

QUALITY ASSURANCE AGREEMENT

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1. GENERALITY

1. The below mentioned requirements are valid for every order/contract. Any eventual special condition or exception, will be indicated in the single orders or agreed with an additional communication;
2. The requirements are referred to the current ISO, ISO 9001:2015, ISO 14001:2015, IATF and Seveso law. More specifically, for raw materials the requirements are referred also to REACH regulation, to CLP and to other regulations applicable to chemicals;
3. The supplier undertakes the responsibility to impose the obligations deriving from ELANTAS Europe's orders to third parties and other cooperators;
4. To view our privacy disclaimer, visit the following link: www.elantas.com/europe/transparency.

2. TECHNICAL INFORMATION AND INDUSTRIAL PROPERTIES

1. The technical information provided by ELANTAS Europe belongs to ELANTAS Europe and must be used exclusively for the fulfillment of ELANTAS Europe's orders. In relation to that, the supplier must store the technical documentation and eventual samples with the maximum care, in order to return them, if necessary;
2. The supplier shall hold in strict confidence all the Information shared by ELANTAS Europe and commit itself to not disclose anything to third parties.

3. ORDER REQUIREMENTS AND PURCHASE CONFIRMATION

1. The supplier must systematically verify all ELANTAS Europe's orders to make sure that:
 - a. the order's requirements have been understood;
 - b. eventual divergences are discussed and resolved with ELANTAS Europe;
 - c. contractual requirements are completely fulfilled.
2. In case the initially agreed requirements (quantity, delivery terms, ...) cannot be respected, the supplier must promptly inform ELANTAS Europe. The supplier must strictly respect ELANTAS Europe requests, in terms of quantities and dates.

4. WARRANTY OF SUPPLY

1. No modifications to the product or to the process are allowed, unless approved and agreed in writing together with the Quality Management dept. of ELANTAS Europe;
2. In case of unavoidable variation of the specifications or of other parameters impacting on the final characteristics of the offered product / service / info security (for example change of the productive process, of the raw materials, of the production site, of the technology, of the policy and of the procedures, etc), the supplier must promptly inform ELANTAS Europe, in order to decide which type of actions have to be undertaken, so that the offered product / service / information security can be re-homologated.

5. QUALITY, PRODUCTS' SAFETY AND RELIABILITY

1. The supplier undertakes the responsibility to make all the necessary controls, in order to guarantee the reliability and the eligibility of the products and/or services to the required application and final use, as indicated in the technical documentation;
2. The supplier must guarantee a constant and punctual updating of the documentation regarding product's safety, where necessary, and inform ELANTAS Europe whereas there could be the possibility to use alternative products with an inferior degree of hazardousness. The supplier undertakes the responsibility to implement productive processes and controls able to ensure an appropriate quality according to ELANTAS Europe's prescriptions;
3. The supplier must send proactively the updated ISO certifications;
4. Besides the above-mentioned obligations and responsibilities, in case of raw materials or packaging supplies, the supplier must conform to:
 - a. Criteria and procedures of product qualification, in compliance with ELANTAS Europe requirements;
 - b. Supplies according to FIFO principle: all deliveries must be carried out in that way. If, for any reason, one or more supplies cannot follow this principle, the supplier has to ask to ELANTAS Europe for a derogation;
 - c. Traceability of the controls: the supplier undertakes the responsibility of issuing all the written documentation of the controls that have been carried out, as well as the documents certifying the quality of products or processes, and to archive them for a period of 15 years from the last supply;
 - d. Supplies traceability: the supplier undertakes the responsibility of keeping the written information related to the products that have been used to produce every single batch (manufacture);
 - e. The supply chain flow down is granted (traders and distributors must guarantee it as well).
5. Responsibility deriving from product: the supplier must ensure that the product conforms to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment and the country of destination. This is applicable also the environment and the health and safety of the workers. Therefore, in case the product or the service ordered is subject to prescriptions, in Italy, in Germany or abroad, regarding workers health and safety, recyclability or environmental safeguard etc, the supplier issue the linked documentation. It must contain the subjects, the modality and the results of verification/test of the involved characteristics. These documents must be archived by the supplier for at least 10 years and must be provided to ELANTAS Europe if requested;
6. The supplier must guarantee that all products produced for ELANTAS Europe have been manufactured without any support of child labor;
7. Retained sample (where applicable): the supplier must keep a sample in his plant, that has been realized with the homologated process and equipment;
8. In case of non-conformity, the supplier must fill the 8D-report containing the root cause analysis, the containment, corrective and preventive actions. To this purpose, ELANTAS Europe will send its own report with the preliminary details and the description of the non-conformity. It has to be intended as closed once ELANTAS Europe accepts the analysis and the measures proposed by the supplier, including eventual corrective actions;
9. Any discontinuation has to be announced 12 months in advance and, if needed, a stock for additional 12 months stock has to be granted;
10. The supplier must grant, after agreement between parts, the authorization to ELANTAS Europe personnel to have access to his productive sites for the performance of AUDITS regarding the system/process/product. The audit can be conducted only by ELANTAS Europe or also in cooperation with a third party. The supplier must agree the same obligations to its own suppliers;

