Quality Assurance Agreement

Recitals

This Agreement is an integral part of the supply Agreement between the supplier and **juwi** and for the business relations between the **Supplier** and companies of the **juwi group**.
Subject of this Agreement are all products and services delivered by the **Supplier** from all factories including Original Equipment Manufacturer production (OEM) (hereinafter referred to as “Products”).
This Quality Assurance Agreement specifies the mandatory provisions between the **Supplier** and **juwi**.

1 Supplier’s Quality Management System

Supplier agrees to implement and maintain a Quality Management System, preferably according to ISO 9001, with the obligation of achieving a zero-fault target and ensuring the continued improvement of his performance.

2 Audit

Supplier grants **juwi** the right to verify by an audit if his Quality Assurance Measures comply with **juwi’s** requirements. Following prior notification such as at least 10 business days for general system/ process audits and at least 2 business days for ad-hoc audits, an audit may be conducted as an audit of the system, process or product. **Supplier** will facilitate desired dates even at short notice.

Supplier grants **juwi** access to all facilities, testing centers, warehouses and adjoining areas as well as to quality-relevant documents. In this context, necessary and reasonable restrictions on behalf of the **Supplier** to safeguard his company secrets will be accepted. **juwi** notifies the supplier of the audit results.

If **juwi** believes that measures are required, **Supplier** is obligated to immediately develop an action plan, implement the same in due time and notify **juwi** thereof.

3 Information and Documentation

If it becomes apparent, that agreements such as quality criteria, deadlines, delivery quantities cannot be met, **Supplier** notifies **juwi** thereof immediately.
Supplier will also notify **juwi** of all deviations in quality criteria, deadlines, delivery quantities identified after delivery. To allow for a quick solution, **Supplier** discloses all needed data and facts. The parties agree to use the “Deviation Sheet” form as standard document for the announcements.

Supplier agrees to obtain **juwi’s** consent before

- changes to manufacturing methods, processes and materials (also with regard to sub-suppliers)
- change of sub-supplier
- alteration of testing method/facilities
- relocation of production

and to provide the proof of quality according to agreement.
Changes and Last-Time-Buy-Dates for Finished Goods need to be announced prior to implementation in production, the confirmation and approval of juwi must be done within a reasonable period of time.
The parties agree to use the “PCN-Product Change Notification” form as standard document for change announcements.

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4 Agreements on Product and Process

4.1 Development, Planning and Release

As part of the contract review, upon receipt, **Supplier** checks all technical documents such as specifications, drawings, item lists, CAD-data with respect to feasibility and notifies **juwi** immediately of defects and risks as well as possible improvements identified in the course of the review.
During the development phase, **Supplier** applies adequate preventive methods of quality planning such as feasibility study, reliability assessment, FMEA etc. Experiences (operational processes, process data, ability tests, etc.) from similar projects are taken into consideration.
For prototypes and pre-series models, **Supplier** consults with **juwi** regarding manufacturing and testing conditions and documents the same. The goal is to manufacture the prototypes and pre-series models under production-like conditions.

Supplier carries out a process planning (work schedules, test schedules, resources, tools, machines, etc.) for all criteria. **Supplier** ensures the suitability of production facilities. The quality is monitored by audits on a regular basis.

If **juwi** orders initial samples, **Supplier** provides initial samples manufactured under production-like conditions before the start of the series production in due time and in the agreed amount. The series production must not begin before release by **juwi**.

4.2 Series Production, Labeling of Products, Traceability

In the event of process disturbance and quality deviations, **Supplier** analyses the causes, initiates measures for improvement and follows-up for effectiveness.

If, in exceptional cases, **Supplier** is unable to deliver products according to the specifications, a special approval has to be obtained from **juwi** before delivery.

Supplier agrees to carry out the labeling of products, parts and packaging according to agreements concluded with **juwi**. He has to ensure that the labeling of the packaged products is readable also during transport and storage.

Supplier agrees to ensure the traceability of products delivered by him. If a defect is identified, the traceability and the limitation of the defective parts/products/batches etc. have to be guaranteed.

Supplier agrees to provide detailed information about the products, such as Bill of Materials, chemical material composition data, production test results, 3rd party test results or the like, on a delivery-specific base to **juwi** on demand. The demand will be communicated timely to enable preparation.

