



General Quality Agreement

OUR MISSION – What drives us

A host of customers from the Automotive, Industrial and Medical industries bet on BAUMANN springs, stampings and bent components. Our solutions are of central importance for them. Our parts are decisive in terms of whether their product works or not.

MARKET SECTORS



AUTOMOTIVE

- Power Liftgate
- Latches
- Dampers
- Electrics
- Seating
- Braking



INDUSTRIAL

- Electrical Industry
- Machinery and equipment
- Transport equipment
- Building and housing



MEDICAL

- Pens
- Auto Injectors
- Syringes
- Metering Systems

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The following stipulations describe the general quality requirements of the following companies:

- (a) Baumann Springs Ltd, Ermenswil / CH-8630 Rüti;**
- (b) Baumann gmbh, Friedrich-List Strasse 131, DE-72805 Lichtenstein;**
- (c) Baumann Schlegel gmbh, Friedrich-List Strasse 131, D-72805 Lichtenstein;**
- (d) Prodotti BAUMANN s.r.l. Unipersonale, Via Conicchio 34, IT-25136 Brescia (BS); (e) Baumann Muelles S.A., Poligono I 01170 Legutiano;A**
- (f) Baumann Springs s.r.o., Na Novém Poli 384/6, CZ-73301 Karviná – Staré Město;**
- (g) Baumann Spring Co. (S) Pte. Ltd., 33 Gul Lane, SG 629427 ;**
- (h) Baumann Springs (Shanghai) Co. Ltd., 358-2 Shen Xia Road, Jiading District, Forward High Tech. Zone, Shanghai 2011818 CN;**
- (h) BAUMANN SPRINGS USA Inc., 3075 No. Great Southwest, Pkwy. # 100, Grand Prairie, TX 75050 USA;**
- (i) BAUMANN SPRINGS LEÓN S. DE R.L. DE C.V., Kappa 310 y 312, Fracc. Industrial Delta, MEX – 37545 León, Gto.**

EACH OF THE COMPANIES MENTIONED ABOVE ACTS IN IST OWN NAME AND ON IST OWN ACCOUNT

1 Preamble

Our customers from the automotive, industrial and medical market segments rely on BAUMANN springs, stamping and bent components. Our solutions are of critical importance to the quality of their products.

2 Objective

This General Quality Agreement (GQA) is a contractual instrument with which BAUMANN defines requirements and expectations with the objective to manufacture products free of defects and abnormalities and to deliver them on time.

3 Scope

3.1 This GQA shall apply to all products and services that the Supplier delivers or performs on the basis of an order.

3.2 The GQA is an integral part of the following documents:

- Order (individual orders, master agreement)
- BAUMANN General Terms and Conditions of Purchase parts

3.3 Due to the unique needs and requirements of the Chinese market, including the requirements of the automobile manufacturers located in this region, additionally to the stipulations of the GQA of BAUMANN the special regulations of the China Quality Supplement Agreement ("CQSA"), which can be viewed in Appendix 1 of the GQA, shall apply additionally to supplies of products and services by Supplier to each plant of BAUMANN in China. In the event that this GQA on the one hand and the CQSA on the other hand are contradictory, the CQSA shall prevail.

4 Quality Management System (QMS)

4.1 Supplier shall be ISO 9001 and ISO 14001 certified, unless agreed otherwise.

4.2 Supplier shall implement into its QMS specific requirements of BAUMANN's customers, when communicated to supplier.

4.3 Supplier shall submit its certificates to BAUMANN without any delay. In case the certificates validity expired, or certificate has been revoked, BAUMANN needs to be informed immediately.

4.4 Automotive delivery requirements

Supplier shall be IATF 16949 certified or

ISO 9001 certified with implemented MAQMSR (MINIMUM AUTOMOTIVE QUALITY MANAGEMENT SYSTEM REQUIREMENTS) into existing supplier's QMS.

Product Safety & Conformity Representative - PSCR

A Product Safety & Conformity Representative (PSCR) must be available at all production sites that produce for BAUMANN Group. Product safety officers must be familiar with product manufacturing, methods for risk assessment and the relevant rules for product safety and reliability. PSCR are members of the supplier management team or report directly to this team or to senior quality management.

