

# QUALITY ASSURANCE AGREEMENT FOR MCG SUPPLIERS

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## INDUSTRY & TRANSPORTATION

29/01/2026

# QUALITY ASSURANCE AGREEMENT

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## 1 QUALITY OBJECTIVES

All material and product component supplies will be evaluated according to follow criteria and objectives:

Criteria	Definition	Objective
<b>Defects</b>	Material Quality analysis according to specifications through tests and/ or according to Incoming Inspection Instruction	No defects
<b>Time delivery deviation</b>	Difference in days between the delivery date and the agreed delivery date	No delay (<1day deviation)
<b>Quantity deviation</b>	Deviation in the quantity due to excess or miss verified between the order and the delivery	No deviation
<b>Documentation</b>	Status of documentation accompanying the shipment such as packing slips, invoices, cash sales, material certificates, identification labels and other requested documents	Complete documentation
<b>Packaging</b>	Compliance with packaging specifications on arrival	Conforming packaging
<b>Effectiveness in Resolution</b>	Evaluation of the solutions presented by supplier in effectiveness on resolving complaints (if any)	Totally solved
<b>Brevity in Resolution</b>	Supplier's brevity in resolving the complaint (in days)	Resolution in <2days

Every six months the overall evaluation of the supplier will be made, obtained by the average of the evaluation of all the supplies made in that period. The evaluation is communicated to the supplier who must respond according to the result obtained:

- A. **Qualified Supplier:** meets all requirements. No need for corrective actions.
- B. **Conditionally Qualified Supplier:** Meets most of the requirements but has deviations. It shall submit a Corrective Action Plan for the deviations identified in order to achieve the classification A.
- C. **Unqualified Supplier:** Does not meet the requirements and/or presents serious deviations. It is excluded from the List of Qualified Suppliers. To maintain the qualification must correct the deviations and perform a self-assessment, the result of which must at least be B and which must be confirmed by supplier audit, by MCG.

At the request of the supplier and by mutual agreement other objectives may be considered for the measurement of supplier Quality performance.

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## 2 SPECIFIC REQUIREMENTS AND APPLICABLE STANDARDS

It is up to MCG in the request for quotation to inform the supplier which specific requirements apply and which are the subsequent destinations of the product to the final customer. It is the responsibility of the supplier to know and fully comply with all the specific requirements of the customer from the supply chain to the OEM end customer. Example:

Component supplied to mount on MCG in final product having as direct customer ALSTOM, in this case, in addition to the GCG requirements, will have to the specific requirements of ALSTOM must also be met.

All applicable standards, acquisition of originals, version control and its archive are of the entire Supplier's responsibility.

All customer-specific requirements will have to be communicated and their compliance verified throughout the supply chain.

## 3 SUPPLIER QUALIFICATION

The initial Supplier Validation is performed through the Supplier Audit checklist which can be performed remotely by the supplier as a Self-Assessment or through a face-to-face audit if the supplier does not have a certified quality management system (ISO 9001, ISO TS 22163). Corrective Actions arising from the audit must be terminated to complete the qualification process.

The Supplier shall carry out self-assessments through process audits, when requested by the client (MCG). The Supplier shall authorize face-to-face process audits to be carried out on its installations, where requested by MCG or required by the end customer (e.g. special processes subcontractors: surface treatments, welding, gluing).

## 4 INITIAL SAMPLES APPROVAL

Any supplier wishing to start the regular supply of materials, components and services to be incorporated into parts or assemblies that MCG provides to its customers, will have to have an initial approval called FAI (First Article Inspection). This process is mandatory in the following cases:

- Product/service tailored to the MCG requirement (non-standard or catalog)
- Aesthetic product/service or safety item
- FAI required by the client. Suppliers imposed by the project have FAI coordinated by the client.

**The FAI process on special materials, components and/or processes shall include the following documentation:**

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- Material Certificate
- Product/Component Design
- Dimensional report (5 pieces measured according to specifications or dimensions indicated in the drawing)
- Test results (tests or tests specified in the drawing or specification of the product)
- Control Plan/Inspection Instruction
- Process Flowchart (in the case of Special Process)
- PFMEA (in the case of Special Procedure)

In FAI processes coordinated by MCG clients, additional documents may be required, to be communicated at the time of planning the FAI.

## 5 DEROGATIONS

When the raw materials, components or services provided do not comply with 100% of the specifications, the supplier may ask MCG for an authorization for your shipment with deviation (Order of Derogation).

