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|  | <b>Quality Guideline</b> | Creation Date: 06.2016           |
|   |                          | Revision Status:<br>1.6 /05.2025 |
|   |                          | Issuing Department:<br>AQ        |

# Quality Guideline

for Suppliers of  
Production Materials

of



**Nexans autoelectric GmbH**

Vohenstraußer Straße 20, 92685 Floß


**autoelectric of America, Inc.,**

12500 San pedro Ste. 300, TX 78216 San Antonio, USA

**Nexans autoelectric (Tianjin) Co. Ltd.,**

15th Plant, Xinyesan Street 18, West District of TEDA,  
CN 300462 Tianjin, China

**herein referred as „ae“**


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### Change Documentation

| Revision Status | Brief Description   | Name      | Department | Date    |
|-----------------|---|-----------|------------|---------|
| 0.1             | New Version   | Stobitzer | AQ         | 06.2016 |
| 1.1             | Corporate Design  | Lindner   | APR        | 11.2016 |
| 1.2             | Addition 9.3  | Lindner   | APR        | 07.2017 |
| 1.3             | Delete aeA as contractual partner;<br>change ISO/TS 16949 into IATF 16949; include last sentences in 4.3  | Ellert    | APR        | 06.2019 |
| 1.4             | 3. ISO 45001, CO <sub>2</sub> footprint, added<br>4.1 Quality Planning,<br>4.3 Initial Samples Inspection,<br>8 Supplier Assessment changed<br>5.13 technical cleanliness<br>5.14 ESD Safety inserted   | Stobitzer | AQS        | 07.2021 |
| 1.5             | 5.2 Example MB added<br>5.15 PSCR added   | Böhme     | AQS-I      | 03.2022 |
| 1.6             | 4.2 IMDS data request added<br>4.3 Added IMDS company ID (Tianjin), "Attention to process overview" and contact e-mail address<br>4.4 Addition added<br>5.16 Functional safety added<br>7 Addendum added<br>8.2 Supplier evaluation changed<br>9.2 und 9.3 adjusted | Böhme     | AQS-I      | 05.2025 |

### List of Abbreviations

|       |   |
|-------|---|
| AIAG  | Automotive Industry Action Group  |
| Cpk   | Long-Term Processing Capability   |
| ESD   | Electrostatic Discharge   |
| FMEA  | Failure Mode and Effects Analysis   |
| GADSL | Global Automotive Declarable Substance List   |
| IMDS  | International Material Data System  |
| MSA   | Measurement System Analysis   |
| OEM   | Original Equipment Manufacturer   |
| PPAP  | Production Part Approval Process  |
| Ppk   | Preliminary Processing Capability   |
| ppm   | Parts per Million   |
| REACH | Regulation (EC) No. 1907/2006<br>Registration, Evaluation, Authorization and Restriction of Chemicals |
| VDA   | Association of the German Automotive Industry   |

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**Definitions**

|              |  |
|--------------|--|
| D-parts      | Parts Subject to Documentation (D-parts) |
| In writing   | Letter or Text Form (E-Mail, Fax)        |
| Business Day | Monday to Friday                         |

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## 1. Introduction

This document shall define the minimum requirements for the Quality Management System of the Supplier on the basis of a common understanding of quality in order to produce the highest quality goods for the automotive industry, to minimize costs and to further enhance the supply relationship between the partners.

## 2. Scope of Application and Contract Structure

These provisions shall apply to the entire contractual relationship between the Supplier and ae and shall compliment the General Terms and Conditions of Purchase of ae in its currently valid version and supersede these provisions, should any terms contradict each other.

By sending an offer, the Supplier undertakes to observe the described quality requirements set out in this document.

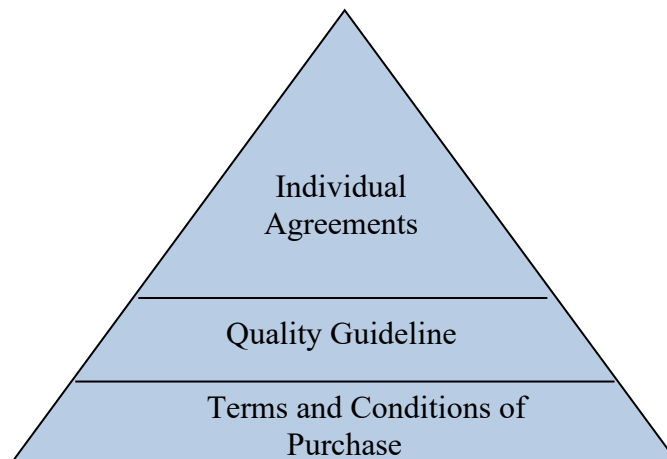



Image 1: ae Contract Structure

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### 3. Quality Management System

The responsibility for the quality of the goods delivered lies with the Supplier.