4.5 Medical delivery requirements

Supplier shall be ISO 9001 certified with implemented specific requirements of ISO 13485 into existing supplier's QMS, when communicated to supplier.

5 Responsibility

5.1 Supplier is primary responsible for quality of parts and products delivered to BAUMANN. Supplier shall undertake all possible efforts to assure product quality and product safety and to mitigate the risk of product defects.

5.2 Supplier shall ensure and shall obligate its sub-suppliers to ensure that:

- A quality awareness is communicated throughout the entire company.
- The required product safety and product quality requirements are reviewed and addressed during product development and quality planning,

- Quality data are documented to demonstrate that the product was manufactured in compliance with specification, safety and quality requirements.
- Material traceability is in place to ensure that the defective and suspect products can be contained in the event of defect occurrence.
- Supplier shall notify BAUMANN well in advance, so that BAUMANN can check whether the planned changes could have a negative effect and supplier shall obtain the written approval of BAUMANN before any changes implemented (see detail in Chapter 7.6)
- Supplier verifies that the provided storage and the load carriers used for the product to be delivered will not cause any damage
- Supplier's personnel performing specific assigned tasks are qualified based on appropriate education training, and/or experience as required. Training records for all employees shall be maintained in accordance with a documented training procedure. Training effectiveness shall be practically reviewed by the supplier using various methods, such as pre-and post-testing and audits/appraisals of performance, as necessary.

6 Product development (Quality planning)

6.1 General

6.1.1 BAUMANN will provide Supplier with the relevant product requirement information. Supplier shall check the product requirements or proposed changes about technical and economic feasibility and, where necessary, submit timely proposals for changes and submit Feasibility agreement within 10 working days.

6.1.2 Supplier shall carry out the assigned tasks in accordance with the order's documentation. Any deviation between the Supplier's order confirmation and the order documentation can only be taken into consideration if Supplier clearly defines the relevant specification in its order confirmation.

6.1.3 Supplier shall notify BAUMANN immediately of deadline risks and delays in project planning.

6.1.4 BAUMANN shall inform Supplier without delay and in writing of any changes to product requirements. Supplier shall review whether these changes are technically feasible and what consequences they will have for the order concerned and inform BAUMANN.

6.2 Initial sampling; product and process release

6.2.1 Unless specified otherwise, initial sampling shall be carried out in accordance with PPAP Level 4 in coordination with BAUMANN. Supplier shall provide the documentation as defined in the order.

6.2.2 Initial samples shall be consecutively numbered and clearly labelled to guarantee correct allocation to the corresponding measurement results. The method of identification and labelling shall be coordinated with BAUMANN, where necessary.

6.3 Material data systems and Material certificates

Supplier shall provide requested material certificate (REACH, RoHS, CMRT and others when communicated to supplier) and assure regular update and submission upon BAUMANN's request.

6.3.1 Automotive delivery requirements / Material data systems

Supplier shall register its materials as per the order with the following material data systems.
IMDS, CAMDS (China Automotive Material Data System)

6.3.2 Medical delivery requirements / Material data systems

The Supplier shall register its materials as per the order with the following material data systems.
BOMCheck

7 Serial production of the product

7.1 Incoming inspections at BAUMANN and defect notification

7.1.1 Goods will be inspected for externally visible transport damage and externally visible defects immediately on receipt.

7.1.2 BAUMANN will notify Supplier immediately of any defect detected during these inspections. Supplier will be informed of defects that are not discovered during the incoming inspection as soon as they are detected during normal business processing.

7.1.3 BAUMANN has no obligations against Supplier other than the inspections and notifications defined in the processing. In this respect, Supplier renounces the right of objection regarding delayed notice of defects.

7.1.4 The quality of the products shall be monitored throughout the duration of the manufacturing process at supplier. The production capability is ensured and documented with assuring.

Ppk values min. 1.67

Cpk values min. 1.33

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unless agreed otherwise.

7.1.5 Suitable measures shall be taken to guarantee compliance with requirements (e.g. 100% inspection) in coordination with BAUMANN for unstable manufacturing processes.

