

Preamble

This agreement is an indispensable part of the supply contract with NAP and applies to the business relationship between the SUPPLIER and NAP, including affiliated companies.

The Quality Assurance Agreement is the binding definition of the technical and organizational framework conditions regarding all deliveries and services to NAP and all companies affiliated with NAP, which are necessary to achieve the jointly pursued quality goal of "Zero Defects." It describes the minimum requirements for the supplier's quality management system.

The Quality Assurance Agreement consists of mandatory stipulations between the SUPPLIER and NAP as well as the individual agreement. In the individual agreement, specific quality assurance measures are agreed upon between business units or plants and the SUPPLIER.

2. Supplier Responsibility for the Quality of Products and Services

The SUPPLIER is responsible for the defect-free functionality and reliability of its deliveries and services (including software) in accordance with the contractually agreed technical documentation. The SUPPLIER must check the completeness and correctness of the documents and, if necessary, request further information from NAP. The SUPPLIER's quality strategy shall be oriented towards the continuous improvement of its processes and services in order to strive for the "Zero Defect" goal. If the SUPPLIER assigns orders to sub-suppliers, it is obliged to implement the requirements of this Quality Assurance Agreement towards its sub-suppliers as well. Furthermore, the supplier commits to meeting agreed deadlines, e.g., for the delivery of intermediate versions, test proofs, status reports, patches, etc.

2.1 Software and Hardware in the Context of Functional Safety

For software and hardware development in the context of Functional Safety, internationally valid standards must be taken into account depending on the application and corresponding contractual definition. These include, in particular, ISO 26262

"Road Vehicles" and ISO 13849 "Safety of machinery – Safety-related parts of control systems," as well as the industry-independent standard IEC 61508 "Functional safety of electrical/electronic/programmable electronic safety-related systems."

3. Supplier's Quality Management System

The SUPPLIER commits—building on the international standard ISO 9000/9001 ff—to introduce and maintain a quality management system with a commitment to the zero-defect objective and the continuous improvement of its services.

Furthermore, the industry-specific requirements (e.g., IATF 16949, SPICE, ISO/IEC 15504 – Part 5, etc.) of the respective business sectors regarding the quality management system apply (see also "Preamble," individual agreement).

4. Quality Management System of Sub-suppliers

The SUPPLIER shall oblige its sub-suppliers to likewise introduce and maintain a quality management system—building on the international standard ISO 9000/9001 ff—with a commitment for the sub-suppliers to the zero-defect objective and continuous improvement of their services.

NAP may demand evidence from the SUPPLIER that the SUPPLIER has satisfied itself of the effectiveness of the sub-supplier's quality management system.

If quality problems occur, the SUPPLIER will provide NAP with the opportunity to conduct an audit at its sub-suppliers.

5. Audit

The SUPPLIER permits NAP to determine through audits whether its quality assurance measures meet NAP's requirements. Following prior notice, an audit may be conducted as a system, process, or product audit. The SUPPLIER will accommodate even short-term appointment requests.

The SUPPLIER grants NAP and—if necessary—its customers access to all production sites, testing facilities, warehouses, and adjacent areas, as well as inspection of quality-relevant documents.

Necessary and reasonable restrictions by the SUPPLIER to protect its trade secrets will be accepted.

NAP will inform the SUPPLIER of the results of these audits. If measures are required from NAP's perspective, the SUPPLIER commits to immediately creating an action plan, implementing it on schedule, and informing NAP accordingly.

6. Information and Documentation

If it becomes apparent that agreed arrangements (e.g., quality features, deadlines, delivery scopes, delivery quantities) cannot be met, the SUPPLIER shall inform NAP immediately. The SUPPLIER shall also inform NAP immediately of any deviations identified after delivery. In the interest of a swift solution, the SUPPLIER shall disclose all required data and facts.