The characteristics and requirements for the Quality Management System (QM-System) are to be set out in writing into a Quality Guideline (e.g. Quality Manual) by the Supplier.

A certification proof of the QM-System, which at least corresponds to DIN EN ISO 9001, is required. A certification to IATF 16949 is desirable and provides certain benefits in the placing process. The advancement of the QM-System, involving the requirements of VDA and IATF 16949, is in any case required.

ae maintains an Environmental Management System according to DIN EN ISO 14001 and expects a responsible and sustainable approach to the environment from its Suppliers. This, as well as the compliance with all relevant regulations, shall be ensured by preferably using an Environment Management System, which also considers and improves the CO<sub>2</sub> footprint.


Furthermore, ae also keeps a management system due to ISO 45001 for safety and health at work. Also in this scope ae expects from its suppliers to comply with the relevant regulations and to design attentively processes which keep the health of the own employees.

Especially from Suppliers dealing with customized parts we expect autonomous care of and compliance with requirements of the respective customer or OEM.

The elements of quality control, quality assurance measures and responsibilities set out in the Quality Guideline shall include all areas of the company. The compliance with the Quality Guidelines shall be monitored by a department of the Supplier, which is organizationally independent from production and order processing. The Supplier shall monitor the effectiveness of all actions in order to ensure the quality and provide proof upon request of ae.

For customer service purposes as to quality, the Supplier shall appoint an expert contact partner as well as a deputy. In the event of change, the Supplier shall immediately inform ae and submit the new contact data without undue delay.

Communication languages are German and/or English.

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#### 4. Quality Assurance Prior to Serial Production

##### 4.1 Advanced Quality Planning

It is a fundamental requirement when developing new parts, to perform an Advance Quality Planning (AQP) which shall be carried out by the Supplier based on its own responsibility. The assessment of producibility has to be done by the supplier and has to be submitted to ae on demand.

For the planned procedures, processes and machines, the required capabilities are to be proven under serial conditions, documented and to be presented ae upon request. Measures to secure quality and capacity have to be defined and implemented.

The Supplier shall set up and maintain FMEAs and grant ae access upon request.

The Supplier undertakes to revise the technical data for completeness, relevance and correctness on a continuous basis.

##### 4.2 Pre-Serial Samples

Should pre-serial samples or development samples be required, these are to be delivered upon request along with the measurement report. Measurement points shall be determined together with the development department of ae. IMDS data must be created for prototype parts on request.


##### 4.3 Initial Sample Inspection

Prior to serial production an initial sampling of each part to be supplied shall be presented to ae's quality management. Possible triggers for an inspection are described in VDA 2 or in the PPAP manual (AIAG). In individual cases ae may restrict the scope of the sampling.

Scope of the initial sample inspection:

An Initial Sample Inspection Report according to VDA 2 resp. PPAP (AIAG) has to be issued in compliance with the following points:

- Initial Sample Inspection Report including all product characteristics from the relevant technical drawing and the specification, as well as a material inspection.
- Ingredients in bought-in parts are to be entered into the IMDS.  
The IMDS-Company-IDs of ae are:
  - 349 for Nexans autoelectric GmbH
  - 22611 for autoelectric of America, Inc.
  - 181512 for Nexans autoelectric (Tianjin) Co. Ltd.,
- Safety data sheet (91/155/EC), as declarable materials are contained

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- Sample quantity: 5 parts or 3 parts per cavity of injection molding tools or 20 m of wires/cables or according to separate agreement.
- Process Flow Diagram and Control Plan (with the Control Plan the Supplier confirms all production steps, corresponding inspection characteristics, random sampling, test equipment and test frequencies and the settings of regular requalifications).
- Evidence of process capability
- Evidence of MSA
- Cover sheet of FMEA
- Proof of production-ready process / self-disclosure of production-ready part (VDA 2)
- For parts, developed by Nexans
  - Pictures of all cavities of the tool
  - Part history
  - Package specification
  - Observe process overview „ Diagrammatic process from PPAP C-samples to PPF-samples“ AA 92001013

Initial sample deliveries shall be clearly marked as such.

The release of initial samplings is done by ae.


Releases performed by ae are not discharging the Supplier from its responsibility for the quality of his products, i.e. compliance with all relevant specifications (e.g. technical drawings, specification book, material data, contained substances etc.) as well as of standards, laws and regulations.

