Quality Assurance Agreement (QAA)

This document describes a quality assurance agreement and has been reviewed by the responsible department(s). The document Quality Assurance Agreement (QAA) of the version 005 is released.

Class	public
Version	005

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1. Foreword

To maintain competitiveness and address evolving customer and stakeholder needs, it is essential to prioritize product quality. At STEP-G, our quality management system is structured to understand, document, and fulfill customer requirements, ensuring satisfaction. We also prioritize supplier involvement to ensure the consistent delivery of high-quality products and services. Our goal is to achieve and continuously improve a high-quality level of products and services, ensuring that requirements are consistently met.

This goal is achieved using state-of-the-art management systems and quality assurance methods. The quality of the products depends not only on the size of the plant and the products produced, but also on the application of suitable quality assurance methods.

This Quality Assurance Agreement (hereinafter referred to as "QAA") outlines the fundamental requirements for establishing a quality system for STEP-G SUPPLIERS.

STEP-G includes all affiliated companies within the meaning of §§ 15 et seq. of the German Stock Corporation Act (AktG). These are currently the following:

Sankyo Tateyama Europe BV, Duffel
ST Extruded Products Germany GmbH, Bitterfeld
ST Extruded Products Germany GmbH, Bonn
ST Extruded Products Germany GmbH, Hettstedt
ST Extruded Products Germany GmbH, Vogt
ST Extruded Products (Tianjin) Co., Ltd., China
ST Extruded Products Austria GmbH, Traun
ST Extruded Products UK Ltd., Godalming
ST Deutschland GmbH, Bonn

2. Purpose

This QAA is the binding specification of STEP-G requirements for the quality management system of its SUPPLIERS.

3. Scope

This QAA applies to all deliveries and services that SUPPLIERS provide to STEP-G and companies affiliated with it. Bundled companies are all companies that are directly or indirectly under the joint control of STEP-G (§§ 15 et seq. AktG). Unless otherwise agreed, this QAA applies to the entire business relationship between SUPPLIERS and STEP-G. The conclusion of this QAA does not constitute an obligation on the part of STEP-G to conclude contracts, nor does it create a claim on the part of the SUPPLIER.

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The provisions of this QAA are already applied in the offer phase between STEP-G and SUPPLIERS in order to be able to assess the SUPPLIER's capability with regard to the necessary delivery and service quality. The decision in favor of a SUPPLIER depends largely on its quality capability. The SUPPLIER is solely responsible for the quality of the delivered products and/or services.

The QAA applies to the delivery of contractual products (contractual product = in particular products, materials, services and digital goods (in particular software, data and software services)); which are manufactured by the SUPPLIER for STEP-G, sold to STEP-G, delivered to STEP-G and/or provided by the SUPPLIER to STEP-G. It also applies to services that may affect the requirements of the STEP-G contractual product, such as assembly, sequencing, sorting, reworking and calibration services. Furthermore, this QAA is valid for the materials and manufacturing processes used by the SUPPLIER.

The SUPPLIER shall communicate the provisions set out in this QAA along the SUPPLIER's supply chain (sub-suppliers) including the SUPPLIERS appointed by STEP-G (direct purchase, set parts, set suppliers) and shall ensure compliance with the provisions of this QAA.

The QAA is an integral part of STEP-G's scope of procurement and supplements the specifications of the order and the standards, regulations, technical documents and customer-specific requirements on which the subject matter of the order is based. Legal or contractual rights of STEP-G shall not be restricted either by this or by knowledge of any documentation or other written communications of the SUPPLIER within the scope of this agreement.

4. General requirements for the management system

The SUPPLIER is obliged to permanently apply a quality management system at least in accordance with ISO 9001 and ISO 14001, in each case in the current version. Deviating, industry-specific management systems shall be agreed with STEP-G in text form at the latest at the time of conclusion of the contract. The SUPPLIER shall develop its system in accordance with the requirements customary in the industry. For example, if the SUPPLIER delivers contractual products for use in the automotive sector, it shall develop its system in accordance with IATF 16949. Approved exceptions that declare the waiver of such a plan must be submitted to STEP-G in writing. In addition, the SUPPLIER undertakes to operate an effective information security management system (ISMS) based on ISO 27001 to protect sensitive, specific and confidential information/data, documents and records from access by third parties. For external testing and calibration laboratories, accreditation of the corresponding EN ISO 17025 procedure is a prerequisite.

