priority is to supply iwis customers on time with high-quality products. A complaint will be issued if a non-conformity is detected by iwis or iwis customers. The quantity and types of complaints will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).

The supplier shall use BabtecQube to process complaints, exchange documents and communicate with iwis (see "Handout Supplier Complaint in BabtecQube" in the supplier portal). To ensure consistent communication, it is recommended to exchange information with iwis in person/by telephone in addition to BabtecQube.

The actions implemented by the supplier shall ensure that the non-conformity no longer occurs (elimination of the cause of the non-conformity) and that the possibility of the non-conformity is investigated and avoided in other / similar production processes and products. An effectiveness check shall be performed and assessed independently by the supplier. iwis reserves the right to perform an effectiveness check on site at the supplier's location either itself or by arranging for a third party commissioned by iwis to perform such a check.

5.3.4.1 Quality complaint

Quality complaints shall be processed by the supplier's appropriately qualified employees according to the 8D standard procedure. The D3, D5 and 8D reports shall be assessed by the supplier according to the assessment criteria for the basic requirements (see iwis form "Q-Tools" F183): if all basic requirements are assessed as "OK", these reports can be sent via BabtecQube; if not, these reports shall be improved by the supplier. If these reports are sent via BabtecQube by the supplier even though not all basic requirements are fulfilled, they will be rejected by iwis and the supplier shall improve and resubmit them by the required due date.

If no specific requirements of iwis customers regarding due dates for the processing of complaints are indicated when the complaint is sent to the supplier, the following due dates shall apply:

- definition of immediate actions in coordination with iwis (D3 report with the requested Q-tools, see iwis form "Q-Tools" F183) within 1 working day following receipt of the complaint. The supplier is responsible for notifying all affected iwis plants. If the supplier proposes to rework non-conforming products, then it shall first obtain iwis approval of a mandatory deviation request (see 5.3.3.3).
- processing up to and including the planned corrective actions in coordination with iwis (D5 report with the requested Q-tools, see iwis form "Q-Tools" F183) within 14 calendar days following receipt of the complaint. Evidence from the structured root cause analysis relating to the occurrence and non-detection of the deviation shall be submitted. The reactivity time for D5 will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).
- processing up to and including the sending of evidence of the effectiveness of the implemented corrective and preventive actions in coordination with iwis (8D report with the requested Q-tools, see iwis form "Q-Tools" F183) within 30 calendar days following receipt of the complaint. The complaint may only be open longer than 30 calendar days if the implementation date of one or more actions exceeds 30 calendar days. All actions taken with regard to this complaint shall prevent repeat failure (see 5.3.4.3).

If the specified due dates cannot be met, the supplier shall apply to iwis in good time in writing for an extension of the due date and provide reasons for requesting this extension.

Justified quality complaints will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:

- a lump-sum amount of €385 as a contribution to the costs associated with the handling of the quality complaint if the complaint is triggered by iwis
- a lump-sum amount of €580 as a contribution to the costs associated with the handling of the quality complaint if the complaint is triggered by an iwis customer
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments (in particular, but not exclusively, costs for product tests, engine tests, validations, personnel, scrapping incl. connection failure, etc.)

5.3.4.2 Logistics complaint

Logistics complaints shall be processed by the supplier's appropriately qualified employees in the same way as quality complaints (see 5.3.4.1). The supplier shall provide the following information:

- D3 report (without iwis form "Q-Tools" F183)
- at iwis' request (e.g. in the event of a complaint by an iwis customer, repeat failure, etc.), 8D report with, if applicable, the requested Q-Tools (see iwis form "Q-Tools" F183)

Justified logistics complaints will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:

- a lump-sum amount of €170 as a contribution to the costs associated with the handling of the logistics complaint in cases where there is no impact on iwis customers
- a lump-sum amount of €235 as a contribution to the costs associated with the handling of the logistics complaint and other iwis costs based on a listing of incurred expenses (in particular, but not exclusively, costs for premium freight from iwis to iwis customers, etc.) in cases where there is an impact on iwis customers
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments

5.3.4.3 Repeat failure

A repeat failure occurs if all the following conditions apply:

- a complaint / deviation request has already been made once against the product (basis: iwis part number).
- both complaints / deviation requests have the same failure symptom (basis: failure description from iwis).
- the first complaint / deviation request regarding this combination has already been closed.
- the production date of the product in which the failure occurred is after the implementation date of the D6 action.

A repeat failure will be assessed as part of the supplier performance for pre-series / series (see 5.3.6) and automatically activates escalation level 1 for the supplier (see 5.3.7.1).

