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Chemical Assurance Agreement

between

Bader GmbH & Co. KG
Metzgerstr. 32 – 34
D - 73033 Göppingen

- hereinafter referred to as “**Bader**”

and

«**Company name**»
«Address line_1»
«Address line_2»
«Land» - «Postcode» «City»

- hereinafter referred to as “**Supplier**”

1. Scope

This Chemical Assurance Agreement (CAA) concluded with Bader is also valid to the same extent for all companies and business premises belonging to the Bader Group, as well as companies and business premises related to suppliers of the Bader Group, insofar as no bilateral agreements have been affected.

This agreement constitutes the contractual definition of the technical, logistical and organisational frame conditions and processes between Bader and the Supplier with the objective target of receiving faultless subcontracted supplies.

2. Quality and Environmental Management System

As a minimum standard, the supplier shall commit to maintain an efficient Quality Management System in accordance with DIN EN ISO 9001 (most recent version), with the objective of higher qualification according to IATF 16949 (most recent version).

Moreover, the suppliers will be expected to have an appropriate Environmental Management System, e.g. according to ISO 14001, as well as a healthy and safety system, e.g. according to ISO 45001, that complies with the respective environmental relevance and safety at work.

The Supplier shall submit a certificate as proof. Bader shall be provided with a new certificate after expiry of validity.

2.1 Quality Management/Environmental Management System of the Sub-Contractors

In the event that the Supplier obtains products, means of production, inspection equipment or other items from other suppliers for production, he shall include this in his Quality Management System and Environmental Management System and obligate his sub-contractors according to this CAA to comply with all quality and environmental requirements.

3. Supplier Assessment

3.1 Audits

Bader shall be entitled to carry out quality audits at the supplier's premises or his sub-contractor's premises, also accompanied by his end customer. The date and extent shall be agreed amicably. Reasonable measures to safeguard the know-how of the Supplier shall be accepted in the process.

The Supplier shall be informed of the audit result in writing; in case necessary measures have been determined, the Supplier shall commit to undertake corrective action.

3.2 Supplier Assessment

Bader shall regularly assess suppliers on the basis of quality, environmental and logistic aspects. The suppliers shall be provided with the assessment criteria.

Measures resulting from the supplier assessment shall be defined and implemented by the suppliers. If need be, possible necessary audits (see 4.1) shall be derived from this.

4. Initial Samplings and Resamplings

In the case of

- new products
- changes to products
- changes to tools
- changes to processes
- changes in material
- changes in drawings
- outsourcing
- interruption in production for more than 1 year

the Supplier shall provide to Bader free of cost trial samples\ materials before first delivery. Material data sheets, delivery specification, safety data sheets as well as confirmation of Bader Black list must be available for Bader at an early stage. Product specification must include a product description, product-related characteristic with inspection methods and limit values. Delivery specifications must include details of the designed use, information on service life, storage conditions, information on packaging and carriage and possible statements regarding process ability. As soon as trial samples \ materials with all documents are available at Bader, trials can be carried out by Bader , in some circumstances also with supplier. When trials are successful, material release is possible.

5. Serial Production

The Supplier shall be responsible for the use of effective systems for the monitoring of process and product quality.

All changes to parts or to the production process shall be documented by the Supplier in the part history.

The Supplier shall compile inspection plans and inspection instructions for all necessary inspections (receiving inspections, intermediate inspections, final inspections and special inspections).

With regard to content the inspection plans must be arranged in such a way that all defects that come into consideration can be found using the current best available technology.

A product specification is necessary for every product that is supplied to Bader.

The supplier shall confirm to Bader that the products in all deliveries certainly fulfil the product specification.

The product specification serves Bader as an integral part for orders.

In case of change without being requested to do so, the contractual partner must forward the new product specification to Bader following amendments and this must bear the pointer "replaces product specification dated".

The supplier shall undertake to mark all containers and packing units clearly.

Unless agreed otherwise, the designation, quantity, job numbers, order numbers, service life and batch number must appear on all containers and packing units. The batch number must be shown on all delivery notes or invoices.

Unless otherwise agreed, the shelf life must be at least 6 months on the day of delivery. If it is not possible to use up the product completely within the shelf life due to the size of the unit, Bader shall be able to return the remaining quantity to the supplier in exchange for a credit note unless agreed otherwise. Dyestuff and granulate materials must have a shelf life of at least five years as from the date of manufacture or at least 4 years and 6 months as from the day of delivery.