The SUPPLIER shall inform STEP-G immediately in text form of the withdrawal of a required certificate. The SUPPLIER shall ensure that all applicable industry or material field-specific requirements corresponding to the state of the art and science are met. The SUPPLIER shall comply with the legal, regulatory and safety requirements identified by STEP-G for all contractual products, processes or services (internal and external) in the country of receipt, dispatch and destination, unless otherwise agreed. The SUPPLIER's management system must also include appropriate corporate responsibility policies, including codes of conduct and ethics. The SUPPLIER shall comply with the principles of the

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United Nations Global Compact Initiative (UN - https://www.unglobalcompact.org) and take them into account in its supplier management.

The SUPPLIER is obliged to apply a zero-defect strategy on an ongoing basis and to continuously improve in order to achieve zero defects for its deliveries and services. In particular, the SUPPLIER shall implement appropriate systems and controls to ensure the timely delivery of compliant, defect-free and defect-free contractual products. The SUPPLIER shall include STEP-G specific requirements in its management system.

The SUPPLIER shall provide written evidence of the necessary and planned measures as well as the progress of the continuous improvement upon request by STEP-G. The SUPPLIER shall use all reasonable and necessary means to avoid defective deliveries for all of its deliveries, in particular if risks to life and health cannot be ruled out when using defective products.

The achievement of quality targets by the SUPPLIER is included in a supplier evaluation conducted by STEP-G. Failure to achieve targets can lead to poor ratings and thus to subordinate consideration for further projects. The achievement of the agreed quality targets and intervention limits shall neither exclude nor limit STEP-G's warranty or compensation claims for defective deliveries.

In the event of warranty claims and/or claims for damages, STEP-G shall be obliged by law to provide evidence. The statutory rights of STEP-G shall remain unaffected by the provisions of this agreement.

5. Applicable supplier certificates

The SUPPLIER undertakes to provide proof of certification by sending its certificates for all production sites to STEP-G, Purchasing Department (purchase@step-g.com). Proof must be provided on a regular basis every 12 months, for the first time when the contract comes into force, and without being requested to do so. The SUPPLIER shall inform STEP-G immediately in writing of any changes to its certification, in particular in the event of expiry, termination or suspension.

6. Extended personnel qualification

The SUPPLIER shall assign personnel responsibility and authority, where required, to ensure that all STEP-G requirements are met. SUPPLIER's responsibilities and applicable qualification levels shall be documented and maintained by SUPPLIER and made available to STEP-G upon request. At STEP-G's request, the SUPPLIER shall appoint a trained and qualified Product Safety and Compliance Representative (PSCR) for all production sites. The appointment of the SUPPLIER's PSCR for each site shall be documented and kept up to date by the SUPPLIER.

7. SUB-SUPPLIER Management

The requirements of this QAA also apply to the management system that the SUPPLIER sets up with its subcontractors. At STEP-G's request, the SUPPLIER shall submit product releases from

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subcontractors and corresponding quality contracts with its subcontractors. The SUPPLIER is responsible for the monitoring and continuous improvement of the subcontractors.

8. Audits

8.1 Audits by STEP/G – Supplier audits

STEP-G reserves the right to carry out audits and assessments of the relevant management systems, processes and contractual products together with the SUPPLIER, customers of STEP-G or a third party commissioned by STEP-G or by STEP-G's customers, or to participate in audits and assessments at its subcontractor's premises in order to verify compliance with the provisions of this QAA and the implementation of quality assurance measures, subject to reasonable advance notice within normal business hours customary in the industry and by arrangement with the SUPPLIER. If third parties commissioned by STEP-G are to participate in the audit or carry it out, STEP-G shall obtain the SUPPLIER's consent in advance. Consent may only be refused for good cause.