The SUPPLIER commits to obtaining NAP's consent and providing the agreed quality evidence before:

- Changes to the contract products
- Changes to manufacturing processes, sequences, and materials (including sub-suppliers)
- Change of sub-supplier
- Changes to testing methods/facilities
- Relocation of development sites
- Relocation of production sites
- Relocation of production equipment
- Changes to transport and packaging

The first three deliveries after start of production (SOP) and after the aforementioned modification measures must be marked accordingly in the delivery papers/goods tags for each delivery address.

Information regarding intended changes in connection with contract products shall be provided by the SUPPLIER in writing within a reasonable period, at least 6 months prior to the intended change. After checking for possible negative effects, approval at NAP is granted by the QA department after internal coordination with the corresponding specialist departments. If the SUPPLIER culpably fails to provide this information, or does not provide it within a reasonable period, and NAP suffers damage as a result, the

SUPPLIER may be held liable within the framework of legal provisions.

All changes to the product and in the process chain shall be documented by the SUPPLIER in a product life cycle (Product History) and handed over to NAP upon request. The SUPPLIER shall regulate the control of its documents, records, and data. Documents of external origin such as standards and customer drawings shall be included to a reasonable extent.

Retention period: End of life cycle + 15 years. Logs of incoming goods inspections, reliability/lifetime tests, final inspections, and any error analyses shall be kept for at least 24 months.

7. Product Life Cycle Agreements

7.1 Development, Planning, Release

If the order includes development tasks, requirements are defined in writing (e.g., Load Specification). The SUPPLIER commits to project management in the form of QM plans starting in the planning phase.

During contract review, the SUPPLIER checks all technical documents (specifications, drawings, source code, CAD data, etc.) for feasibility and informs NAP of any defects, risks, or improvement opportunities.

The SUPPLIER uses preventive quality planning methods (Feasibility Analysis, FMEA, Code Reviews, etc.). For all features, the SUPPLIER performs process planning. The capability of operator-dependent (visual) inspections must be proven regularly (4x / year) using "Measurement System Analysis Method 7" (MSA 7).

7.1.1 Documentation for Release

Before release, the SUPPLIER ensures NAP receives (as applicable):

- Development input documentation
- Software architecture (UML, functional plans)
- Source codes incl. environment/compiler settings
- Source code documentation (Doxygen, HTML/PDF)

- Test reports and change documentation (Index list)
- Gerber/Altium/3D data
- BOM (Bill of Materials)
- Checksums for digital products

Prior to the release of serial production, the SUPPLIER shall submit samples of the contract product manufactured under serial conditions. The scope of the accompanying documentation is to be agreed upon with NAP.

Unless otherwise agreed, sampling (initial sample inspection) shall be carried out with the following scope:

For Automotive Applications:

- VDA cover sheet including IMDS entry.
- Feasibility assessment including Special Characteristics (SC/CC).
- Material certificates.
- Measurement report including a list of all deviations.
- Ballooned drawing (stamped drawing).
- Qualification results.
- Capability proof of measurement equipment used, including MSA 7 for appearance-dependent characteristics.
- Capability proof of production facilities used (Short-term capability, Long-term capability).
- Results of risk assessments, e.g., FMEA.
- Documentation on process flow including control plan.
- Part history (part life cycle).
- Declarations of conformity (see Chapter 11).
- Marked initial sample parts.

For Non-Automotive Applications:

- VDA cover sheet including IMDS entry.
- Feasibility assessment including Special Characteristics.
- Material certificates.
- Measurement report including a list of all deviations.
- Ballooned drawing (stamped drawing).
- Qualification results.
- Declarations of conformity (see Chapter 11).
- Marked initial sample parts.

The field of application will be communicated during the product inquiry or the product development phase. Any deviations from agreed characteristics must be communicated in writing at the latest during sampling. The contract product is only considered released after written feedback from NAP.

7.2 Serial Production, Product Marking, Traceability

In the event of process disruptions and quality deviations, the SUPPLIER shall analyze the root causes, initiate corrective measures, and verify their effectiveness.