5.3.4.4 Subsequent failure

A subsequent failure occurs if all the following conditions apply:

- a complaint / deviation request has already been made once against the product (basis: iwis part number).
- both complaints / deviation requests have the same failure symptom (basis: failure description from iwis).
- the production date of the product in which the failure occurred is before the implementation date of the D6 action.

A subsequent failure will be assessed as part of the supplier performance for pre-series / series (see 5.3.6).

5.3.5 Certificates

The supplier shall undertake to proactively develop its system in accordance with the most recent versions of the applicable standards based on the obtained certificates (quality, environment, etc.), meaning that there is no risk of these certificates not being renewed. Updates of the corresponding certificates shall be sent immediately to the supplier portal.

The supplier shall inform iwis within five working days if a quality certificate is lost or suspended. The long-term loss of a quality certificate (IATF 16949 / ISO 9001) automatically activates escalation level 3 for the supplier (see 5.3.7.3).

5.3.6 Supplier performance

Supplier performance is used to monitor already completed supplier activities (series and, if applicable, pre-series) and is performed to permit continuous improvement and risk assessment at the supplier.

5.3.6.1 Supplier performance for series

Supplier performance for series is evaluated with four series indicators; each series indicator contains different sub-indicators with a corresponding weighting (%) and rating.

5.3.6.1.1 Quality

Sub-indicator	Weighting	Rating (on a monthly basis)
Deviation request	5%	100% for no • deviation request • quality complaint • supplier self-notification 25% deduction for each • deviation request • quality complaint 0% for • repeat failure (deviation request and quality complaint) • line-stop, recall (iwis or iwis customer) • warranty action by iwis customer • supplier self-notification
Quality complaint from iwis incoming goods inspection	10%	
Quality complaint from iwis production	20%	
Quality complaint from iwis customer (0-km)	30%	
Quality complaint from iwis customer (warranty) & Supplier self-notification	35%	

5.3.6.1.2 Logistics

Sub-indicator	Weighting	Rating (on a monthly basis)
Logistics complaint	20%	100% for no logistics complaint
		5% deduction for each logistics complaint
		0% for logistics complaint resulting in premium freight to iwis customer
Delivery date on time	40%	0-100% = Percentage of deliveries delivered on time according to iwis orders
Delivery quantity accuracy	40%	0-100% = Percentage of deliveries delivered with the right quantity according to iwis orders

5.3.6.1.3 Reactivity time for D5 (quality complaint)

Sub-indicator	Weighting	Rating (on a monthly basis)
Reactivity time for D5	100%	100% for iwis target time respected
		1% deduction for each overdue day without time extension request approved by iwis

5.3.6.1.4 Certifications

Sub-indicator	Weighting	Rating
Quality and environmental certificates	100%	100% IATF 16949 + ISO 14001
		95% IATF 16949
		90% ISO 9001
		0% long-term loss of quality certificate (IATF 16949 / ISO 9001)

5.3.6.2 Supplier performance for pre-series

In the case of pre-series activities, supplier performance for pre-series is evaluated based on the ratings obtained on four pre-series indicators (see figure below).

Pre-series complaint

Pre-series complaint	Rating
No complaint	100%
For each complaint monthly / yearly	-25% / -2%
For each repeat failure	0%
Line stop at iwis customer / recall through iwis customer	0%

PPA / PPAP on time

PPA (Production process and Product Approval) / PPAP (Production Part Approval Process) on time	Rating
Agreed delivery date respected	100%
For each overdue day after agreed delivery date	-2%