The supplier must ensure that the quality of the deliveries is not impaired by means of proper transport to the recipient factory of the Bader Group as well as by processing in ongoing production. The supplier shall bear the responsibility for transport, packaging etc.

Consequently he will only make delivery by means of transport and packaging that comply with these requirements. The choice and labelling of the means of transport, packaging and transport vehicles must comply with the requirements of the national and international regulations pursuant to transport law. Compliance with the currently valid packaging ordinance must be observed in the case of packaging. Damage-free transportability and processability of the product as relevant features must be ensured by means of suitable, constructive and other measures and proof provided on demand.

Bader shall be entitled to specify the means of transport and packaging. Hazardous goods packaging is subject to the current, respective valid statutory regulations of the labelling obligation.

If the delivery consists of several containers or packaging units, a reference note is necessary on the containers, packaging units and shipping documents that makes it easy to recognise that the delivery consists of several containers or packaging units. If a delivery consists of several batches, they must be specified separately in the shipping documents.

6. Verification Management/Documentation/Archiving

The Supplier shall archive all order-related and quality-related records in accordance with the regulatory requirements or customer-specific demands of the supply chain.

It must be taken into consideration that according to VDA 1¹ documents relevant to quality

¹ Volume 1 of the German Association of the Automotive Industry

containing safety relevant characteristics must be kept available for at least 15 years after phase-out of production.

The Supplier must provide Bader for each batch free of charge test certificate according to DIN EN 10 204 31 with parameters on the basis of the Material Data Sheet.

7. Incoming Goods Inspection

After receipt of the goods Bader shall check at random whether they comply with the ordered quantity and the ordered type and whether defects or damage are visible from the outside.

The purchaser shall notify the supplier in writing about any deficiencies of shipment as soon as such deficiencies have been discovered in the course of an orderly business practice. In case the purchaser complies with the aforesaid condition the supplier hereby waives his right to reject delayed notification of deficiency.

8. Action in case of Complaints

In the event that defects are discovered in the course of the incoming goods inspection, further processing or on the customer's premises respectively, an immediate complaint shall be made about this to the Supplier. The first 3 OK follow-up deliveries must be clearly marked.

In the event that Bader makes a complaint, the Supplier shall undertake to immediately initiate remedial action that guarantees permanent fault exclusion. On principle, the Supplier shall submit a written statement in an 8D report within twenty four (24) hours on the cause of failure and immediate remedial action. The 8D shall be updated regularly and made available to Bader without being asked. The same applies to the concluded 8D report.

9. Product Safety / Product Liability

The end manufacturer shall bear overall responsibility for the finished end-product. However, in the overall process chain the respective manufacturer shall bear the responsibility for parts and components used in the end product. The manufacturer shall assume warranty for the products he supplied for the length of time that Bader has to give to its customers for the end product.

The manufacturer / supplier must therefore do everything that is organisationally and technically possible to increase the product safety of his parts and that of his sub-contractors and to minimise product liability risks.

10. Environment, Emissions, Hazardous Substances

- The Supplier shall warrant compliance with Bader's "Black List", the statutory environment, emission and hazardous substances requirements and the customer-specific requirements of the supply chain.
- The Supplier shall prepare EU safety data sheet according to the respectively current valid version of REACH and in case of changes in safety data sheet send update version before next shipment.



- The Supplier shall be obligated to enter the substances used in his product in the IMDS and in the Reach systems if applicable.
- The Supplier shall comply with the respective relevant version of the specifications of EU Directive 2000/53/EG on End-Of-Life Vehicles, 2002/525/EG as well as the End-Of-Life Vehicles Act.
- Bader is an internationally active company. Hence, in consultation with Bader, known requirements must also be taken into account by other countries and compliance documented on demand (example: USA – Dodd-Frank Act).

11. Term

This Agreement shall come into effect when signed and shall be valid for an indefinite period of time. Each party can give proper notice of cancellation observing a 3 month notice period. Notice of cancellation must be given in writing.

Place of jurisdiction: Göppingen

Bader:

Place / Date

Name	Function	Signature/Stamp
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Supplier:

Place / Date

Name	Function	Signature/Stamp
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