7.2 Identification and traceability

7.2.1 Traceability is required for all parts produced for BAUMANN. Based on their traceability the parts can be pinpointed, isolated, filtered out and reworked as necessary in the event of a defect in order to minimize the impact on the customer. To assure this, Supplier follows the first in / first out (FIFO) principle and ensures the traceability of the products it supplies. If a defect is found, it is necessary to ensure that the faulty parts / products / batches and related production data are identified within a working day. This also applies to traceability among sub-suppliers.. In addition, the system shall also enable inspection data relating to the supplier's production lot.

Traceability must be assured for every delivery for

- all components, materials and modules
- all process parameters which have impact on distinctive characteristics and test characteristics
- The batch size must not be greater than the volume produced.
- either in a single shift or
- a single day and
- If necessary, further definitions will be agreed between Supplier and BAUMANN.
- First in / first out principle
- shall be observed in every process step.

Mixing of parts:

- Parts shall not be mixed when making the transition from one process step to another.

The smallest packaging unit contains a maximum of two separate batch numbers.

7.2.2 Supplier shall label every delivery unit delivered to BAUMANN in accordance with the following minimum requirements:

- Manufacturer
- Supplier of semi-finished goods
- Production location
- Item designation
- Production lot number
- Smelt number (semi-finished goods)
- Individual container number (reel number)
- Quantity
- Expiry date (where applicable)
- Supplier's item number
- BAUMANN item number

The label must be applied to each individual container and to the outer packaging so that they are clearly visible and legible from the outside.

7.2.3 The labelling requirements of product-specific technical delivery requirements apply where available.

7.2.4 Products with a limited shelf-life shall fulfil specific labelling requirements that are issued with specific information stating the latest date by which the product must be processed in order to avoid functionality limitations.

7.3 Special release of products with deviations

If it becomes apparent that Supplier cannot meet its supply obligations regarding, for example, quality.

Features, schedules, delivery quantities, or packaging requirements, the supplier shall so inform BAUMANN.

Promptly and always before delivering parts that may potentially be unusable. However, this information shall not release the Supplier from the need to adhere to its contractual obligations.

If Supplier is unable to provide products according to specification, supplier must obtain a special release.

(concession) from BAUMANN before making a delivery. This requires a precise description of the variation and details of the volume or period affected.

Further procedure will be closely coordinated with BAUMANN. A delivery can only be made after approval by BAUMANN

7.3.1 Products with an approved special release shall be delivered separately and each transport unit labelled as per agreement. A copy of the special release shall be enclosed with the delivery paperwork.

7.4 Problems affecting Supplier.

7.4.1 Supplier is obligated to notify BAUMANN of problems and risks that become known to it and that may affect BAUMANN.

It shall immediately introduce measures to eliminate the problem and shall demonstrate that the cause of the problem has been eliminated.

7.5 Quality Complaints by BAUMANN

7.5.1 BAUMANN shall notify the Supplier of quality defect in the form of a complaint as soon as they are ascertained in the course of proper business proceedings.

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7.5.2 Supplier shall introduce immediate measures to eliminate the cause of quality defect for which it is responsible. If the Supplier fails to provide supplementary delivery within a reasonable time specified by BAUMANN, BAUMANN shall implement sorting activities and/or the elimination of defects/deficiencies at the Supplier's expense.

7.5.3 Supplier shall provide a full 8D report within the specified time periods. BAUMANN can ask for the submission of a cause analysis such as 5Why, cause-effect diagram, etc.

- Notification of receiving claim within 1 working day
- 3D report within 3 working day.
- 5D report within 10 working days
- Complete 8D report within 30 working days unless agreed otherwise.

In case of delays in implementation of action, BAUMANN must be informed, and new timing mutually agreed.

7.5.4 BAUMANN can impose relevant cost to supplier, linked with handling and investigation of reported complaints.

7.6 Product and process changes

7.6.1 Prior to supplier-initiated change such as

- modifications of the product or packaging,
- change of sub-suppliers throughout the supply chain,
- change of production methods, production equipment, processes with influence on form, fit, function, performance, and reliability (including at sub-suppliers in the supply chain),
- relocating or setting up production sites or production equipment at the same site
- changes of test methods and test equipment,
- suspension of maintenance of digital goods (legacy support)

Supplier notifies BAUMANN well in advance and shall obtain the written approval of BAUMANN as provides the agreed quality documentation in this regard. BAUMANN shall decide whether and to what extent a new initial sample inspection is required in relation to a change.