PSO result

PSO (Process Sign-Off) result	Rating
PSO result	0%-100%

PPA / PPAP decision

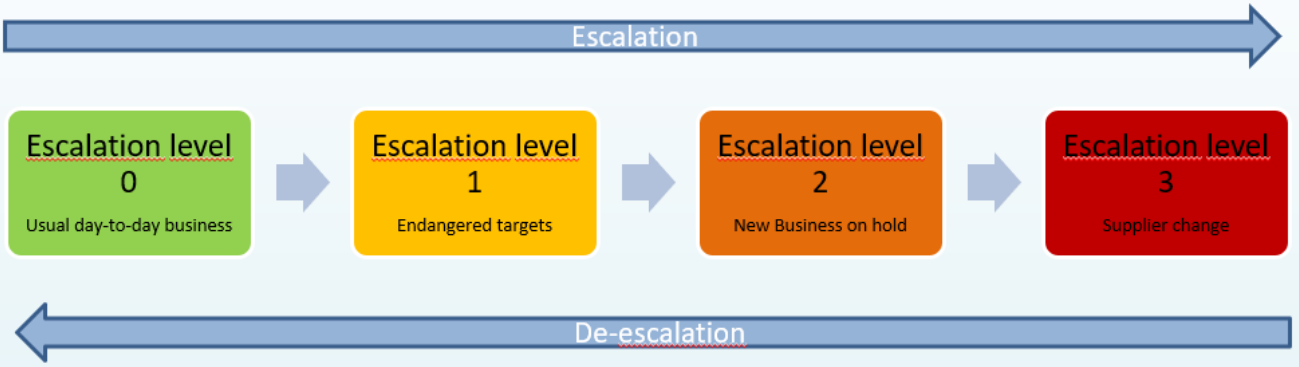
PPA / PPAP decision	Rating
Accepted	100%
Conditionally accepted	70%
Rejected	0%

5.3.6.3 Supplier scorecard

Supplier performance incl. current escalation level (see 5.3.7) is communicated to the supplier in the supplier scorecard via BabtecQube (see ”Handout Supplier Performance in BabtecQube“ in the supplier portal).

5.3.7 Supplier escalation

Supplier escalation makes it possible to define and follow up actions at management level in the event of poor supplier performance, improve them and achieve a supplier de-escalation: it ranges from endangered targets (escalation level 1) to “New Business on hold” (escalation level 2) to supplier change (escalation level 3). Escalation level 0 describes usual day-to-day business.



Supplier escalation and de-escalation are agreed on at supplier performance meetings attended by iwis Quality, iwis Supplier Development, iwis Purchasing and iwis Logistics (supplier performance team). The supplier can jump several escalation levels depending on the trigger(s) giving rise to escalation. Supplier de-escalation is based on the exit criteria

defined below and takes place after an effectiveness check over an appropriate period of time by the supplier performance team.

5.3.7.1 Escalation level 1

Escalation level 1 will be communicated to the supplier's head of quality and/or head of logistics depending on the trigger.

Potential triggers of escalation level 1 can be, but are not limited to, the following:

- indicator of supplier performance for series (Quality, Logistics, Reactivity time for D5) < 90%
- indicator of supplier performance for pre-series (pre-series complaint, PPA/PPAP on time) < 60%
- conditionally approved iwis PSO
- PPA/PPAP rejected by iwis
- costs of complaints not accepted by the supplier
- repeat failure (see 5.3.4.3)
- quality complaint arising from the same deviation as a closed Supplier Lessons Learned (see 5.3.8.2)
- line stop at iwis due to supplier issue
- adaptation of iwis customer escalation level due to supplier issue
- notification from iwis customer to iwis about a special customer status (escalation level) related to quality or delivery issues (supplier delivers to iwis and iwis customer)
- process audit according to VDA 6.3 or quality review (rating B)
- if applicable, signed quality target agreement not respected

Possible action(s) can be, but is (are) not limited, to the following:

- creation of an action plan or extension of the current action plan
- supplier visit
- process audit according to VDA 6.3
- management meeting with supplier
- 100% check of outgoing goods at supplier site and at supplier's expense

Potential exit criteria can be, but are not limited to, the following:

- indicators of supplier performance for series (Quality, Logistics, Reactivity time for D5) ≥ 90%
- indicators of supplier performance for pre-series (pre-series complaint, PPA/PPAP on time) ≥ 60%
- iwis PPA-/PPAP approval
- costs of complaints accepted by the supplier
- deliveries made in accordance with planned call-offs
- no further iwis customer escalation level due to supplier issue
- no further special customer status (escalation level) related to quality or delivery issues at iwis customer
- agreed actions (complaint, process audit, PSO, etc.) accepted by iwis
- cessation of 100% check of outgoing goods at supplier site only if the effectiveness of the actions has been confirmed by the supplier

5.3.7.2 Escalation level 2

Escalation level 2 will be communicated to the supplier's management board and the supplier status will be set to "New Business on hold".