If, in exceptional cases, the SUPPLIER is unable to deliver contract products that comply with the specifications, it must obtain (written) special release (concession) from NAP prior to delivery.

The SUPPLIER shall, within the scope of its possibilities and under its own responsibility, take into account any indications and suggestions from NAP regarding the improvement of the quality of the contract products through changes in manufacturing and quality assurance.

The SUPPLIER undertakes to mark the contract products and their packaging in accordance with the agreements reached with NAP. It must ensure that the marking of the packaged contract products remains legible during transport and storage.

The SUPPLIER undertakes to ensure the traceability of the contract products delivered. If a defect is identified, traceability and the isolation (containment) of defective parts/products/batches/releases, etc., must be guaranteed. The identification and determination of the production date of the contract products must be guaranteed at all times throughout the product life cycle.

Should new procedural, testing, or work instructions become necessary during the term of the contract, they shall be added to the documentation by mutual agreement.

Insofar as NAP provides the SUPPLIER with manufacturing and testing equipment, in particular tools and facilities within the scope of the procurement of deliveries, these shall be marked as the property of NAP. The SUPPLIER is responsible

for their integrity and proper functioning and shall arrange for maintenance and repair.

7.3 Delivery, Incoming Inspection

The SUPPLIER shall deliver the contract products in suitable and – insofar as agreed – exclusively in transport means approved by NAP in order to avoid damage and quality degradation (e.g., contamination, corrosion, chemical reactions) (see also "Preamble," individual agreement).

The incoming goods inspection at NAP is limited to externally recognizable transport damage as well as the determination of compliance with the quantity and identity of the ordered products, at least on the basis of the delivery documents. Any complaints identified in this process shall be reported immediately.

The SUPPLIER must align its quality management system and its quality assurance measures to this reduced incoming inspection.

7.4 Complaints, Measures

The SUPPLIER and NAP agree that in the event of quality problems that have occurred or are anticipated regarding the contract products—including, in particular, deviations from specifications/purchase requirements, agreements reached on deadlines and delivery quantities, or other defects—the respective partner is to be informed immediately of the form and extent.

If defects are identified by NAP, these shall be reported to the SUPPLIER in the ordinary course of business. To this extent, the SUPPLIER waives the objection of delayed notification of defects.

The SUPPLIER shall then immediately perform a failure analysis, in which NAP shall support the SUPPLIER within the scope of its possibilities, if necessary.

The SUPPLIER shall receive rejected contract products back to the agreed extent. It undertakes to analyze every deviation and to inform NAP at short notice of the cause of the deviation, the corrective and preventive measures initiated, and their effectiveness.

If delivery of contract products not complying with the specification threatens to cause production standstills at NAP or its customers, the SUPPLIER

must, in coordination with NAP, provide a remedy through suitable immediate measures to be borne by the SUPPLIER (replacement deliveries, sorting, reworking, extra shifts, express transport, etc.).

7.4.1 Escalation Plan

An escalation plan is to be coordinated between the parties. Unless otherwise agreed, the attached escalation plan shall apply.

8. Quality Goals

Just as NAP is committed to its customers, the SUPPLIER is committed to the **zero-defect goal** towards NAP. If the zero-defect goal cannot be achieved in the short term, the SUPPLIER shall propose temporary upper limits for defect rates as intermediate targets and measures, and coordinate these with NAP. Falling below agreed upper limits does not release the SUPPLIER from its obligation to process all complaints and to continue continuous improvement.

The liability of the SUPPLIER for defects or for claims for damages due to defective deliveries remains unaffected.

