

# Quality Assurance Agreement



## Quality Assurance Agreement (hereinafter referred to as QAA)

concluded between

*[Partner]*

and

Gehring Technologies GmbH  
Gehringstraße 28  
73760 Ostfildern, Germany

and all affiliated companies

specifically:  
Gehring Naumburg GmbH & Co. KG  
C.-W.-Gehring-Straße 5  
06618 Naumburg (Saale), Germany

Diato GmbH  
Brunnwiesenstraße 9  
73760 Ostfildern, Germany

Gehring e-tech GmbH  
Gehringstraße 28  
73760 Ostfildern, Germany

*[GEHRING TECHNOLOGIES]*

# Quality Assurance Agreement



## 1. Purpose and scope

The subject of the QAA is the agreement on measures to assure the quality of the products and services to be supplied to GEHRING TECHNOLOGIES.

The primary objective of the present Agreement is to ensure that the goods and services are supplied on time, free from defects and in a legally compliant manner. Its purpose is to provide long-term assurance of the quality of high-value products as well as the smooth running of GEHRING TECHNOLOGIES' process flows.

The QAA shall form part of our general terms and conditions of purchase and supply pertaining to all contracts for services and the supply of products concluded between GEHRING TECHNOLOGIES and suppliers even if no specific reference is made to this on a case-by-case basis.

This Agreement shall apply exclusively to products supplied by the Partner on the basis of any purchase order it receives and accepts from GEHRING TECHNOLOGIES throughout the term of this Agreement.

## 2. General requirements pertaining to products

The Partner shall warrant that its products comply with the technical documentation agreed for the purchase order, such as the specification sheet, delivery specifications, drawings, factory standards, test instructions, etc. The basis thereof shall be German laws, regulations, provisions and standards, etc. The documents in question shall be identified and protected from third-party access (data protection policy).

The Partner shall additionally ensure that its products are constantly updated in line with the latest technical advances.

Modifications, particularly regarding the composition of the material used and/or construction and/or manufacturing method of the products to be supplied to GEHRING TECHNOLOGIES shall be submitted to GEHRING TECHNOLOGIES in good time prior to the planned implementation for clarification on how to proceed. Such modifications shall require the written consent of GEHRING TECHNOLOGIES.

The Partner shall confirm in writing that its products are manufactured in accordance with the terms of the contract (factory certification, declaration of conformity).

## 3. Partner's management system

**3.1** The Partner shall operate a management system based on ISO 9001/14001, VDA 6.4 or a demonstrably comparable quality assurance system recognised by GEHRING TECHNOLOGIES.

**3.2** If the supplier procures production or test equipment, software, services, materials or any other pre-supplies for the manufacture or quality assurance of products, it shall be contractually bound to include such items in its quality management system and shall independently assure the quality of the pre-supplies. The supplier shall assume all obligations and responsibilities vis-à-vis GEHRING TECHNOLOGIES.

**3.3** Subject to adequate prior notice, the supplier shall permit representatives of GEHRING TECHNOLOGIES to conduct a review of the supplier's quality management at the supplier's production facilities during the supplier's normal working hours (supplier audit).

To this end, GEHRING TECHNOLOGIES' representatives shall be granted access to all of the Partner's production facilities where the products to be supplied to GEHRING TECHNOLOGIES are produced or quality-checked. In the course of such a supplier audit, the supplier shall make all necessary documents and information available to GEHRING TECHNOLOGIES' representatives and shall provide the details requested by GEHRING TECHNOLOGIES.

## 4. Quality assurance requirements and measures to be taken by the Partner

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**4.1** The Partner shall demonstrate its proficiency in the technologies it uses by means of third-party licences, assessments or evaluations, and shall provide the capability and resources necessary to fulfil the requirements. It undertakes to utilise its knowledge and expertise to ensure the product requirements are met and to avoid errors.

Cooperative behaviour during interactions shall form part of day-to-day working practices.

As a general principle, the products and/or services shall correspond to the agreed description (e.g. specifications, specification sheet, factory standards, data sheets, drawings, test instructions, etc.) and/or the agreed samples.

**4.2** In each case, the Partner shall check immediately whether the description submitted by GEHRING TECHNOLOGIES is manifestly erroneous, unclear or incomplete, or manifestly deviates from the sample. Should the Partner conclude that this is so, it shall inform GEHRING TECHNOLOGIES in writing without delay.

**4.3** The purchase order shall make express reference to initial sample testing. In such cases, the Partner shall provide GEHRING TECHNOLOGIES with the specified quantity of initial samples.

The initial samples shall be accompanied by a test report signed by the Partner's product managers.

**4.4** Approval of initial samples shall be deemed valid only if given in writing.

**4.5** The supplier shall undertake, on its own initiative, to plan, organise and implement the production process and quality assurance in such a way that comprehensive control and monitoring is ensured and that the quality and safety requirements applicable to the products are met in their entirety in every case. Insofar as the agreed contract documentation contains specific testing specifications, these shall be included in the process and evidence of the relevant testing shall be provided.

**4.6** The Partner shall keep records of the testing it conducts and the relevant results. Such documentation shall be retained for a minimum of 10 years and shall be passed to GEHRING TECHNOLOGIES for inspection upon request.

**4.7** For products that do not meet all the specific requirements, the Partner may, in exceptional cases, request special approval prior to delivery, stating the nature and cause of the discrepancy as well as the quantity affected.