Depending on the circumstances (e.g. customer market or product), STEP-G reserves the right to decide in which standard the audit will be carried out. During such audits, the SUPPLIER will provide the necessary resources and documents required to carry out the audit appropriately. The respective auditor will provide the SUPPLIER with an audit report, including the relevant assessments and explanations of the audit result. All necessary next steps (action plans, scheduling, follow-up/review of the measures, etc.) will be agreed together with STEP-G. The audit results can have effects and consequences for the future business relationship between STEP-G and the SUPPLIER. Based on identified significant delivery risks (e.g. delivery downtime, customer downtime, OEM downtime, violation of safety requirements, violation of regulatory/legal requirements, etc.) in relation to the SUPPLIER's contractual products or services, the SUPPLIER enables STEP-G and STEP-G's customer to carry out an audit/assessment at the SUPPLIER and its subcontractors at short notice (within 24 hours).

8.2 Audits by SUPPLIER

The SUPPLIER must carry out an internal process audit for all STEP-G manufacturing processes within a period of 3 years in order to check the effectiveness and efficiency of the methods used. In principle, the standard market method for process audits should be chosen, for the automotive sector, for example, an assessment according to VDA 6.3. At the request of STEP-G, the SUPPLIER will provide all audit results including documentation and updated action plans. If increased risks are identified in audits, processes, risk assessments or if incidents such as complaints occur, STEP-G can request a reduction in the audit frequency.

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9. Documented information

9.1 Reference

The SUPPLIER is responsible for obtaining the relevant laws, official requirements, standards, etc. in their latest version and for complying with the requirements described therein. Information on this will be made available to the SUPPLIER as far as STEP-G is aware.

The SUPPLIER must introduce appropriate procedures that regulate the procurement, checking, distribution and archiving of specifications, standards and internal procedural instructions. He must ensure that only the currently valid version of documents is used and that outdated documents are eliminated immediately and appropriately.

9.2 Record Retention

The legal requirements must be complied with. Furthermore, unless otherwise agreed, the SUPPLIER is obliged to retain at least records of initial sample test reports, tools (including maintenance and customer-owned tools), product and process design (construction documents), orders and/or contracts and changes, annual requalifications and validations, material certificates, traceability records, corrective actions, audit reports, quality performance, inspection and test results, manufacturing documents, in accordance with industry standard requirements for STEP/G..

9.3 Contingency plans

The SUPPLIER is obliged to develop contingency plans containing at least the elements based on the requirements of IATF 16949, including potential cyber-attacks on IT systems, in order to adequately protect the delivery of contractual products by STEP-G. The SUPPLIER develops a contingency plan for each production/shipping site. The plans include a risk assessment, potential impacts, escalation levels and a notification procedure. The plans must be regularly (at least annually) reviewed for their effectiveness. Issues with a specific impact on STEP-G must be considered and communicated to STEP-G in case of increased risk.

9.4 SUPPLIERS Performance Monitoring / Customer Satisfaction

The SUPPLIER is evaluated in a multidisciplinary approach with regard to performance in the categories of quality, logistics and customer satisfaction, taking into account actual performance. STEP-G transmits this supplier evaluation to the SUPPLIER. The SUPPLIER initiates corrective and continuous improvement measures in a result-oriented manner. These measures are proactively communicated to the relevant STEP-G receiving location and are subject to regular review. The evaluation can have consequences for the future business relationship between STEP-G and SUPPLIER.

9.5 Incoming Goods Inspection

STEP-G is not obliged to carry out an incoming goods inspection that goes beyond the scope described below. After receiving the contractual products, STEP-G checks whether the contractual products

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correspond to the ordered quantity (number) and type (identity). This check is limited to comparing the STEP-G order documentation (in particular order number, product name, order text) with the SUPPLIER's delivery documents (in particular delivery note, labeling of packaging units) and also whether the contractual products show any externally clearly visible transport damage, without carrying out an individual inspection. There are no further obligations with regard to the incoming goods inspection. Deviations and/or defects in the delivered contractual products can be identified in particular during processing (assembly) or the field behavior of the contractual product and asserted by STEP-G against the SUPPLIER. STEP-G will immediately inform the SUPPLIER of any defects identified during the incoming goods inspection, processing or field failure. If STEP-G complies with its obligations under this clause 9.5, the SUPPLIER waives the objection of late defects (Section 377 of the German Commercial Code).)

