

## Quality Assurance Agreement

Version 14/12/2021

### General

#### 1.0 Scope of Application

This quality assurance agreement (hereinafter referred to as the QAA) shall apply, together with all purchase contracts concluded between TS Verbindungsteile GmbH (the customer) and the supplier, unless agreed to the contrary. Any changes to this QAA must be agreed in writing. Furthermore, any further specific supplements may be agreed in writing in separate documents, on a project-specific basis. The current status shall apply to the regulations mentioned in this QAA.

#### 1.1 Preamble

This QAA applies to all deliveries and it regulates the obligations and rights of the both the customer and the contractor (supplier). In principle, the supplier undertakes to pursue a zero-defect strategy in accordance with the latest standards of technology. The supplier shall maintain a quality management system according to the currently valid version of the DIN EN ISO 9001 standard. The requirements contained therein are binding.

#### 1.2 Validity of the Agreement

This QAA shall apply to all contracts between the customer and their suppliers, commencing on the date of signature by both parties. Supplements or variations to this agreement, that are desired by the supplier, require prior agreement with the customer and written confirmation. This QAA shall apply exclusively between the contracting parties.

#### 1.3 Non-disclosure

Each of the contracting parties undertakes to treat the contents of this agreement and all information received in connection with this QAA as confidential with respect to third parties, and not to use it for purposes beyond the cooperation between the parties within the scope of this agreement. The obligation to maintain confidentiality shall also apply to any knowledge obtained during the offer phase, irrespective of whether or not an agreement is ultimately concluded. Insofar as the contracting parties have concluded a separate confidentiality agreement, the provisions made in this agreement shall apply. The obligation to maintain secrecy shall also be passed onto subcontractors and countersigned by them. In the event of termination of this agreement, the contracting parties undertake to return any documents with which they have been provided, or to destroy or delete them. The aforementioned obligation of confidentiality shall be upheld for a period of three years after termination of this agreement. Documents shared via electronic communication are excluded from destruction or deletion if back-up copies are made routinely and in an auditable manner.

### 2. Product and Process Development

#### 2.1 Advance Quality Planning

Advance quality planning must encompass the following points, at least:

- Technical and commercial manufacturability analysis
- Sample production, inspection planning with details of characteristics, frequencies, tolerances and measuring equipment

- Consideration of possible "special characteristics" that are subject to special monitoring
- Confirmation of the supplier's capacity

## 2.2 Special Features

Special features of fasteners require special attention, as deviations from the specifications with regard to such features may have an impact on subsequent production steps within the scope of the manufacturing process for the fasteners, the assembly capability, the product reliability and functional safety and service life of the fasteners, or the entire connection. They may also affect compliance with legal/official regulations.

## 2.4 Testing Equipment

The supplier must ensure that the testing and measuring equipment used is suitable for testing the characteristics specified in the specification documents. Measuring equipment shall be calibrated and verified against the applicable standards at regular intervals. The standards used must be referenced to international or national standards. The capabilities of the measuring equipment must comply with the specifications of the measuring equipment system analysis or the test equipment capability analysis.

## 3.2 Initial Sampling

Initial samples shall be prepared by individual agreement between the supplier and the customer.

## 3.3 Deliveries and Inspection of Incoming Goods

Whenever products are received, the customer shall check whether they correspond to the type and quantity ordered and/or whether there are any outwardly visible defects or whether transport damage has occurred.

Should the customer discover any damage in the course of the aforementioned inspections, this shall be reported to the supplier without delay. If any subsequent damage or defects are discovered during a quality inspection, the supplier shall also be notified accordingly without delay. The supplier thus waives the right to late notification of defects. The customer is not obligated to any further inspections and notifications vis-à-vis the supplier, other than those mentioned above.

## 3.4 Complaint Management

In the event of a complaint, the customer shall inform the supplier promptly, in writing. Complaints are processed according to 5D methodology. The time period for processing the complaint should be reasonable, usually 3-5 working days.

## 4. Labelling and Packaging

### 4.1 Labelling and Traceability

The supplier undertakes to ensure the traceability of the products delivered by them. For this purpose, the batch number for each delivery shall be indicated on the product and/or packaging as well as on the delivery note. The supplier shall ensure the quality of the raw materials, monitor it appropriately and only use approved suppliers of raw materials.

### 4.2 Packaging

The applicable packaging requirements of the customer shall be adhered to. The goods shall be delivered in such a way that any possible damage is avoided.

## 5. Monitoring and Evaluation of Suppliers

For the purpose of continuous improvement, but also in order to identify any potential risks at an early stage and to counteract them with suitable corrective measures, the supplier shall evaluate their sub-suppliers regularly, at least once a year, on the basis of standardised evaluation criteria

(e.g. adherence to delivery dates, reliability in terms of quantity, quality, etc.). The results of the supplier evaluation are an important deciding factor for the awarding of new contracts. Furthermore, the supplier undertakes to continuously implement measures for supplier development.

#### 6. Audits by the Customer at the Supplier's Premises

If the customer requires an audit at the supplier's premises, e.g. in order to check the supplier's QM system with regard to compliance with the requirements, the customer shall notify the supplier of such an audit within a reasonable period of time before the planned implementation, and come to an agreement with the supplier. Ten working days before the audit, the customer shall provide the supplier with an audit plan. If the customer does not carry out the audit directly, but rather commissions a third party (3rd party auditor) to do so, it is the supplier's responsibility to accept or reject the commissioned third party in advance. The costs of an audit shall be borne by each party for itself. Any measures to be implemented subsequently, as a result of demands made by the customer, require the approval of the supplier. In the event of a foreseeable or pending legal dispute (in the sense of a dispute over a claim), the granting of audits is excluded. A valid non-disclosure agreement between all parties involved is a prerequisite for an audit.

#### 7. Product Liability

The supplier is obliged to take out appropriate liability insurance for the risks arising from this quality assurance agreement, with regard to product liability. The cover shall be at least EUR 5,000,000 for personal injury, damage to property and pecuniary loss.

#### 8. Period of Validity

This QAA is valid for an unlimited period. It may be terminated in writing, subject to six months' notice, until the end of a quarter. However, the QAA shall continue to apply to all deliveries for which supply contracts were concluded before the termination of this QAA.

#### 9. Applicable Law and Court of Jurisdiction

The law applicable at the customer's place of business, 54634 Bitburg, Germany, shall apply, to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG). Any disputes arising from or concerning the fulfilment of this QAA shall be settled amicably by the contracting parties. Should no amicable settlement be reached, the court of jurisdiction shall be the customer's place of business.

#### 10. Severability Clause

If any provision of this QAA is or becomes invalid or unenforceable, in part or in its entirety, the remaining provisions of the agreement shall not be affected thereby. A valid and enforceable provision shall be deemed to have been agreed upon in place of the invalid or unenforceable provision. This provision shall come as close as possible to the originally intended objective of the invalid or unenforceable provision. The same shall apply in the event of any loopholes that may be determined.

The supplier agrees to the requirements set out in this Quality Assurance Agreement and undertakes to comply with them.

Bitburg, 14/12/2022

TS Verbindungsteile GmbH

Signed: Harald Heck

Supplier:

Name:

Date:

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Signature and Stamp