Quality assurance agreement

between

SELVE GmbH & Co. KG
Werdohler Landstr. 286
58513 Lüdenscheid

-in the following as SELVE-

And

Xxxxxxx
Xxxxx
Xxxx

-in the following referred to supplier-

Preface

Quality is one of our company's guiding principles. For this reason, it is essential to regulate quality-enhancing measures between the contracting parties.

This quality assurance agreement (hereinafter referred to as QAA) defines and regulates all measures that serve the quality assurance of our products. In the common interest of a long-term, cooperative partnership, this is intended to avoid quality problems, minimize the resulting costs and ensure smooth processes between the contracting parties.

On this basis, the following agreements are made between the contracting parties:

1. Scope

This QAA is based on the supply contracts concluded by the contracting parties.
The supplier undertakes to transfer its obligations under this QAA to its sub-suppliers and to oblige them to comply with these provisions. SELVE is entitled to demand written proof of its sub-suppliers from the supplier. If SELVE does not allow this sub-supplier this is binding.

2. Quality assurance by the supplier

2.1. Quality Management System

The supplier must provide SELVE with proof that it is certified at least in accordance with DIN EN ISO 9001:2015 or maintains a quality assurance system that has been proven to meet the requirements of this standard.

2.2. Process control

Within the scope of the Quality Management, the supplier is committed to the zero-defect target. For series monitoring, the supplier must use appropriate steering measures. For agreed, special characteristics, the statistical process regulation is binding. The recordings must be made in such a way that

Quality assurance agreement

changes can be detected in good time and appropriate corrections to the defect prevention process can be initiated. The supplier must make regular spot checks for characteristics not subject to the statistical process regulation. For a lot to be adopted, there must not be a defective product in the spot check.

2.3. Quality checks

To demonstrate compliance with the quality requirements, the supplier undertakes to carry out appropriate quality checks in accordance with a quality plan it develops. The scope of the check shall be determined according to the degree of capability achieved, the importance and impact of defects.
The necessary monitoring and testing activities shall be determined by the supplier before the start of production.
In addition to these tests, SELVE may stipulate further examinations. These supplementary tests are mutually agreed between the contracting parties in accordance with the product-specific requirements and are optimally adapted.

2.4. Means of testing

The supplier guarantees that all necessary test equipment for testing the products to be manufactured for SELVE is available at any time.
The measuring and testing equipment shall be systematically monitored, tested and maintained in accordance with a procedure specified in writing by the supplier. Only calibrated measuring and testing equipment may be used.

3. Manufacturability

The supplier undertakes to carry out a manufacturability analysis before confirming the order. This serves to establish that the product can be manufactured by the supplier with the required characteristics, to the required extent and the necessary quality. The manufacturing ability is confirmed by the supplier in writing with order confirmation to SELVE.
If the supplier determines that it is unable to comply with the required requirements, it will inform SELVE immediately. The contracting parties will then agree on the way forward.

4. Initial samples and serial sampling

At SELVE's request, an initial or serial sampling shall be provided. The purpose of sampling is to ensure that the agreed product requirements are met. In particular, it is used to identify and correct development, material and manufacturing defects as well as to check production documents and equipment.
The lot size of the initial samples or series of samples shall be determined by mutual agreement between the contracting parties.
The supplier is obliged to inform SELVE of the result of the sampling, in particular the functional relevant characteristics, by presenting appropriate analysis results and documents.
SELVE then checks whether the prerequisites for series release or delivery are met. If this is the case, SELVE releases the production. Only then may the supplier start manufacturing the agreed products.

Quality assurance agreement

5. Occurrence of supplier defects during the manufacturing process

If the supplier detects a product fault or any other deviation from the agreement made during the manufacturing process, the supplier interrupts the production immediately to make a correction and to inform SELVE accordingly.
In series production, the parts manufactured before the fault occurs must be checked completely to ensure that they are defect-free. If it is established that the most recently manufactured products also have a fault and that these have already been sent to SELVE, SELVE shall be informed immediately after notification.
If defective products are discovered only after delivery to SELVE, the supplier must immediately interrupt its production after being informed of the defects, check, sort or rework the circulation stock (internally and on the way to SELVE) or stocks at SELVE. Effective corrective measures must be carried out. Non-conforming parts must be scrapped immediately.
All products already delivered will be returned at the supplier's expense upon arrangement.
Complaints are reported to the supplier in the form of a test report or a defect notice. Depending on the occasion, photos and sample pieces are sent to the supplier. An 8-D-Report form is also provided. The supplier shall submit a detailed statement within 5 working days after receipt of this inspection report. However, an initial response is expected within 24 hours of receiving the report.
The opinion must be made in the 8-D report and should include in particular:

- the quantity, size and extent of the material or parts affected by this deviation,
- technical consequences of the fault for the further processing of the product at SELVE,
- causes of defects that are indirectly or directly related to the defect,
- immediate measures taken or planned to prevent defects,
- measures that are or are to be taken to avoid these defects in the future,
- the date of the expected next defect-free delivery and evidence of the effectiveness of the measures taken.
- The contracting parties agree that a fee of € 50.00 will be charged for each complaint that is demonstrably due to misconduct on the part of the supplier, regardless of the form.

Complaints are included in the supplier evaluation, which is an important decision criterion for our purchasing department when awarding contracts.