If production downtimes at STEP-G or its customers are threatened because of defective deliveries and services by the SUPPLIER, the SUPPLIER undertakes to remedy the situation immediately (replacement deliveries, sorting or rework). STEP-G can, after consultation with the SUPPLIER, carry out the repairs itself or have them carried out by a third party. The costs incurred as a result of this are borne by the SUPPLIER. If the SUPPLIER does not respond to attempts by STEP-G to contact them for consultation within 24 hours or cannot be reached within the same time, STEP-G can carry out or commission short-term sorting and/or rework measures to prevent damage, even without prior consultation, at the SUPPLIER's expense.

9.6 Certificate

If specified, a signed Certificate of Conformity shall be retained by the SUPPLIER or included with each shipment. The Certificate of Conformity shall contain the actual results confirming compliance with all specified and agreed requirements.

10. Product life cycle

10.1 Advanced planning of quality

The aim of STEP/G is to pursue a prevention-oriented and risk-based approach in the various phases of process development with the overarching goal of avoiding potential deviations and delivery problems in series production. Before the offer or order is confirmed, the SUPPLIER carries out a feasibility study using relevant documents such as technical specifications to ensure safe production with appropriate production facilities. To this end, the SUPPLIER must plan and implement preventive maintenance for measuring equipment, tools and facilities provided by STEP-G. SUPPLIERS responsible for design must use reliability methods (e.g. VDA RGA, APQP) during the product design, verification and validation phase to ensure the robustness and durability of their contractual product. If necessary, separate coordination must be carried out by the STEP-G procurement department.

10.2 Feasibility Statement

The SUPPLIER shall submit a feasibility statement with its offer in which the SUPPLIER analyses whether it can meet all the specified requirements for the contractual product offered. The analysis must refer to the project plan (time planning), quantities, quality objectives, technical, safety, environmental,

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legal and regulatory requirements. The analysis must also consider potential risks, risk reduction measures and experience from previous (similar) projects/products.

10.3 Prototypes and pre-series parts

If prototype and pre-series parts are required, the SUPPLIER coordinates the production and test conditions with STEP-G and documents them. Pre-series parts are to be manufactured according to final series production conditions. The SUPPLIER must carry out and document the sampling in a comprehensible and traceable manner according to the required standards.

10.4 Initial sampling

An initial sampling is used to determine whether a SUPPLIER meets all of STEP-G's and its customers' requirements, specifications and process requirements. The resulting initial samples must be manufactured using manufacturing processes and tools that will be used in the subsequent series delivery. The production methods used for the initial sample test report (ISIR) must have the defined ability to consistently produce contractual products while running at the required minimum production rate. This information is subject to review by STEP-G. The standard template must be suitable for the respective industry and market, e.g. PPAP Level 3, VDA Volume 2 or EN 9102. Associated ISIR sample parts must be clearly marked as such. If necessary, an additional pre-series and safe launch concept must be applied. The SUPPLIER's contractual product and processes are approved when the ISIR cover sheet has been signed and released by STEP-G. Approval by STEP-G does not release the SUPPLIER from liability for delays or defects. STEP-G will only accept the SUPPLIER's contractual products into series production after written approval of the initial inspection. Series deliveries from the SUPPLIER to STEP-G before initial inspection approval require special approval. STEP-G reserves the right to reject the goods if approval or special approval is not granted. This does not give rise to any claim for expenses or compensation by the SUPPLIER. An approved SUPPLIER deviation request from STEP-G is required for the shipment of SUPPLIER contractual products before full written approval.