4.3 Delivery, Incoming Goods Inspection

To avoid damage and quality degradation (such as soiling, corrosion, chemical reactions), **Supplier** delivers the products in a mode of transport that is suitable and approved by **juwi**.

The incoming goods inspection by **juwi** is limited to visible damage in transit as well as the assessment of compliance with quantity and identity of ordered products, at least based on delivery documents.
Objections arising in the course of this have to be reported without delay.

Supplier agrees to adjust his Quality Management System and his Quality Assurance Measures to this limited incoming goods inspection.

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4.4 Objections, Measures

If **juwi** identifies defects, **Supplier** has to be notified thereof in the due course of business. To this extend, **Supplier** waives his right to object to late notification of defect.

Supplier will then conduct a fault analysis without delay. If necessary, **juwi** will lend adequate support.

Rejected goods will be returned to **Supplier** in the agreed amount. He is obligated to analyze each deviation and notify **juwi** quickly of the cause of the deviation, the initiated corrective and preventive measures and the effectiveness of the same.

In the event of impending production downtimes and/or assembly stop for **juwi** or their customers due to the delivery of products that do not comply with the specifications, **Supplier** has to provide remedy in coordination with **juwi** or their customers through suitable immediate measures at his own expense (product replacement, sorting or rework, extra shifts, express delivery, etc.).

4.5 Quality Problems

In the event of a quality problem, access to batch and production data has to be possible within three business days. If the problems are due to the quality of the products, contractual partners are obligated to work out approaches to solutions within one business day after the problem has occurred. **Supplier** has to ensure that short-term access to resources for fault analysis is possible at any time.

The procedure for the handling of complaints is stipulated as follows:

- 2 working days at the latest after receipt of <information/parts> (or pictures, defect samples, respectively), acknowledgement of receipt has to be sent to **juwi** (3D).
- 15 working days at the latest after receipt of <information/parts> (if needed for a primary response), primary response has to be sent to **juwi**. Contents of primary response: 8D-report including section „Immediate Measures“ (5D).
- 30 working days at the latest after **juwi** issued the complaint, a complete 8D-report has to be submitted. If this is not possible, **Supplier** has to report this together with a detailed interim report. This interim report also has to state when the complete 8D-report (or the next interim report, respectively) will be submitted. The period between two interim reports must not exceed 14 calendar days. This period of time (of 14 calendar days for submitting the complete 8D-report) may only be prolonged on the basis of detailed interim reports

Final fault analysis reports have to be meaningful, coherent and complete with regard to contents. The reporting format has to be that of the 8D-report.

5 Supplier Evaluation

juwi performs the supplier evaluation once a year. The rating contains different categories (e.g. Engineering, Quality), with several assessment criteria. The overall result is summarized and the supplier rated as A, B or C.
The supplier will be informed about his performance rating, if applicable. In case of result B or C, supplier has to provide corrective actions plan to improve his status. Suppliers with rating C will be blocked. After implementation of corrective actions, checking and acceptance from supplier quality engineer, the blocking status can be canceled.

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6 Environmental Protection / Occupational Safety

Supplier agrees to observe all statutory regulations on environmental protection and to keep impact on people and the environment as low as possible with the help of adequate conservation programs and adequate internal environmental protection. For this purpose, the introduction and further development of an environmental management system (EMS) according to ISO 14001 is expected.

juwi reserves the right to assess the level of implementation with the help of audits.

If the **Supplier** performs services on **juwi's** premises, he will observe the relevant safety and accident prevention regulations and respect **juwi's** instructions concerning the behavior at the company site.

7 Final Provisions

All changes and amendments to this Quality Assurance Agreement must be made in writing.

If a provision of this Quality Assurance Agreement is partly or entirely invalid, the remainder of the Agreement shall not be affected; the parties agree to decide upon a provision that is legally admissible and best reflects the original purpose of the invalid provision. The same applies to potential loopholes.

This Quality Assurance Agreement is governed by German law excluding the conflict of law provisions. Mainz, Germany shall be the exclusive place of jurisdiction.

Supplier	juwi
..... Company name (Stamp)	..... Stamp
..... Place	.....
..... Date	..... Date
..... Signature (name, function)	..... Signature (name, function)