6. Changes to the manufacturing process, information duties

The supplier informs SELVE immediately in writing as soon as it realizes that it cannot comply with agreements made with SELVE.
The obligation to provide information exists in particular in the event of a change in relation to:

- the type and composition of the processed material or raw material,
- the design,
- the production process,
- the tools (repair, conversion, re-creation),
- procedures for testing the products or other quality assurance measures,
- a change of sub-suppliers or production site for series products,
- delivery dates

The same shall apply if the supplier finds deviations in the technical documentation or incorrect or incomplete descriptions of the prescribed test procedure.
In such cases, the supplier will disclose the relevant data and facts in the interest of a timely clarification.
The continuation of series production requires a re-release by SELVE in the cases described above.
Furthermore, for the reasons set out below, the supplier will immediately inform SELVE in writing of this occasion and re-sample the affected product at SELVE's request:

- longer suspension of production (> 2 years),

Quality assurance agreement

- change of production site or production plant.

In this case, the scope of the sample is determined jointly between the contracting parties.
SELVE is entitled to reject products manufactured and delivered without the above-mentioned approval without any reimbursement.
All changes mentioned in this paragraph must be documented by the supplier.

7. Process audit

For critical components, products, systems or services, SELVE reserves the right to carry out an audit at the supplier site. This audit is carried out before the first delivery begins. In addition, in the event of recurring defects. Selve can process audits with full access to the supplier's processes, documents and employees.

8. Age of the goods

The supplier warrants to deliver only materials to SELVE whose date of manufacture, measured at the time of delivery to SELVE, was no more than 2 calendar years ago. If it is exceptionally necessary to deliver materials to older date codes, this is only permitted with the prior consent of SELVE.
If the delivery of materials older than 2 years takes place without the prior consent of SELVE, the supplier is obliged to reimburse SELVE for all costs and losses arising from this.

9. Traceability

The supplier undertakes to set up and maintain a system that ensures the traceability of its products from raw material to goods issue. Its sub-suppliers must be included in this.

10. Reservation of rectification

In the event of repairs, SELVE reserves the right to exercise this in consultation with the supplier to avoid disruptions in the course of operations. With regard to any costs incurred, the contracting parties will reach an agreement beforehand.

11. Documentation

With regard to the products to be delivered, the supplier will establish, maintain and keep available continuous documentation of the quality checks submitted by SELVE, including their results, for itself and for SELVE. This documentation includes the following minimum scope:

- test plans
- checklists
- BOM
- manufacturing orders
- relevant specifications
- any drawings

For series monitoring, the supplier must use appropriate steering measures. For agreed, special features, the statistical process regulation is binding. The recordings must be made in such a way that changes can be detected in good time and appropriate corrections to the defect prevention process can be initiated. In the case of characteristics which are not subject to statistical process regulation, the supplier must regularly take samples. No defective product may be found in the sample for acceptance of a lot.

Quality assurance agreement

12. Archiving

The supplier is obliged to keep product- and process-relevant documents, data, records and reference samples for a period of 10 years from the delivery of the products. This documentation shall include at the same time all copies of the relevant procurement documents for parts of the product to the extent necessary for traceability.
The supplier must grant SELVE access to these documents upon request.

13. Supplier rating

The supplier evaluation can be based on the results of other valuation systems, including price and punctuality, service level, third-party valuation systems or references.

14. Confidentiality

Each contractual partner will keep confidential all documents and knowledge acquired from the other partner, whether within the framework of the contracts or from third parties and will not make them available to third parties or use them for any other purpose without the written consent of the contractual partner. This also applies to all employees of both contractual partners. Sub-suppliers are obliged accordingly.
Insofar as information to be kept secret nevertheless arrives at third parties or documents to be kept secret are lost, the other contracting party must be informed of this immediately. This obligation of confidentiality shall apply indefinitely, even beyond the duration of this agreement. This applies unless the information kept secret is made publicly available by the producer or author of the data or documents.

15. Environmental protection, safety and legality

The aim is to reduce the negative impact of products on humans and the environment, taking into account technical and economic aspects from an ecological point of view. To achieve this goal, the applicable laws and regulations must be complied with. If necessary, official approvals for the production of the materials must be obtained and the resulting requirements must be constantly met. The supplier is obliged to use only substances that comply with the legal requirements of environmental protection as well as corresponding regulations and guidelines (see e.g. RoHS, WEEE, Packaging Ordinance and REACH). Furthermore, the supplier undertakes to provide information on hazardous substances at the time of order confirmation and to send SELVE unsolicited safety data sheets (new edition, valid revision).
If special checks or evidence are necessary, additional measures are agreed between the contracting parties in individual cases.

16. Liability

The agreement of quality objectives, intermediate objectives, quality measures, etc. does not exempt the supplier from liability for warranty and damages claims on the part of SELVE due to faults to the deliveries. The SELVE Terms and Conditions of Purchase apply.

17. Miscellaneous

Changes and additions to this agreement must be made in writing to be effective. This also applies to the repeal of this written form clause.
Should individual parts of this quality assurance agreement be ineffective, regardless of the legal basis, the validity of the remaining provisions will not be affected. The contracting parties undertake to replace

Quality assurance agreement

the invalid clause with a new provision that comes as close as possible to the purpose of the invalid provision.

Company xxx

hereby confirms that the quality assurance agreement, as of May 2021 of SELVE GmbH & Co. KG, Lüdenscheid, is approved.

City/Date	City/Date
Supplier	SELVE GmbH & Co. KG, Lüdenscheid