10.5 Requalification

The SUPPLIER will requalify its contractual products regularly, at least once a year, unless otherwise agreed with STEP-G. The re-qualification consists of a layout inspection and a functional test for applicable requirements. The results must be documented and made available to STEP-G for evaluation upon request. For this purpose, the initial sample test report forms according to the EMPB standard must be used to document the results. In the event of non-compliant test results, the SUPPLIER is obliged to inform STEP-G immediately in writing.

Note: Verified properties/requirements that are regularly checked during normal production according to the control plan can be used and included in the annual requalification.

10.6 Process capability and control

Product and process characteristics for which capability studies are to be carried out are coordinated with STEP-G. The SUPPLIER monitors and controls the characteristics for which performance is required using suitable methods (e.g. statistical process control (SPC), error prevention methods, 100% testing, etc.) and documents the control requirements in the applicable production control plan.

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Unless otherwise agreed with STEP-G, the acceptance criterion for short-term studies is a Cmk and Ppk ⩾ 1.67 and for long-term process capability is a Cpk ⩾ 1.33. For the "special characteristics" mentioned in the specification documents (e.g. drawings, CAD data sets), the following requirements regarding performance capabilities may be made, deviating from the above standard: Process performance index/machine performance index Ppk/Cmk ⩾ 2.0; Stable processes process capability Cpk ⩾ 1.67.

Within the scope of technical possibilities, monitoring methods and manufacturing processes must be used that inevitably prevent the delivery of defective parts (Poka Yoke). Achieving the required capabilities does not release the SUPPLIER from the zero-defect principle.

10.7 Suitability for testing processes

The SUPPLIER carries out statistical studies on the test process suitability of test equipment and test devices that are listed in the production control plan or are otherwise necessary for process control, in particular to maintain process capability, in accordance with industry-standard methods (see VDA Volume 5, AIAG MSA). The specified requirements must be ensured by the SUPPLIER throughout the entire product life cycle, including changes such as product changes, process changes, measuring system changes, measuring system repairs or any other change that could affect the performance of the measuring system.

10.8 Labelling and traceability

The SUPPLIER's identification and traceability system takes into account its internal risk assessment and ensures that the contractual products used (including subcomponents) can be traced back to the date of manufacture, shift, equipment, tool number and the respective test/conformity results. The system used by the SUPPLIER includes the trace information from sub-suppliers and service providers. Based on the SUPPLIER's internal risk assessment, batch sizes are determined that minimize both the internal and external risk of non-compliant contractual products. The SUPPLIER applies the FIFO (First In - First Out) principle for its internal processes and for contractual products delivered to STEP-G. If there are no contractual product-specific requirements, the SUPPLIER submits its proposal to STEP-G for the identification and traceability system used. Details are agreed between STEP-G and the SUPPLIER as part of the product quality planning.

For packaged parts, a maximum of 2 trace codes per packaging unit (roll, tray, tube, etc.) are required. For contractual products without sufficient labeling options on the contractual products themselves (bare die, small part size, etc.), the traceability data must be attached to the packaging. Unless otherwise agreed, the batch purity of each packaging unit must be guaranteed.

10.9 Durability

When storing the contractual products, the SUPPLIER will use methods that ensure full protection of all specified requirements for the contractual products. Special storage conditions that go beyond the usual state of the art must be agreed separately in writing for the contractual product in advance. The shipment of contractual products with a production date older than 12 months must be notified to STEP-G by the SUPPLIER before delivery. STEP-G will state in writing whether delivery of the goods is

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possible or whether a new qualification is necessary. In this case, the SUPPLIER must bear the costs of new qualification.

10.10 Lifecycle Coverage - Parts Termination Notice (PTN)

STEP-G is obliged to supply spare parts to its customers after the end of mass production of STEP-G's customer products. In the case of delivered, customer-specific contractual products (contractual product with specification originating from STEP-G or for which STEP-G holds the exclusive rights), delivery (series and aftermarket requirements) must be ensured by the SUPPLIER in accordance with the contractually agreed subsequent delivery period. The subsequent delivery period is based at least on the subsequent delivery period agreed between STEP-G and the customer.