To be considered, this request must be submitted to MCG at least 2 days in advance of the date of its use or shipment. MCG reserves the right to accept or reject any Order for Derogation.

Any material or component supplied under Derogation must be sent to MCG properly identified (each batch or each packaging of components or products), with a copy of the Request for Derogation approved and with separate Consignment Slip, which must be written in a form visible, "Derogated Material".

## 6 NONCONFORMITIES

When a material or product reveals deviations from the specified requirements, MCG initiates the internal measures to detect and identify non-conformity, such as dimensional, visual, mechanical deviations, MCG formalizes the complaint through e-mail and issuance of a report in the format of **Quality Incident Notification (NIQ)** that is sent to the supplier.

For each incident that results in a formal complaint, MCG will charge an administrative cost of € 100, regardless of the additional non-quality costs to be ascertained in the process.

When the supplier wishes to analyze the material being complained of, it may do so contacting the Quality Department – SQA of MCG in order to obtain permission to collect the Samples. The collection of samples will always be the responsibility of the supplier.

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## **Troubleshooting / Corrective Action Plan (in response to NIQ's):**

- Supplier's response must be made in writing in a Corrective Action Plan, (preferably using the 8D report or equivalent format). In it you should define the immediate containment measures to be taken.
- Notwithstanding the measures already taken or to be taken, aiming at clarification and investigation of the causes of non-conformity, suppliers are required to provide MCG, a first response within 24 hours, indicating immediate containment measures.
- Within a period not exceeding 14 days, the supplier must send MCG an update with definition of Corrective Actions.
- Until the complaint process is closed, whenever there are new actions implemented in the supplier's process, must be communicated to the MCG, through the sending the respective updates of the Corrective Action Plan.
- The NIQ will be considered closed when all the measures defined in the document are implemented and their effectiveness verified. The closure of the reports does not it must exceed 25 calendar days after the date of its opening.

## **Immediate containment measures to be implemented by suppliers include:**

- Urgent replacement of the material or product to replenish the stock in the MCG, with product tested ok in order to avoid any disruption in the supply chain.
- Guarantee of 100% inspection and or rework (when necessary) of the affected stock
- Whether the quality incident implies the possibility of production stoppage at MCG or the inability to deliver the product to its customers and the supplier did not provide an immediate remedy to contain such an incident, MCG reserves the right to Immediately resolve the occurrence, with costs under the responsibility of the supplier (cost fixed 25€/h).
- The supplier must inform MCG within 48 hours of its decision on the Destination of rejected products

## **The final corrective / preventive actions must be validated / dated, by the supplier:**

- Identification of the first batch supplied after the implementation of preventive measures (breakpoint).
- Guarantee of non-recurrence of the problem, verifying the definitive implementation and respective validation of prevention measures described in the Corrective Action Plan

In raw materials, for dispute resolution and clarification of doubts, the harvest of 3 samples for testing. Two of them will be sent to the supplier, one of them for shipment to the producer if it is where appropriate, the other for testing at the supplier or, if desired, for examination in the laboratory accredited and independent. The third sample will be kept in MCG. If necessary, MCG reserves the right to request testing in an accredited and independent laboratory. In the case of

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steel and aluminum, the minimum number of samples to be tested is two test pieces for each type of material.

MCG's supplier will be responsible for any material rejected based on the results of the accredited laboratory. It is also your responsibility whether to transmit to your steel suppliers or carriers, the complaint made by MCG.

From the date on which the non-compliance report was submitted, rejected materials may not remain more than 30 calendar days at the MCG facility, otherwise they will be removed to another location and be charged to the supplier the costs of transport and storage of the same. The MCG disclaims any responsibility for these materials from the moment they were rejected. In the event of a dispute, this period covers 60 days.

The supplier must ensure the scheduling of regular meetings/visits to the customer, as often as suitable to allow the monitoring of quality issues in the MCG. If the raw material has already been processed into parts and/or the use of components/services supplied, in GCM articles, and if it is proven that the same contained defects, not detectable at the reception inspection, which do not allow MCG delivers the product it reserves the right to charge the supplier of the defective material, its process costs and parts.

## Acceptance of the conditions of this agreement

I have taken note of and accept the conditions described in this Supplier Quality Assurance Agreement:

**Supplier**

**Date**

**Representative Name**

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*Signature*

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