If parts have to be delivered before an initial samples report has been released the supplier is obliged to seek for an interim release. For OEM driven parts the interim release has to be requested in time at the OEM. For all other parts the interim release request has to be addressed to ae`s quality department.

If the responsible contact person is not known, the documents should be sent to the e-mail address [Bemusterung@autoelectric.com](mailto:Bemusterung@autoelectric.com).

#### 4.4 Procurement

The Supplier shall ensure that the materials supplied by its sub-suppliers meet the required and stipulated specifications and that its sub-supplier also analogously meets the quality requirements of the present Guideline. Should a material be subject to an expiration date or a minimum durability, this period has to be set out in the offer documents with regards to the delivery date. If this information is missing, we assume that your products can be used without restriction.

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The Supplier commits its sub-suppliers to establish, maintain and to continually develop appropriate quality management systems, to ensure the fault-free nature of parts bought-in, of raw materials and/or of externally processed parts.

The Supplier is responsible for the implementation and the operative handling of the quality assurance at its sub-suppliers. This, in particular, implies the integration of all systems and processes of its sub-suppliers into its own internal quality assurance processes. The entire flow of information shall be passed on from ae, along the supply chain to the Supplier and then to its sub-suppliers.

**4.5 Emergency Management**

The Supplier shall carry out a risk assessment of his entire process and delivery chain within the framework of a suitable risk analysis and, derived thereof, define appropriate emergency strategies. The results of the risk assessment and the emergency plans have to be presented to ae upon demand.

**5. Assurance of Quality with Serial Deliveries**

**5.1 Zero-Error Strategy**

The supplier is committed to the zero-defect objective and therefore is obliged to constantly control, optimize and improve its products and processes within the scope of a continuous improvement process. The Supplier has to comply at least with current state of the technology for all products and processes.

ae expects continuous deliveries free from defects i.e. each product shall comply with the agreed-upon specifications and shall be available in the agreed-upon quantity, with the agreed-upon consistently high-level of quality and at the agreed-upon time and place. The responsibility of the Supplier for the faultless conditions of its products also includes the performance of his vicarious agents (e.g. refining processes, electroplating, curing etc.).

By means of appropriate actions (e.g. inspections, control of the process parameters and others) the faultlessness of the products shall be guaranteed. These actions have to be documented.

Characteristics, which for ae or for the use of the part are of particular importance and have to be documented, shall be agreed upon on a project basis.

**5.2 Statistical Process Regulation, Process Control**

The Supplier is responsible for the implementation of effective systems to control the process and product quality ensuring stable, process-ready and controllable conditions for series production.

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The Supplier is obliged to supervise the quality with appropriate procedures e.g. processing control, statistical process control etc. and, in case of quality deviations, to timely initiate corrective actions. All testing and actions have to be documented. The Supplier has to provide evidence of its process control and process capability and provides insight into the data upon demand.

The following values apply:

|                              |                 |
|------------------------------|-----------------|
| long-term process capability | $Cpk \geq 1,33$ |
| temporary process capability | $Ppk \geq 1,67$ |

In the case of parts requiring documentation (D-parts), customer-specific higher capability indices may apply. If necessary, these are agreed on a project-specific base. Exceptions must be justified and require the written consent of ae.

Example Mercedes –Benz:

For measurable DS/DZ characteristics mentioned in specification documents (f.e. drawings, CAD data sets), the following requirements apply in deviation from the industrial standard (DS= documentation safety relevance / DZ=documentation certification relevance):

Process performance index / Machine performance index  $Ppk/Pmk \geq 2.0$   
Stable process- process capability  $Cpk \geq 1.67$

### 5.3 Handling of Defective Units


Defective units (units deviating from the agreed-upon specification) have to be clearly labelled for identification purposes, removed and stored separately. Confusion with approved units has to be excluded and non-delivery of decommissioned units has to be ensured. Reworked units are to be re-examined.

Delivery of out-of-specification units is only admissible with the written exemption from ae's quality management.

### 5.4 Handling of Units in Case of Process Disturbances

In the event of process disturbances, units shall be checked for quality deviations and defective units are to be removed. The causes for disturbances shall be analyzed, corrected and the effectiveness of the actions verified. The inspections and actions, as well as their effectiveness, have to be documented.

If the Supplier suspects or confirms that its units are defective following delivery, it is obliged to immediately inform ae in writing.

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### 5.5 Control of Tools and Devices

The operation accuracy of the tools and machines shall be controlled by means of preventive maintenance and the results have to be documented.

### 5.6 Reliability

Substantial characteristics as indicators for reliability shall be agreed upon with the quality management of ae and checked accordingly by Supplier if the technical drawing of parts contains a reference to the corresponding regulation.

