

1. Scope and purpose

The stipulations in this "**General Quality Agreement**" shall apply to all deliveries, i.e. all materials, single parts, assemblies and services according to the company's own or third-party drawings, to catalogues, standards and other documents which are purchased from suppliers.

This Quality Agreement is an integral part of our terms and conditions of purchase. It informs the supplier about the quality assurance principles to be observed for all deliveries, the procedure of our receiving inspection and general packaging and identification regulations.

This Agreement will be supplemented by a special quality agreement or test plan for special parts or materials.

The technical documents which form the basis of our quotation requirements and orders stipulate what quality we demand.

The supplier is responsible for ensuring that its deliveries exhibit the quality demanded; it must guarantee this by means of effective quality assurance.

2. Technical documents

Technical documents are drawings, standards, EDP data carriers, test plans, parts lists, packaging regulations and additional technical regulations which are entered in the technical drawings. They are an integral part of our terms and conditions of purchase. Amendments to and deviations from the technical documents are not permitted without our approval..

It must be ensured that "third parties" cannot examine the purchaser's technical documents.

3. Changes

A product change may only be made after a change released by the purchaser in the technical documents. Major changes of the supplier's own designs shall also require the written approval of the purchaser prior to introduction.

After an approved change has been made, a note to the receiving inspection department of the purchaser shall be enclosed with the first delivery of the goods: "Delivery in acc. with the change dated"

Additional costs or changes in dates as a result of changes to drawings shall be reported to the purchaser in writing.

4. Quality assurance

Quality assurance is a joint task of the supplier and the purchaser.

As the purchaser, we shall notify the supplier:

- of our quality requirements by means of the technical drawings
- of the nature and scope of our receiving inspection for special parts and special material (e.g. by means of test plans)

The supplier's task is,

a) before accepting an order

- to clarify whether and how it can achieve the quality requirements stipulated in our technical documents
- to examine whether the technical documents are complete and clear
- to ensure that any uncertainties are eliminated, e.g. technical documents which are not clearly legible

b) after acceptance of the order

- by means of a proper receiving inspection of its deliveries
- by means of a systematic in-process inspection
- by means of a complete dispatch inspection

to ensure that we only receive deliveries which satisfy our quality requirements.

Defects discovered by the supplier

Any deviation from the order and the technical documents shall be reported to the company buyer responsible or the quality office.

The supplier shall provide information on:

- the quantity of the products affected
- the nature of and reason for the nonconformance
- action which is planned or has already been taken to rectify the defect and prevent its repetition
- the effects on the delivery date

The company buyer or the purchaser's quality office shall inform the supplier of the decision as to whether the nonconformance can be accepted or not. If the nonconformance is approved, the supplier must identify the products affected and enclose a nonconformance report in which reference is made to the purchaser's approval.

5. Specimen parts

Before the start of the first series delivery of a part, specimens shall be submitted to our receiving inspection department for assessment. The submission of specimens is also necessary for:

- the use of a new tool
- the correction of a tool
- the repair or overhauling of a tool
- a change in a drawing
- the use of new materials
- a change in production methods

1 unit shall be submitted for initial and approval specimens, 2 units for pattern release, depending on the form and use together with specimen test reports. Initial specimens which are subjected to a leak test, e.g. cast housings, shall be delivered without any primer. The initial specimen may be delivered singly or according to a special agreement - specially identified - as part of the first delivery.

ATTENTION: Identification of the consignment (product and delivery note) with a tag "Initial sample" is obligatory!

The purchaser shall examine the specimens, report the result of the inspection to the supplier and, if the findings of the specimens are positive, release volume production. Whereas the release of moulded parts always relates to the tool, the release of moulded parts and non-moulded parts which have been subjected to further processing shall only apply to the parts presented.

6. Receiving inspection of deliveries

The purchaser's receiving inspection does not affect the supplier's responsibility to observe the delivery quality. Series deliveries may not be made until the initial specimen has been released. Decisions on the acceptance or rejection of series deliveries are made on the basis of the result of random checks.

All features of every part in a consignment must lie within the limits established.

Defects detected by the purchaser

In receiving inspections, in processing, assembly and functional testing deviations from the quality requirements may be discovered by the purchaser. In such a case the supplier is informed by means of a quality notice / defect report indicating the features complained about; the purchaser or the quality office shall agree with the supplier as to whether the nonconforming product:

- can be used to a certain extent
- returned
- replaced
- reworked at the purchaser's at the supplier's expense

**General Quality Agreement
with Suppliers**

- scrapped at the purchaser's

In principle, if a delay in delivery results from the above, a new binding agreement on the delivery date shall be made between the supplier and the purchaser. Any costs incurred as a result of nonconforming products and / or any increased inspection work arising from recurring quality defects shall be borne by the supplier.

Documents

Quality documents, operating instructions and test certificates which are demanded, e.g. in accordance with EU directives or EN 10204, are an integral part of the scope of delivery and shall be handed over to the purchaser on delivery.

7. Packaging, protection against corrosion, identification

The packaging must always be selected by the supplier so that the goods arrive at the purchaser's dry, free from rust, dirt and damage.

Sensitive surfaces (fine-machined exterior surfaces, sealing surfaces, threads etc.) must not touch each other. Moreover, suitable protection against corrosion shall be used.

Preferably, exchangeable Euro-Pool mesh pallets or Euro-Pool flat pallets are to be used.

In the case of consignments for which pool pallets are not appropriate the supplier must indicate the type of packaging in the quotation.

In the case of consignments for which our technical documents prescribe a certain type of packaging the details contained therein must be observed.

Every pallet and packaging unit must be identified with an externally visible note of contents (minimum size DIN A5) specifying the supplier, purchaser, number of items, article/part numbers and order number.

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(Place, date)

STIEBEL-GETRIEBEBAU GmbH&CoKG

..... (Supplier)