Examples of other notifiable changes are given as well in VDA Volume 2 (current version).

7.6.2 NO changes can be implemented until BAUMANN has issued a written release.

7.7 Scrap and Rework

The handling of scrap and rework of products must be clearly regulated. Rework must always be avoided and is only permitted if approved corresponding process descriptions are available.

Care is required in ensuring that a FMEA and a production control plan are in place for dismantling rejected products and re-introducing them to the production process, that the reworking time is limited and takes place on a standard system. Traceability must be assured. If the rework process is required on a permanent lasting basis, it is to be transferred to a standardized process. Scrap must be disposed of according to the standard; unauthorized further use of these products must be prevented (e.g. through destruction).

7.8 Product requalification

7.8.1 Supplier shall subject every product to a comprehensive dimensional and functional test in consideration of material and functional specifications once a year in accordance with the control plan. The results shall be made available to BAUMANN on request within 1 working day.

8 Continuous Improvement cooperation

8.1 Supplier auditing by BAUMANN

8.1.1 Supplier shall enable BAUMANN to verify the efficiency of its quality assurance measures on site in accordance with an agreed schedule.

8.1.2 Supplier shall grant BAUMANN and, where necessary, its customers access to production sites, test and inspection facilities, storage facilities and associated areas during normal business hours and allow them to inspect all quality-relevant documents. In this regard, BAUMANN shall inform Supplier of the type, scope and intended time audit in advance.

8.1.3 Supplier shall designate an employee responsible for preparing the audit who must be present throughout the entire audit and during the subsequent coordination discussions. The designated employee represents Supplier during the audit and shall be endowed with the appropriate necessary powers by Supplier.

8.1.4 Supplier shall reach agreements with its sub-suppliers enabling BAUMANN or its customer to conduct an audit of the sub-supplier.

8.1.5 Each party shall bear its own audit costs.

8.1.6 BAUMANN is also entitled to request the provision of information, quality records and other documentation relating to the product and/or production processes outside of an audit as they could be the subject matter of an audit.

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8.2 Supplier evaluation

8.2.1 BAUMANN will evaluate supplier's performance to detect potential risks. The results of the evaluation of quality, delivery, and service (communication, flexibility) will be provided to Supplier..

Supplier will be required to introduce and present appropriate improvement measures if requirements are not fulfilled.

8.2.2 Supplier is responsible for designing a training programme for personnel involved in activities with an influence on quality. The training programme shall be implemented and documented at intervals appropriate to the tasks assigned to each employee.

8.2.3 Supplier shall undertake every necessary measure to assure the quality of its sub-suppliers' performance and shall ensure compliance with this GQA and its attachments and the corresponding contractual commitment of sub-suppliers. Supplier is fully liable for the performance and deliveries of its sub-suppliers.

8.2.4 Automotive delivery requirements

Insofar as CQI requirements are applicable, supplier shall ensure compliance with the corresponding requirements of the AIAG regarding the evaluation of technical processes by way of annual CQI self-assessments within its company and, where indicated, within its sub-suppliers.

The annual CQI self-assessments shall be made available to BAUMANN upon request.

9 Confidentiality

9.1 Each party shall use all documents and knowledge which it receives from the other Party in connection with this GQA only for the purposes of this Agreement and shall keep them secret from third parties with the same care as its own corresponding documents and knowledge. This obligation shall commence upon first receipt of the documents or knowledge and shall end 36 months after the termination of the GQA.

9.2 The obligation to maintain confidentiality shall not apply to information, contents of conversations and facts which demonstrably:

- was already public knowledge at the time of the communication to the receiving Party or becomes public knowledge thereafter without breach of the present obligation or
- was already known to the receiving party prior to disclosure by the disclosing party or is lawfully disclosed to the receiving party by a third party, or
- were developed by the receiving party independently of the information disclosed by the other party.

10 Liability

Liability shall be determined in accordance with the agreements on which the delivery is based.