11. If your products will be used for formulations of finished products employed for safety components (for example car braking systems), we will inform you. These products will be subject to ELANTAS qualification and any need for modification to the process / product must be authorized by ELANTAS before their release into production;
12. The supplier shall notify ELANTAS Europe of any planned change to design, process or site according to VDA 2 Appendix 8 Trigger Matrix;
13. Suppliers of raw materials and services that may impact the quality of ELANTAS Europe products used in automotive applications shall be certified to the ISO 9001 standard;
14. Suppliers ref. point 13 must submit with the first shipment of serial product the **PPAP-PPA**;
15. Suppliers ref. point 13 should implement, if not already in place, a plan for internal process and product audits (the use of VDA 6.5 and VDA 6.3 Check Lists is strongly recommended).

6. DELIVERY

1. If applicable, every single material shipped to ELANTAS Europe, must be properly labelled and joined by all the documents attesting its identification and conformity. The information required are the following:
 - a. Description of the product
 - b. Quantity
 - c. Lot of production
 - d. Order numberas well as all the additional information expressly requested by ELANTAS Europe;
2. The products/services must be clearly identified;
3. The delivery of raw materials must always be joined by the delivery note, the COA (Certificate of Analysis) of each batch of production, if and where applicable. The COA must be consistent with the TDS values (or the technical specifications) indicated in the purchase orders;
4. The COA must be in Italian or in English for deliveries addressed to ELANTAS Europe Srl, and must be in German or in English for deliveries addressed to ELANTAS Europe GmbH;
5. Packaging must always be accompanied by a delivery note and a certificate of conformity;
6. Products/services must be accompanied by certificates of conformity/test certificates proving the compliance between the contractual specification and the current technical norms;
7. The supplier is required to keep on stock sufficient quantities of materials (such as finished products, intermediate, raw materials, general goods, packages, etc...), in order to be able to guarantee the continuity of supplies, as per point 4.1;
8. The supplier must be sure that the products addressed to ELANTAS Europe respect the following criteria:
 - a. all products must be packaged, stocked and transported as to exclude the possibility of eventual damages, deterioration or spreading. These precautions must be maintained till delivery is completed;

- b. the packaging and the tankers must be completely clean in order to avoid any contamination;
- c. national and international prescriptions regarding transport of dangerous good must be totally fulfilled;
- d. the means of transport used for the delivery of the products must be in good conditions;
- e. All delivered products must be labelled according to the regulation regarding environment and safety, CLP/GHS and every other current regulation of the country of destination;

7. CONFORMITY, DELAYS AND DEFECTS

1. The Supplier warrants that the products or service supplied are free from defects, faults, non-compliance observed at any time, before or after use by ELANTAS Europe;
2. In case of a delivery of a non-conforming material, ELANTAS Europe has the faculty to:
 - a. Return the material at supplier's expenses for a free replacement/repair
 - b. Restore the damaged products and charge the related expenses to the supplier
 - c. Put the payments on-hold
 - d. Terminate the contract
3. ELANTAS EUROPE has the right to ask for a reimbursement to cover eventual damages caused by the non-compliance supply;
4. In case of claims and/or of non-conformity, delays of delivery etc. generating additional costs or fines, ELANTAS Europe will automatically charge them to the supplier, also compensating the expiring invoices;
5. In case ELANTAS Europe is sued for civil or contractual responsibility (including "Product liability") or in case there was a dispute regarding violation of legal prescription because of faultiness or non-conformity, the supplier is obliged to hold harmless ELANTAS Europe and indemnify all the eventual damages that have been caused.