GEHRING TECHNOLOGIES may subsequently grant special approval. The production and delivery of the products in question may continue only once GEHRING TECHNOLOGIES has granted special approval in writing. Products for which special approval has been granted shall be specifically identified and the special approval shall be included when the relevant part is delivered. Special approval shall not constitute a concession regarding the quality of future deliveries.

**4.8** Measures to remedy errors shall be initiated and documented immediately following a complaint by GEHRING TECHNOLOGIES and shall be submitted promptly in the form of a structured "8-D Report" on the request of GEHRING TECHNOLOGIES.

**4.9** In the event that the contractor is responsible for missing the deadline dates specified in the integral parts of the contract (in particular, the delivery deadlines stated in the tender, purchase order or order confirmation) or in other cases of default, the supplier shall be obliged to pay a contractual penalty (penalty fee) of 0.5% of the order value, up to a maximum of 5%, for each calendar week or part thereof

by which the deadline is exceeded. Furthermore, whenever there is a failure to meet deadlines, we shall retain the right to pass on to the supplier in question the costs of additional labour (any night or weekend work) which, as a consequence of default by the supplier, becomes necessary in order to meet the deadline agreed with the end customer. The supplier shall report any delays on its part independently and without being asked to do so. In the event of deadlines being missed repeatedly, we shall be entitled to terminate the contract.

The same shall apply in the event of suspension of payments, in the event of an application for or the opening of settlement or bankruptcy proceedings, or the completion of out-of-court settlement

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proceedings. Natural disasters, unrest, measures imposed by the authorities, transport disruptions, strikes, lockouts and other operational interruptions to our business or to our supplier companies' businesses, which result in the cessation or curtailment of our production or prevent us from dispatching ordered goods, shall release us from our obligation to accept consignments for the duration of such conditions and to the extent of their effect, unless we can avert such disruptions and it is possible to avert them using reasonable means.

Any claim on the part of the supplier for consideration or compensation shall be excluded in such cases. If the dispatch of goods is hindered, the supplier shall store the goods properly at its own cost and risk until such time as we accept them.

**4.10** Notwithstanding our order specifications or the agreed delivery call-off plans, partial deliveries shall be permitted only with written confirmation from us following prior notification by the supplier. Should the supplier make a partial delivery without our prior consent, we shall be entitled to charge a flat administrative fee of 100 euros per partial delivery for the additional expense incurred (incoming goods inspection, administrative expenses, costs of accounting procedures, etc.).

**4.11** The supplier shall be obliged to include with the delivery the quality documents specified in the purchase order. Section 4.8 shall apply if these documents are not enclosed.

## 5. Quality checking by GEHRING TECHNOLOGIES

**5.1** On the basis of the agreement concluded, GEHRING TECHNOLOGIES shall dispense with technical inspections of incoming goods for the defined products or product groups.

**5.2** When the goods are received, GEHRING TECHNOLOGIES shall check only whether they match the type and quantity ordered and whether any transportation damage or other faults are externally visible.

**5.3** If GEHRING TECHNOLOGIES detects any faults or damage pursuant to 5.2, GEHRING TECHNOLOGIES shall notify the Partner of the fault or defect without delay.

**5.4** As part of its own quality monitoring system, and depending on the results to date of the quality assessment of the supplier's products, GEHRING TECHNOLOGIES shall conduct incoming goods inspections at regular or random intervals.

**5.5** Should the contractual objects prove to contain defects which are identified only at the time of commissioning or first use of the contractual objects, GEHRING TECHNOLOGIES shall be obliged to give notice of defects to the Partner without delay upon commissioning or first use of the objects.

**5.6** GEHRING TECHNOLOGIES shall have no further obligations towards the Partner other than the aforementioned duties to notify and check. This shall apply in particular to the duty to inspect and give notice of defects pursuant to Section 377 HGB (German Commercial Code).

**5.7** Different types of checking, such as initial sample checks and preliminary acceptance, shall be defined and implemented by GEHRING TECHNOLOGIES with the Partner, if required.

**5.8** In addition to the defect claims defined in law and the damages claims specified in GEHRING TECHNOLOGIES' terms and conditions of purchase, GEHRING TECHNOLOGIES shall include the results of quality checking in the supplier evaluation and shall apply the measures specified therein. The supplier shall have access to the supplier evaluation.

## 6. Term of the Agreement and termination

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- 6.1 The present Agreement shall come into force once signed by both parties to the contract, unless any other agreements have been concluded.
- 6.2 The Agreement shall be concluded for an indefinite period and may be terminated by either party with three months' notice to the end of a month.
- 6.3 Should the Agreement be ended by termination, it shall continue to apply to supply transactions agreed during the term of the Agreement.

## 7. Other agreements

- 7.1 The applicable law and legal venue shall be as defined in GEHRING TECHNOLOGIES' terms and conditions of purchase.
- 7.2 GEHRING TECHNOLOGIES' terms and conditions of purchase shall apply unless supplemented, replaced or revoked by the above conditions.
- 7.3 Any amendments and/or additions shall be made in writing. The same requirement for written form shall apply to any modifications of this clause.
- 7.4 Should any provision of this Agreement be or become ineffective or unenforceable, this shall be without prejudice to the effectiveness of the Agreement as a whole. Instead, the contracting parties shall undertake in such cases to replace the ineffective or unenforceable provision with an effective and enforceable one which reflects as far as possible the spirit and purpose of the provision it replaces.

Place/date	Ostfildern, Place/date
<i>[Partner]</i>	<i>[GEHRING TECHNOLOGIES]</i>
Stamp/signature(s)	Stamp/signature(s)