11 Remedies

11.1 In the event that the supplier:

11.1.1 fails to comply with requirements of the contractually agreed quality management system, or

11.1.2 refuses without legal reason to provide essential information owed under this GQA, or

11.1.3 refuses without legal reason to carry out an agreed audit or an audit justifiably requested by BAUMANN or

11.1.4 violates contractual obligations arising from this GQA, BAUMANN shall have the right, without prejudice to statutory rights:

- to refuse acceptance of ordered products until the supplier has remedied the breach of contract, or he fulfils his obligations to cooperate, or proves that he complies with the contractually agreed quality management system, or he submits concrete corrective measures to BAUMANN with regard to the negative result in the audit carried out;
- to withdraw from the series delivery contract in whole or in part after the fruitless expiry of a grace period.
- to demand compensation for the additional expenses incurred by BAUMANN because BAUMANN has to incur increased processing costs due to the above-mentioned breaches of contract.
- to demand reimbursement of the additional expenses incurred by BAUMANN since BAUMANN carries out an incoming goods inspection because of the above-mentioned breaches of contract.
- to demand reimbursement of the additional expenses incurred by BAUMANN as a result of BAUMANN having a goods inspection carried out by external third parties (e.g. an external testing laboratory) due to the aforementioned breaches of contract.

11.2 If BAUMANN refuses to accept ordered products in accordance with the above provision, the supplier shall be thereby in default of delivery.

11.3 BAUMANN cannot claim for compensation for additional expenses if the supplier is not responsible for the breaches of contract.

11.4 If, in contrary to this agreement, sub-suppliers are used without written consent, BAUMANN is entitled, without prejudice to further claims, to demand the change to approved suppliers by BAUMANN. Furthermore, BAUMANN may terminate the affected

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contract at any time within a period of six months after becoming aware of the use of unapproved upstream suppliers with a notice period of one month.

11.5 Costs incurred by BAUMANN due to the use of unauthorized sub-suppliers shall be borne by the supplier, unless he is not responsible for the unauthorized use of sub-suppliers. Further legal claims are not excluded.

11.6 If the supplier, for reasons other than those mentioned above, has violated the provisions of this GQA, BAUMANN shall be entitled to all statutory claims, irrespective of any other claims agreed.

12 Communication with customers of BAUMANN

With regards to the products ordered by BAUMANN, communication with the customer shall be maintained exclusively by BAUMANN. Direct negotiations and agreements between the supplier and BAUMANN's customer are only permitted after prior consultation with BAUMANN.

13 Applicable law

German law shall apply to the legal relationships in connection with this agreement.

14 General requirements of Suppliers

14.1 Amendments and supplements to the contract must be made in writing.

14.2 Insurance coverage: submission of a valid insurance certificate, with appropriate coverage, for general- and product liability as well as recall cost insurances.

14.3 Product Safety Officer (PSO)

In order to ensure compliance with product safety/product liability requirements, the supplier shall appoint a person responsible for this function within its organization for each production site. If no specific appointment is made, BAUMANN assumes that the supplier's quality manager/QM representative will perform this task.

15 Termination

This agreement can be terminated by either party with a notice period of 12 months to the end of each calendar year.

16 Documentation and archiving

16.1 A regulation on documentation and archiving as well as ensuring access at any time shall be specified in the supplier's QM system.

16.2 Unless otherwise agreed, quality records are subject to an archiving obligation of 15 years.

16.3 At BAUMANN's request, quality records must be made available within two working days.

16.4 In the event of termination of the business relationship, discontinuation of business or bankruptcy, the supplier shall archive the documents in accordance with the prescribed documentation period or to hand them over to BAUMANN.

16.5 The supplier warrants that specified test results and documentation of the relevant process parameters, which are subject to verification, of his own manufacturing process, as well as the manufacturing process of its sub-suppliers, are documented and archived.

17 Applicable documents

17.1 Automotive delivery requirements

VDA Volume 2

AIAG Volumes (MSA, FMEA, APQP, PPAP, SPC)

AIAG CQI (CQI-9, CQI-11, CQI-12)

VDA Volume 6.3

All the references to standards made in the GQA relate to the current applicable version.

Date: **15.09.2023**

BAUMANN

Date / Place

Name Function

Signature

Name Function

Signature

Supplier

Date / Place

Name Function

Signature

Name Function

Signature