8. QUALITY INDICATORS

1. Each continuous supplier of ELANTAS Europe will be evaluated annually according to:
 - Product quality index
 - On Time Delivery index
 - Discontinuity index
 - Special status index
 - Recall index
 - Support / Assistance

According to the total result of the evaluation, the supplier can be accepted, accepted under reservation, or rejected.

If a parameter is <90%, ELANTAS Europe will indicate a performance target. The next year, ELANTAS Europe will verify if the target has been reached. If not, a formal request for a corrective action will follow.

9. PRICES

1. The prices accepted by ELANTAS Europe are indicated on the order and can eventually change only after explicit agreement between the two parties.

10. HEALTH & SAFETY / ENVIRONMENT / PREVENTION - RISKS OF MAJOR ACCIDENT

1. The supplier must make sure that:

- a. the products/services are in compliance with the current regulations regarding health and safety, including the companies technical and professional eligibility;
- b. all the documentation requested by ELANTAS Europe's EH&S Dept. have been preventively delivered before starting operating; the authorization to have access into the plant depends on the examination of the a.m. documents;
- c. in case of works inside the plant, the supplier must be trained according to the site's Safety Management System and faithfully follow the indications reported in the "Work Permit";
- d. the documentation regarding safety must be currently updated and, if necessary, the supplier must ask preventively the permission to ELANTAS Europe to use products/services/personnel if different from the initial agreement, presenting the documents mentioned at point b);
- e. the management of waste produced during the working activity inside the plant must be agreed in advance with ELANTAS Europe's EH&S Dept..

2. in case the supplier needs to sub-contract his activities to a third party, he must:

- a. send a written request to ELANTAS Europe's EH&S Dept., indicating the type of activity to be sub-contracted (partial or total) and the company name of the sub-contractor;
- b. subsequently the sub-contractor must return for acceptance the ELANTAS Europe sub-contract authorization, provided by EH&S dept.;
- c. must collect all the documents mentioned at point b) for the sub-contracting company;
- d. Must send the above documents to ELANTAS Europe's EH&S Dept. before starting any type of activity: the authorization to access into the plant depends on the examination of the a.m. documents.

11. INFORMATION SECURITY REQUIREMENTS

1. Following TISAX's requirements ELANTAS Europe has defined some Information Security requirements to ensure protection of the organization's assets that is accessible by suppliers.

As the information can be put at risk by suppliers with inadequate information security management, controls have been identified and applied to administer supplier access to information processing facilities.

All relevant information security requirements are established and agreed with each supplier that may access, process, store, communicate, or provide IT infrastructure components for, the organization's information.

The specific information and communication technology supply chain risk management practices are built on top of general information security, quality, project management and system engineering practices but do not replace them.

2. ELANTAS Europe departments:

- a. are advised to work with suppliers to understand the information and communication technology supply chain and any matters that have an important impact on the products and services being provided;
 - b. can influence information and communication technology supply chain information security practices by making clear in agreements with their suppliers the matters that have to be addressed by other suppliers in the information and communication technology supply chain.
3. Supplier agreements are established and documented to ensure that there is no misunderstanding between ELANTAS Europe and the supplier regarding both parties' obligations to fulfil relevant information security requirements.