### 5.7 Requalification

The Supplier has to perform annual requalifications for its products. Substantial inspection characteristics for this inspection have to be established and included into the control plan. ae gets insight in the results upon demand.

### 5.8 Certification upon Delivery

Inspection test records in accordance with DIN EN 10204 3.1 have to be attached to the delivery documents if specifically requested in the respective product specification.

### 5.9 Storage and Transportation

The Supplier has to establish a procedure to exclude the improper handling such as damaging, exceeding storage capability or other impairments of quality due to storage, transport and delivery.


Special packaging requirements shall be set down in the project-specific contractual documentation, if needed.

### 5.10 Traceability

The Supplier shall guarantee full traceability of its products and their components along the whole process chain. All necessary information and data required for traceability shall be provided by the Supplier to ae upon demand and without delay.

### 5.11 Documentation of Quality Control Measures

The Supplier shall be obliged to keep records of all quality control measures performed (from the receipt of order to delivery). In the event of damage, an impeccable and complete demonstration must be possible. The entire proof of evidence is to be provided at ae's disposal upon demand, in particular, in order to enable the defense against claims by third parties.

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Supplier's quality recordings have to be evaluable and enable an assignment without doubt to the appropriate product, production place and date. The quality records shall be securely stored in such way that they can be easily located at any time and be made available on short notice upon request of ae. The record retention period is at least 15 years.

### **5.12 Measurement and Testing Devices**

It is the Supplier's sole responsibility to equip itself with appropriate measuring and testing equipment's to the extent that all in accordance with the technical specification agreed-upon characteristics can be controlled internally and externally. In order to ensure the accuracy, reliability and usability of the measuring and testing equipment an effective monitoring system in accordance with IATF 16949 or DIN EN ISO 9001 have to be present. Capability analyses in accordance with VDA or MSA shall prove the suitability of the measuring and testing equipment.

### **5.13 Requirements for technical cleanliness**

As there are special requirements for technical cleanliness of products, they will be fixed in product specifications. If this is the case, the supplier will be obliged to implement suitable processes to obtain and regular tests to verify the requirements.

### **5.14 Requirements referring to ESD**


Ae has to be informed by the project documentation (specification) as there are special requirements for ESD safety handling. Furthermore, the package has to be signed outside with appropriate warning symbols.

### **5.15 Product safety and conformity representative (PSCR)**

As a supplier for the VW Group, we are obliged to appoint a product safety and conformity representative (PSCR) for each stage in the supply chain in accordance with the provisions of Formula Q concrete and Formula Q capability. Please name the product safety and conformity representative (PSCR) with, surname, first name, telephone number and e-mail address and share it with us. If we have not received any feedback from you regarding the PSCR, the managing director of your company is temporarily listed as a PSCR in our database and the tasks of the PSCR are also assigned to him. In case of changes of responsibility, an active information must be provided to our company.

### **5.16 Functional safety (FuSi)**

If there are special requirements regarding the functional safety (ISO 26262) of electrical or electronic products, these shall be specified in the customer's project documents. In the event of damage or at the request of the customer, the supplier must be able to prove that he has fulfilled his duty of care to exclude defects in the product and obliges his organization and employees as well as his subcontractors to ensure that the product meets the necessary requirements.

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Requirements for the protection of parts during installation or transportation must be communicated to Ae at an early stage during the development phase via processing specifications.

### 6. Goods receipt at ae

ae checks in the course of incoming goods control delivered goods against the accompanying shipping papers with regard to identity, quantity, packaging as well as transport damages. The Supplier shall be notified in case of detected deviations immediately within the ordinary course of business.

ae is exempted from the obligation to carry out immediately further incoming goods inspections. Any defects detected at a later point shall be reported to the Supplier immediately after identification within the ordinary course of business. To this respect the Supplier waives the objection to delayed complaints.

### 7. Information Requirements

ae shall be timely notified in advance in case of modifications of parts or changes in processes, e.g. production and inspection procedures, operational procedures, materials, change of Suppliers, relocation of production sites etc. (for grounds refer to VDA Volume 2 or PPAP manual) and are subject to prior approval.

In these cases, the quality management of ae decides if a new sampling is required. The Supplier is be obliged to inform ae about the compliance with any terms imposed under current legislation (e.g. REACH, regulations referring to environmental pollution or similar).


If the responsible contact person is not known, the documents should be sent to the e-mail address [Bemusterung@autoelectric.com](mailto:Bemusterung@autoelectric.com).