If the standard contractual product (contractual product with a specification originating from SUPPLIER that is not in the SUPPLIER's standard warehouse and/or standard portfolio) is unavoidably discontinued, the SUPPLIER sends a written notice of part termination to STEP-G at least 24 months before such a planned discontinuation.

All affected part numbers/contractual products from STEP-G must be identified with the TKM. The SUPPLIER will indicate alternative products/solutions for replacement and specify the required storage and handling methods if the TKM results in a final purchase by STEP-G. The TKM must be in writing. This must be sent by the SUPPLIER by email or by letter to the purchasing department of STEP-G.

11. Special release in case of product or process deviations

Deviations from agreed or approved processes and contractual product requirements/regulations require approval by STEP-G. Requests for deviation approval for contractual products or processes shall be submitted to STEP-G's receiving plant for review and approval prior to shipment of the contractual products. Contractual product/process deviations should only be requested or approved for a specific period of time or quantity. If requested, a problem resolution report shall accompany the deviation request, the preferred option being the 8D report (Eight Disciplines - Problem Resolution Process/Report). This report shall indicate when the SUPPLIER plans to return to normal production and the method used to identify planned deliveries, including how traceability will be maintained during and after the deviation period.

12. Changes to approved products and processes

The SUPPLIER and its subcontractors may not make any changes to a contractual product, or processes used to manufacture or test a contractual product without written approval from STEP-G. Approval must be obtained in a change procedure. The change must be submitted to STEP-G via a new sampling. The scope of sampling must be agreed between the SUPPLIER and STEP-G. The change procedure applies to all series, pre-series and prototype contractual products and processes.

Changes that require written approval from STEP-G before implementation:

- Changes to the PRODUCT or packaging,

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- Changes to subcontractors
- Changes to manufacturing methods, manufacturing equipment, design changes to tools and processes that affect shape, fit, function, performance and reliability,
- Relocation or establishment of production and development sites (only for development sites that are responsible for STEP-G projects during the development phase),
- Changes to testing procedures/facilities
- Production stop for more than 12 months.

In this context, SUPPLIER will provide quality evidence agreed between STEP-G and SUPPLIER.

13. Problem solving and handling of deviations

13.1 Non-compliant products / corrective actions

If no other error analysis has been agreed, a field failure analysis must be carried out for returns from the field using the "Field Failure Analysis" approach (FFA cf. VDA). No Trouble Found (NTF) can trigger a review with STEP-G and/or the customer to carry out further analyses and/or tests and to apply measures based on the FFA requirement.

STEP-G reserves the ownership rights to all contractual products returned for analysis. If destructive tests are required to determine the causes, STEP-G must be informed by the SUPPLIER before the test. The destruction of contractual products returned for analysis without the consent of STEP-G is not permitted. Material in connection with a complaint for which responsibility is undetermined or disputed must be stored by the SUPPLIER in a restricted warehouse at its own expense, unless otherwise agreed. Return deliveries must be clearly marked. Packaging units must be marked with a restricted or scrap sticker. Information on the status of the material, delivery date and production must be visible. The information must be provided in such a way that it is legible upon arrival at STEP-G.

13.2 Problem Solving Method

The SUPPLIER must have authorized and trained personnel capable of resolving contractual product and process issues quickly and permanently. Problem resolution must be performed using a defined, structured process such as the 8-Discipline Process, Six Sigma DMAIC (Define, Measure, Analyze, Improve and Control) or another process that includes root cause verification and validation of the effectiveness of corrective actions. Deep analysis techniques such as 5-Why and Ishikawa must be applied as needed and requested.

Schedule and content for reporting:

- The first response with immediate measures must be reported to STEP/G no later than 24 hours after receipt of the information.
- The causes must be analyzed, and measures defined no later than 14 calendar days after receipt of the complaint by STEP/G. STEP/G must have at least one interim report.
- The final measures, planned implementation dates and measures to prevent recurrence of failures must be defined no later than 60 calendar days after receipt of the complaint by STEP/G. If these measures have not yet been implemented, the date for resolving the complaint will be set by the SUPPLIER and communicated to STEP/G.

