SIEMENS

Supplier Quality Declaration for Siemens Suppliers

For the benefit of both sides, the Supplier and Siemens Aktiengesellschaft ("Siemens") are striving high quality standards and innovative technologies.

We, the Supplier, thus declare to commit ourselves to comply with these “Basic Supplier Quality Requirements”. This applies to all Products and Services supplied to Siemens ("Deliverables") on the basis of individual orders or release orders, received and accepted by the Supplier (or any delivering entity from the Supplier) from any Siemens ordering location.

The Supplier and Siemens agree that the Basic Supplier Quality Requirements also apply to their respective affiliated companies (affiliated according to § 15 German Stock Corporation Act).

1. We, the Supplier, agree to maintain a management system in accordance with ISO 9001 or an equivalent management system.
   1.1. The Supplier shall notify Siemens in writing without undue delay of any changes, interruptions, or withdrawal of the certification. The Supplier ensures that the certificate has been issued by an accredited certification authority.
   1.2. Any additional business specific requirements of Siemens regarding quality management systems may be set out in separate agreements between Supplier and Siemens.
2. If the Supplier uses subcontractors for the production or quality assurance of the Deliverables we, the Supplier, agree to ensure that the manufacturing of such goods and services are in compliance with the Suppliers quality management requirements. This shall be ensured either by way of contractual obligation or assurance testing conducted by the Supplier.
3. We, the Supplier, agree to keep records as to the carrying out of the quality management and quality assurance measures with regard to the Deliverables supplied to Siemens, e.g. records concerning feasibility studies, measurements and test results. We, the Supplier, agree to allow Siemens access to such records to the necessary extent subject to a reasonable period of notice being given.
4. Upon request, Siemens shall be entitled by appointment to audit the quality management system and the quality assurance activities of the Supplier.
   4.1. The request shall reasonably indicate the objective, type, and scope as well as time and place of the audit. During the audit, we, the Supplier, agree to make available qualified employees as support. We, the Supplier, agree to grant access to necessary / relevant documentation and manufacturing processes and allow the auditing person(s) to participate in any quality testing of the Supplier. The Supplier may refuse access to company secrets.
   4.2. The Supplier ensures to a reasonable extent that the auditing rights set out in this section shall also apply in respect of Supplier’s subcontractors.
   4.3. All expenses accruing in connection with the audit shall be borne by the Supplier, except for the expenses incurred by the auditing person(s). I.e., the expenses of the Supplier are paid by the Supplier and the expenses of the auditors are paid by Siemens. Other procedures are to be agreed on a case-by-case basis.
   4.4. Siemens may share the audit report as well as any other records resulting from the audit within Siemens and its affiliates (affiliated according to § 15 German Stock Corporation Act).
5. We, the Supplier, agree to conduct continuously appropriate quality assurance tests and out-going inspection tests prior to any delivery of products to Siemens to ensure the safety and quality of the products.
6. Siemens shall immediately upon receipt at the named place of destination examine whether a delivery corresponds to the quantity and type of products ordered and whether there are any external recognizable transportation damage or other obvious deficiencies.
   6.1. Should Siemens discover any deficiency in the course of these inspections or at any later stage, Siemens shall inform the Supplier of such deficiency.

6.2. Complaints may be raised within one month of delivery of a product or performance, and insofar as deficiencies are not discovered until commissioning, processing or first use, within one month of detection.
6.3. In this regard Siemens shall have no other duties to the Supplier other than the duties of inspection and notification above.

7. We, the Supplier, agree to provide a report on defects at request of Siemens in the format required by Siemens (8D method or comparable) with details of the defects, the cause as well as any corrective or preventative measures.
8. Should the Supplier detect, either in its own manufacturing process or from post-market surveillance data, a deterioration in the product quality, we, the Supplier, agree to inform immediately potentially impacted Siemens entities identifying the possibly affected products supplied to Siemens and providing information about the remediation measures that have been taken. The same shall apply, if the Supplier detects potential failure risks of the Deliverables.
9. We, the Supplier, agree to label the products or, in case such is impossible or unreasonable, by way of other suitable means ensure that in case of any defect being detected in a product delivered to Siemens, the Supplier can determine without undue delay which other products delivered to Siemens could be affected.
10. The Supplier shall notify Siemens in writing a reasonable time prior to the introduction of a planned change so that Siemens can check whether the intended changes could affect the Supplies. If Siemens has not been notified of the changes in time, the Supplier will notify Siemens in writing without undue delay and shall determine the further measures together with Siemens.
11. We, the Supplier, agree not to implement any changes to the Siemens-specific product or discontinuation of the Siemens-specific product without the prior written approval of Siemens. This shall not be withheld without reasonable justification.
12. If the Supplier decides to discontinue the supply of a catalogue product previously ordered by Siemens, we, the Supplier, agree to provide Siemens prior written notice in a timely manner to the date on which such product will be delivered for the last time.
13. For evaluation of risks and application of preventive methods in the development phase of the Deliverables and manufacturing process, we, the Supplier, agree to perform a process and design risk assessment (typically FMEA) including a business contingency plan, and allow Siemens to review it.
14. In case of any contradiction between these Basic Supplier Quality Requirements and any quality requirement individually agreed (e. g. in a master purchase agreement or any other agreement), the individually agreed quality requirement shall prevail.
15. In case the Supplier is acting as a retailer/distributor for relevant deliveries to Siemens, we, the Supplier, agree to ensure that all requirements and obligations under this Basic Supplier Quality Requirement Agreement are followed by the manufacturers of the delivered products and their subcontractors. This includes the conclusion of appropriate agreements with the manufacturers and the monitoring of their fulfillment. In any event the Supplier will be responsible for the contractual deliveries to Siemens and first level contact to Siemens.
16. This Supplier Quality Declaration shall be governed by and construed in accordance with the law of PRC. The application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.