## 8. Supplier Assessment

### 8.1 Quality Audits

To assess the quality of the Supplier, especially but not limited to the case of repeated claims, ae is entitled to carry out quality audits at the Supplier's premises at short notice, following prior announcement. These audits are usually product or process audits on which customers of ae may also attend.

The right to do audits includes also joint audits at the sub-suppliers. Audits can also be done remote. The execution of such audits will be coordinated with the Supplier in advance. The Supplier and its sub-suppliers shall take an active role in the audits. Should competition or confidentiality be of particular importance, necessary arrangements considering these issues could be made in the run-up to the audit.

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### 8.2 Assessment of Delivery Quality

Compliance with delivery quality and specification requirements will be assessed with an ae-specific Supplier Assessment System. Criteria for the assessment are, amongst others, the quality of the materials received, ppm, delivery reliability, service (communication, reachability, reaction times, processing of claims, technical assistance, special freights, etc.).

If the supplier is classified as a B or C supplier, ae expects the identification of the target deviation and the creation of a detailed action plan including a root cause analysis (e.g. Ishikawa diagram; 5 x why) to reach immediately the A-supplier target again.

### 8.3 ppm- Agreements

Individual ppm agreements must be concluded annually in order to make the quality of deliveries transparent for both parties.

Individual ppm-values, with regard to intervention limits and actions, shall be individually agreed upon with ae's quality management. A value of 80 ppm is deemed to be binding, until an individual ppm-value has been agreed upon between ae and the Supplier.

Ppm-values shall have no influence on the warranty obligations of the Supplier for all defective parts and shall not constitute a release from the joint zero-error target.

## 9. Quality Deviations

### 9.1 Coordination of Immediate Actions

ae complains in writing to the supplier about the defective goods. Necessary immediate actions, in particular, sorting and rework or replacement deliveries shall be coordinated with the Supplier. The Supplier is expected to take an active part in the coordination and organization of immediate actions at short notice.

To some extent, however, a short-term coordination and organization of immediate actions with the Supplier may not be feasible, due to e.g. time difference when world-wide participation, initial unclear error indication or assignment of causes, missing sample parts etc.

In these cases ae may initiate on its own all necessary actions in order to keep the economic effects of the defect to a minimum for all parties involved and shall inform the Supplier in a timely manner. After that ae expects active participation of the Supplier in the further coordination of ongoing and, if necessary, additional required actions.

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### 9.2 8D-Report

The Supplier has to process the complaint as an 8D-Report. If the complaint relates to a Nexans customer complaint, the 8D report must fulfill the basic requirements of the 8-D evaluation from VDA (problem solution in 8 disciplines). The following deadlines hereby apply:

- 1 day: Processing Status 3D (immediate actions defined)
- 5 days: Processing Status 5D (permanent corrective actions defined)
- 20 days: Completion 8D (Final assessment, claim justified or not)

Only in justifiable cases longer processing period are admissible, especially when:

- Processing only possible after receipt of samples
- Cause analysis requires product-related statistical evaluations
- Corrective actions require, for example, extensive tool corrections

To identify the root cause, corresponding procedures (e.g. Ishikawa Diagram; 5 Why) shall be applied and transferred to ae. In the event of field complaints, the analysis of damaged parts must be carried out in accordance with the VDA volume "Field analysis of damaged parts" or using the company's own methods of analyzing damaged parts.

The verification of the specification documents (e.g. specifications, control plan, FMEA) is to be confirmed in the 8D-Report.

### 9.3 Costs of the Immediate Actions

The costs for immediate measures pursuant to clause 9.1 (in particular reworking, sorting, replacement, testing, laboratory, scrapping and transportation costs (internal transportation and transportation to the customer)) shall be borne by the supplier. This shall not apply if the deviation from the agreed quality is not attributable to the supplier or its suppliers or sub-suppliers.

The Supplier accepts insofar customary evidence by factory data or dealer data of the respective ae customers and limited parts submittal.

Other claims, in particular warranty claims and claims for damages, remain unaffected by the provisions of this clause. The fixed processing fee per claim is € 100 (one hundred) and has to be paid irrespective of any other damages claims.

## 10. Sustainability of the Suppliers' Quality

The Supplier shall strictly observe the laws and directives of the European Union and it is the Supplier's own responsibility to comply with any special requirements of the automotive industry

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(e.g. GADSL or similar). The Supplier shall also commit its sub-suppliers to adhere the laws and directives correspondingly.

\* \* \*

*Please note: This is the English translation of a German document.*

*The translation is provided for information purposes only.*

*In case of legal dispute only the official German version of this document is legally binding.*

*In the event of a discrepancy or difference in interpretation, the German language version shall prevail and shall be interpreted according to German law.*

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