Potential triggers of escalation level 2 can be, but are not limited to, the following:

- agreed escalation level 1 exit criteria not achieved (due dates defined and agreed depending on the circumstances)
- indicator of supplier performance for series (Quality, Logistics) < 60%
- rejected iwis PSO
- line stop at iwis customer due to supplier issue
- adaptation of iwis customer escalation level due to supplier issue

- notification from iwis customer to iwis about a special customer status (escalation level) related to quality or delivery issues (supplier delivers to iwis and iwis customer)
- process audit according to VDA 6.3 or quality review (rating C)
- 100% check of outgoing goods at supplier site due to escalation level 1 not effective since defective products found at iwis and/or iwis customers
- production process or product change by supplier / sub-supplier not notified
- series delivery without iwis approval (PPA/PPAP, deviation request)
- no supplier self-notification to iwis in case of suspected deviations
- nonconformance in quality management system
- critical credit rating
- cancellation of delivery plan by supplier
- refusal to participate in the iwis supplier development program (see 5.3.8)
- if applicable, signed quality target agreement not respected

Action(s) in addition to those implemented for escalation level 1 with:
- extension of the current action plan
- process audit according to VDA 6.3, if not done for escalation level 1
- management meeting with supplier
- additional 100% check of outgoing goods by an external service provider at supplier's expense

Possible action(s) can be, but is (are) not limited to, the following:
- resident engineer at supplier
- check for supplier change

Potential exit criteria can be, but are not limited to, the following:
- indicators of supplier performance for series (Quality, Logistics) ≥ 60%
- deliveries in accordance with planned call-offs
- no further iwis customer escalation level due to supplier issue
- no further special customer status (escalation level) related to quality or delivery issues at iwis customer
- agreed actions (complaint, process audit, PSO, nonconformance, etc.) accepted by iwis
- cessation of additional 100% check of outgoing goods by an external service provider only if the effectiveness of the actions has been confirmed by the supplier
- agreement to participate in the iwis supplier development program (see 5.3.8)

5.3.7.3 Escalation level 3

Escalation level 3 will be communicated to the supplier's management board.

Potential triggers of escalation level 3 can be, but are not limited to, the following:
- agreed escalation level 2 exit criteria not achieved (due dates defined and agreed depending on the circumstances)
- strategic decision
- termination of business relationship by supplier
- long-term loss of quality certificate (IATF 16949 / ISO 9001)

Possible action(s) can be, but is (are) not limited, to the following:
- definition of supplier change strategy
- termination of business relationship
- definition of de-escalation strategy

5.3.8 iwis supplier development program

With the zero defects target, iwis has introduced a supplier development program which includes the “Supplier Quality Offensive” (see 5.3.8.1) and “Supplier Lessons Learned” (see 5.3.8.2) programs and which is based on supplier performance (see 5.3.6). This program requires the full support of the supplier's management, quality team and complaints team. Refusal to participate in this development program automatically activates escalation level 2 for the supplier (see 5.3.7.2).

5.3.8.1 Supplier Quality Offensive

The “Supplier Quality Offensive” is used when a supplier’s quality performance is problematic. It consists of tools developed by iwis, such as a production process analysis based on "Key Characteristics" (see 5.2.1), risk analysis, "8D standard procedure / BabtecQube" best practice workshop based on an existing quality complaint (see 5.3.4.1), etc.

After successful completion of the applied tools, an annual quality target agreement is concluded and signed between iwis and the supplier. Failure to achieve the quality target agreement may lead to the supplier being placed on an escalation level (see 5.3.7).

5.3.8.2 Supplier Lessons Learned

"Supplier Lessons Learned" is used to avoid the generalization of potential deviations occurring at a supplier and in the supplier’s supply chain. The potential deviation is described by iwis using iwis form “Supplier Lessons Learned” (F444), and the supplier should use BabtecQube (see "Handout Supplier Lessons Learned in BabtecQube" in the supplier portal) to:

- analyze whether there is a risk that its products could be delivered with such a deviation.
- determine and implement containment action(s) and corrective action(s) (if a risk has been identified).
- if necessary, explain in detail why there is no risk for the occurrence of the potential deviation.

A quality complaint relating to the same deviation as addressed by a completed Supplier Lessons Learned automatically activates escalation level 1 for the supplier (see 5.3.7.1).

5.4 FIELD FAILURES

iwis will perform a preliminary analysis of the products giving rise to the claim. Should a qualitative non-conformity be detected by iwis, a field complaint will be generated. The product is sent to the supplier for analysis and, if destructive tests are performed, may only be destroyed after written approval from iwis. The product remains the property of iwis until the field complaint has been fully processed.

The supplier shall prepare a root cause analysis that responds to the following requirements:

- if a non-conformity is found, the supplier shall define and implement actions using an 8D report.
- if no non-conformity is found (NTF - No Trouble Found), appropriate actions shall be taken as set out in the respectively valid version of the VDA Volume Field Failure Analysis & Audit Standard.

The field complaint shall be processed in coordination with iwis within 14 calendar days of its receipt. The reactivity time will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).