The following terms must be considered by the supplier to satisfy the identified information security requirements:

- a) description of the information to be provided or accessed and methods of providing or accessing the information;
- b) classification of information according to the organization's classification scheme; if necessary also mapping between the organization's own classification scheme and the classification scheme of the supplier;
- c) legal and regulatory requirements, including data protection, intellectual property rights and copyright, and a description of how it will be ensured that they are met;
- d) obligation of each contractual party to implement an agreed set of controls including access control, performance review, monitoring, reporting and auditing;
- e) rules of acceptable use of information, including unacceptable use if necessary;
- f) either explicit list of supplier personnel authorized to access or receive the organization's information or procedures or conditions for authorization, and removal of the authorization, for access to or receipt of the organization's information by supplier personnel;
- g) information security policies relevant to the specific contract;
- h) incident management requirements and procedures (especially notification and collaboration during incident remediation);
- i) training and awareness requirements for specific procedures and information security requirements, e.g. for incident response, authorization procedures;
- j) relevant regulations for sub-contracting, including the controls that need to be implemented;
- k) relevant agreement partners, including a contact person for information security issues;
- l) screening requirements, if any, for supplier's personnel including responsibilities for conducting the screening and notification procedures if screening has not been completed or if the results give cause for doubt or concern;
- m) right to audit the supplier processes and controls related to the agreement;
- n) defect resolution and conflict resolution processes;
- o) supplier's obligation to periodically deliver an independent report on the effectiveness of controls and agreement on timely correction of relevant issues raised in the report;
- p) supplier's obligations to comply with the organization's security requirements.

11.1 ICT SUPPLY CHAIN

1. Agreements with the supplier include requirements to address the information security risks associated with information and communications technology services and product supply chain.

The following topics must be considered by the supplier concerning supply chain security:

- a) defining information security requirements to apply to information and communication technology product or service acquisition in addition to the general information security requirements for supplier relationships;

- b) for information and communication technology services, requiring that suppliers propagate the organization's security requirements throughout the supply chain if suppliers subcontract for parts of information and communication technology service provided to the organization;
- c) for information and communication technology products, requiring that suppliers propagate appropriate security practices throughout the supply chain if these products include components purchased from other suppliers;
- d) implementing a monitoring process and acceptable methods for validating that delivered information and communication technology products and services are adhering to stated security requirements;
- e) implementing a process for identifying product or service components that are critical for maintaining functionality and therefore require increased attention and scrutiny when built outside of the organization especially if the top tier supplier outsources aspects of product or service components to other suppliers;
- f) obtaining assurance that critical components and their origin can be traced throughout the supply chain;
- g) obtaining assurance that the delivered information and communication technology products are functioning as expected without any unexpected or unwanted features;
- h) defining rules for sharing of information regarding the supply chain and any potential issues and compromises among the organization and suppliers;
- i) implementing specific processes for managing information and communication technology component lifecycle and availability and associated security risks. This includes managing the risks of components no longer being available due to suppliers no longer being in business or suppliers no longer providing these components due to technology advancements.

11.2 AGREEMENTS ON INFORMATION TRANSFER

1. This part of the agreement addresses the secure transfer of business information between ELANTAS Europe and the Supplier.

Information transfer agreements incorporate the following requirements:

- a) management responsibilities for controlling and notifying transmission, dispatch and receipt;
 - b) procedures to ensure traceability and non-repudiation;
 - c) minimum technical standards for packaging and transmission;
 - d) escrow agreements;
 - e) courier identification standards;
 - f) responsibilities and liabilities in the event of information security incidents, such as loss of data;
 - g) use of an agreed labelling system for sensitive or critical information, ensuring that the meaning of the labels is immediately understood and that the information is appropriately protected;
 - h) technical standards for recording and reading information and software;
 - i) any special controls that are required to protect sensitive items, such as cryptography;
 - j) maintaining a chain of custody for information while in transit;
 - k) acceptable levels of access control.
2. The information security content of any agreement reflect the sensitivity of the business information involved.

12. GENERAL PURCHASE CONDITIONS

To view our general purchase conditions, visit the following link: [Conditions of Purchase \(elantas.com\)](https://www.elantas.com/conditions-of-purchase)

ELANTAS Europe Srl

Andrea Plaitano

Managing Director



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ELANTAS Europe GmbH

Nils Arendt

Managing Director

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