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13.3 Allowance

For each justified complaint, we will charge you a flat-rate fee of €150. For more extensive complaints, the costs will be billed at an hourly rate of €68 per hour or part thereof, as evidenced, considering the statutory obligation to mitigate damages.

14. Escalation process

If the SUPPLIER does not meet defined requirements and obligations with regard to its contractual product, STEP-G will apply an escalation process with regard to the SUPPLIER. Based on the severity of the situation caused by the SUPPLIER, STEP-G will announce defined escalation levels. The aim is de-escalation. The escalation is triggered either by current misconduct or a negative supplier rating. In the case of a negative supplier rating, level 1 (see below) is automatically triggered if there is a deviation from A to B. If a rating falls into C, level 2 is triggered directly. If the corrective measures do not lead to the desired result, levels 3 and 4 follow as a further escalation.

Supplier Evaluation Scheme:

90% to 100% corresponds to the assignment A

80% to <90% corresponds to the assignment B

<80% corresponds to the assignment C

The supplier identification is based on the relative values listed above. The delivery performance (quantity and punctuality), the quality management (communication and incidents), the commercial classification and the product-specific classification are evaluated.

	Level 1	Level 2	Level 3	Level 4
Trigger	Supplier has problems	Supplier has weaknesses in problem solving	Supplier needs ext. Support to stay deliverable	Supplier cannot produce delivery capability
Actions	Vulnerability analysis Improvement program by suppliers	Q-Discussion with the executing department incl. management	Q-Talk with the involvement of top management Escalation Workshop	Allocation block Redistribution of delivery quotas Introduction Change of supplier
Team	Departments	Management	Top Management	Top Management

Based on the escalation level, the SUPPLIER must provide appropriate resources to ensure appropriate communication and the consistent definition and follow-up of necessary measures.

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Regardless of the escalation level, the SUPPLIER will take all necessary measures to ensure that STEP-G receiving plants do not receive defective contractual products. Such measures may include additional/redundant checks up to the need for a 100% check.
In level 3, the SUPPLIER will commission an independent third party (approved by STEP-G) to carry out all defined measures and any further necessary improvements at the supplier's expense. The SUPPLIER will report to STEP-G the status of the measures initiated and their effectiveness. Contractual products that are shipped during the escalation levels must be marked with a jointly agreed identification procedure. If the SUPPLIER cannot restore delivery capability despite external help, new contracts are excluded, and a change of supplier will be initiated. All direct and indirect costs caused by this escalation process will be invoiced to and borne by the SUPPLIER.

15. Final provisions

Changes and additions to this agreement, including changes to this written form clause, must be made in writing.

If provisions of this agreement are or become invalid or unenforceable in whole or in part, the validity and enforceability of all other provisions of this QSV shall not be affected. The invalid or unenforceable provision shall be deemed to be replaced by the valid and enforceable provision that comes closest to the economic purpose pursued by STEP-G and the SUPPLIER with the invalid or unenforceable provision.

This agreement and its interpretation shall be subject exclusively to the law of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 (CISG) shall not apply.

STEP/G	[SUPPLIER]
Place / Date	Place / Date
Function / Name	Function / Name
Function / Name	Function / Name

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16. Revision Tracking

Version	Date	Author	Changes
01	07-2021	Enrico Cappai	Regeneration
02	09-2021	Enrico Cappai	Inputs for supplier evaluation and criteria for escalation classification
03	01-2022	Enrico Cappai	Various votes and additions
04	03-2022	Enrico Cappai	Foreword added by interested parties, editorial changes
05	01-2025	Enrico Cappai	#4 adds the statutory obligation to provide evidence STEP-G #9.1 Procurement of documented information #9.3 Emergencies with a specific effect on STEP-G #9.5 Added “defective deliveries and services” #10.5 Added “on request” #10.10 Adjustment to “subsequent delivery time” #13.3 Note “justified and obligation to mitigate damage” added, editorial changes

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