9. Warranty and Liability

The SUPPLIER assumes the following obligations towards NAP, with the supplementary application of statutory warranty rules:

a) If an individual contract product is defective, the defect shall be reported in writing without delay. As a rule, NAP shall return defective contract products to the SUPPLIER with a **debit note**. The amount of the debit note is based on the sales price agreed between NAP and the SUPPLIER plus a **flat-rate overhead charge of €80** for the processing effort incurred by NAP.

b) Replacement deliveries shall be fulfilled exclusively in the form of NAP purchase orders. Deliveries of goods for which no NAP purchase order exists will be returned to the SUPPLIER at the SUPPLIER's expense.

c) If a defect occurs in numerous units of a contract product in certain deliveries from the SUPPLIER, a quality meeting between the SUPPLIER and NAP shall take place in addition to the

measures already stipulated in the previous sub-points of this contract. The aim of this meeting is to achieve defect-free product quality at short notice, taking into account economic and time constraints. Costs arising from these activities shall be borne by the respective contractual partner themselves.

d) Insofar as the defectiveness of individual products justifies an objectively grounded suspicion of defects regarding further contract products, the SUPPLIER shall carry out the inspection and sorting of the contract products to a reasonable extent. If the SUPPLIER fails to carry out the inspection and sorting within a reasonable period or to a reasonable extent despite a request from NAP, NAP is entitled, after setting a reasonable deadline of at least 10 calendar days, to have the reasonable and necessary inspection and sorting work carried out at the expense of the SUPPLIER.

e) The liability of the SUPPLIER for damages for defects in the contract products is governed by statutory regulations.

f) The SUPPLIER assumes no liability for force majeure, in particular not for delivery delays over which the SUPPLIER has no influence or for which the SUPPLIER is not responsible, such as lack of delivery from its own suppliers.

g) The **warranty period is 36 months** from the date of manufacture or from the date of delivery to NAP.

10. Environmental Protection

The SUPPLIER undertakes to comply with all legal regulations regarding environmental, health, and occupational safety and to keep impacts on people and the environment to a minimum through an appropriate environmental protection organization and appropriate operational environmental protection. In this regard, the introduction and further development of an Environmental Management System (EMS) according to **ISO 14001** is expected. NAP reserves the right to assess the level of implementation during audits.

11. Conformity

The SUPPLIER undertakes to provide detailed information on the composition of its products and

materials (including safety data sheets and certificates). These must comply with the currently applicable legal provisions. These include, among others:

- REACH
- RoHS
- Polycyclic Aromatic Hydrocarbons (PAH/PAK)
- Per- and polyfluorinated alkyl substances (PFAS)
- Persistent, Bioaccumulative, and Toxic substances (PBT) according to TSCA
- Conflict Minerals
- LkSG (German Supply Chain Due Diligence Act)

Furthermore, the SUPPLIER undertakes to carry out continuous risk assessments to identify and minimize potential risks associated with non-conformity. If the SUPPLIER identifies a non-conformity with the required limit values of the regulations, it is obliged to notify NAP of the non-conformity in writing.

12. Contract Duration

Unless otherwise agreed in the framework agreement, this agreement shall apply for an indefinite period from the date of contract signature. It may be terminated in writing by either contractual partner with a notice period of **three months**. The termination of this agreement shall not affect the validity of ongoing individual contracts until their full execution.

13. Final Provisions

Amendments and supplements to this contract must be made in writing. Should provisions of this contract be invalid in whole or in part, the validity of the remaining provisions shall not be affected; in this case, the partners shall agree on a valid provision that comes closest to the economic purpose of the invalid provision. The same applies to any gaps. This agreement is subject to German law, excluding conflict of laws rules; the place of jurisdiction is Stuttgart.

Date: _____

SUPPLIER

Adress/ Company Stamp/ Signature

Date: _____

NAP

Adress/ Company Stamp/ Signature

Attachment – Escalation Plan

#	Reason for Escalation	From	To	Informed (NAP)
1	Foreseeable delivery delays; disrupted cooperation, requirements not met, reaction time too slow, etc.	Clerk / Case Officer	Supervisor	Purchasing
2	No improvement detectable at Escalation Level #1 after a defined period (max. 1 calendar week).	Supervisory Level	Executive Level	Quality Management
3	No improvement detectable at Escalation Level #2 after a defined period (max. 3 working days).	Executive Level	Operations Management / if applicable, Executive Board	Operations Management / if applicable, Executive Board