If responsibility for a non-conformity cannot be clearly assigned or is the subject of a disagreement, the product shall be sent to iwis for archiving unless agreed elsewhere in writing.

iwis and the supplier will communicate with one another regarding field failures. The supplier is not authorized to communicate directly with iwis customers without iwis formal approval. Product exchanges may only ever take place between the supplier and iwis.

Justified field complaints will result in costs to iwis and possibly also to iwis customers. These costs will be charged to and paid by the supplier. In particular, the supplier undertakes to pay the following amounts:

- a lump-sum amount of €785 as a contribution to the costs associated with the activities at iwis
- further iwis costs based on a listing of incurred expenses (in particular, but not exclusively, costs for product tests, engine tests, validations, personnel, scrapping incl. connection failure, etc.)
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments (in particular, but not exclusively, costs for product tests, engine tests, validations, personnel, etc.)

If no defects can be found in relation to a field complaint (NTF), iwis and the supplier shall use their best efforts to determine, through subsequent analyses and process reviews, both the actual root cause of and party responsible for the defect. If, despite these efforts, the root cause of the defect and/or the party responsible for it cannot be identified, a proportional attribution of causation will be negotiated in good faith for the products affected by the field complaint in the light of the assumed share of responsibility. If no agreement can be achieved within four weeks, the proportional attribution shall be set at 50 %. iwis and the supplier shall pay the costs incurred proportionally based on the respective proportional attribution. The costs to be paid include:

- all iwis costs based on a listing of incurred expenses
- all costs (pursuant to the iwis cost breakdown of incurred expenses) charged to iwis by iwis customers and to be paid by iwis to these customers in accordance with legal or contractual commitments

Field complaints will be assessed as part of the supplier performance for series (see 5.3.6.1) and may lead to the supplier being placed on an escalation level (see 5.3.7).

6 APPLICABLE DOCUMENTS

Unless otherwise agreed in written form between iwis and the supplier, the standards and agreements set out in sections 6.1 and 6.2 below (together with their attachments and related terms) shall be considered as bindingly agreed and an integral part of this Supplier Requirements Manual.

6.1 INTERNATIONAL NORMS, STANDARDS AND REFERENCE MANUALS

AIAG reference manual PPAP
AIAG reference manual APQP
AIAG reference manual SPC
AIAG reference manual MSA
AIAG/VDA FMEA manual
IATF 16949 quality management system in the automotive industry
ISO 14001 environmental management system
ISO 27001 information security management system
ISO 45001 occupational health and safety management system
ISO 50001 energy management system
ISO 9001 quality management system
TISAX (“Trusted Information Security Assessment Exchange”)
VDA Volume 2 Securing the Quality of Supplies – Production process and product approval (PPA)
VDA Volume 4 Quality Assurance in the Process Landscape
VDA Volume 5 Measurement and Inspection Processes
VDA Volume 6.3 Process audit
VDA Volume 6.5 Product audit
VDA Volume Product development – Maturity level assurance for new parts
VDA Volume Field Failure Analysis & Audit Standard

6.2 IWIS FORMS AND DOCUMENTS

These are available to suppliers in the supplier portal or as a download on www.iwis.com.

F068 feasibility study
F136 Process Sign Off (PSO)
F143 inspection report
F183 Q-Tools
F222 Change (deviation) request
F288 capacity
F395 short-term capability calculation
F444 Supplier Lessons Learned
F475 PPA/PPAP agreement meeting
iwis Group General Terms and Conditions of Purchase
Handout Supplier Audits 6.3:2023 in VDA analysis tool (action plan)
Handout Supplier Complaints in BabtecQube
Handout Supplier Lessons Learned in BabtecQube
Handout Supplier Performance in BabtecQube
iwis logistics manual - global
iwis Quality Assurance Agreement (QAA)
iwis framework contract for production material
iwis Compliance Code of Conduct for Business Partners

Change history	
Version 1.0 (September 2015)	New creation
Version 2.0 (October 2024)	Complete revision
Version 2.1 (May 2025)	QAA: Preamble, 2. (1), 5. (1), 6. (2), 6. (6), 7. (2), 11. (7), 13. (1) updated Annex: 3, 4, 5.1, 5.2.1, 5.2.2, 5.2.4, 5.2.5, 5.3.2, 5.3.3.2, 5.3.3.3, 5.3.3.4, 5.3.4, 5.3.4.1, 5.3.4.2, 5.3.7.1, 5.3.7.2, 5.3.8.2, 5.4, 6.1 updated

7 SIDE LETTER

Paragraph / page	Original text	Side agreement