

CHEMNITZER ZAHNRADFABRIK

Quality Assurance Agreement (QAA)

This agreement is concluded
between the

Chemnitzer Zahnradfabrik GmbH & Co. KG
Mittelbacher Straße 5 • 09224 Chemnitz • Germany

- hereinafter referred to as CZF –

and

Name des Partners
Adresse des Partners

- hereinafter called partner –

The concept of quality

CZF does not regard its suppliers as subcontractors, but as technology partners. This general quality assurance agreement describes the rights and obligations of this partnership regarding the delivery and quality of products and services. It is intended to help improve communication between the two partners to ensure smooth processes and prevent quality problems.

As CZF's customers are located worldwide in high-tech areas of machine and plant engineering, product quality is of the utmost importance. To fulfil these high-quality standards at all times, CZF places these demands not only on itself, but also on all its partners. This applies to products, processes, procedures and documentation as well as the way in which we communicate. All these aspects are described in the QAA.

1 Introduction

1.1 Objective

The aim of this agreement is to manifest the partnership in the long term and to work together on its permanent improvement. It is important for CZF that the partner is aware of the specifications with which the components are expected to be delivered and on what date when the order is accepted. At the same time, CZF undertakes to provide the partner with the best possible support during implementation. This agreement clearly defines who bears which responsibilities.

1.2 Scope of application

This QAA shall apply to all products and services supplied by the partner to CZF during the term of this agreement.

The partner shall be responsible for the involvement of subcontractors if these have not been specified by CZF.

Upon signature by both partners, this QAA shall become an integral part of any future purchase agreement and shall apply in addition to the specifications and requirements contained in orders and technical documents.

2 General requirements

2.1 Responsibility for production

The partner is responsible for the proper delivery of products in accordance with specifications and quality, the handling of products provided and the control of its production process. He undertakes to take quality assurance measures into account in the manufacture of his products and services.

By means of suitable quality planning, the partner shall ensure that only products and services that meet the requirements and specifications of CZF are supplied. The partner is responsible for determining the inspection concept and the type of documentation.

CZF's requirements for quality assurance measures are based on DIN EN ISO 9001:2015.

2.2 Review of human rights and environmental risks

With the Supply Chain Due Diligence Act (LkSG), which came into force in Germany on 1 January 2023, CZF must ensure that the partner complies with the human rights and environmental expectations required by law. The partner must also ensure that these expectations are appropriately addressed within its own supply chain.

If compliance cannot be guaranteed or if human rights or environmental risks are known, the partner undertakes to inform CZF in advance. If a risk has been identified at the partner's own site or in the supply chain, it must be preventively minimised or eliminated to prevent violations.

Further information on this can also be found in the CZF Code of Conduct.

2.3 Technical documents

The quality-relevant characteristics and tolerance specifications to be complied with by the partner are to be taken from the technical documents such as drawings, national and international standards, guidelines or the specifications on the order. The Partner shall ensure that the goods are always manufactured, tested and

delivered in accordance with the technical documents enclosed with the order. To this end, he must check any changes to the drawing index.

Different raw material batches within a delivery must be labelled and packed separately.

In addition, it must be verified that the products to be supplied fulfil the requirements of EU Directives 2011/65/EU (RoHS2) and 2015/863/EU (RoHS3) and Regulation (EC) No. 1907/2006 (REACH incl. the components on the SVHC list that require information). In the event of deviations, the obligation to provide information regarding the existing deviation and an alternative proposal also applies here.

For all technical deviations from these documents, written approval must be obtained from CZF prior to delivery. The attached deviation request can be used for this purpose.

Approved deviations from the specifications must be noted on the delivery documents and clarified by attaching a copy of the approval document to the delivery documents.

2.4 Test equipment

The partner shall ensure that all test equipment required by CZF for the manufacture of the products is available and is subject to permanent monitoring, systematic calibration and maintenance.

Under certain circumstances, the partner's test equipment, test methods and gauges must be coordinated with CZF's quality assurance department. This applies in particular in the event of previous non-conformities.

2.5 Documentation and retention periods

The Partner is obliged to document product tests and approvals (internal as well as initial sampling and special approvals). All records that serve as proof that the quality requirements have been met are subject to a retention period of 15 years from the respective date of creation (ProdHaftG §13 para. 1: liability up to 10 years from placing on the market).

In addition, the statutory and official requirements must also be observed. At the request of CZF, the aforementioned documents must be presented in individual cases.

2.6 Passing on to subcontractors

The passing on of production orders to subcontractors is not permitted without prior notification and written authorisation from CZF. If the partner awards production orders to subcontractors, the partner must ensure that the requirements of this QAA are also fulfilled by the subcontractor.

2.7 Changes

The partner undertakes to inform CZF in advance of any changes to production processes, production locations or contact persons that may affect the product.

If these changes affect the technical and commercial requirements of the manufactured products, CZF's approval must be obtained.

2.8 Visits and audits

Visits to the partner and the CZF are planned with prior notice to intensify the partnership and to implement the agreement made in this QAA.

In addition, the CZF reserves the right to conduct an audit at the partner's premises at appropriate intervals. Based on a mutually accepted audit report, the partner undertakes - if necessary - to take corrective measures in its area of responsibility.

3 Partner processes

3.1 Contract review

Upon receipt of the enquiry or order, the partner is responsible for checking the following points:

- Are the technical documents and the resulting quality requirements unambiguous, clear and complete?

- - Can the required components be manufactured on the machines or systems available?
- - Can the specified delivery date be met?

The order must be confirmed in writing to purchasing@czf-gears.com de.

In the event of ambiguities or deviations from the specifications, including with regard to the realisable order quantity, the relevant CZF contact persons must be informed within 5 working days. If necessary, they must give their written approval.

3.2 Initial sample tests

If requested in the order, the partner must produce at least 5 parts of the products concerned as initial samples when manufacturing a product for the first time or after a change in specifications for CZF. These samples must be labelled, including a corresponding dimensional report, the associated material certificates in accordance with DIN EN 10204:2005-01 and other special test protocols, and sent to CZF prior to the release of series production and approved in writing by the quality assurance department after inspection.

The products used for initial sampling must have been manufactured completely under series production conditions.

The initial samples are cross-checked by CZF's quality assurance department and the corresponding written approval is issued. This approval authorises the start of series production of this article when the order/frame call-off is placed.

3.3 Incoming goods inspection

As part of its obligation to inspect incoming goods, the partner checks the materials used for the required properties (e.g. alloy), among other things, to ensure the correct execution of the ordered products.

Tests that have already been carried out by the material manufacturer for this purpose can supplement the Partner's own tests but must be documented with a corresponding certificate (e.g. a 3.1 acceptance test certificate in accordance with DIN EN 10204:2005-01).

3.4 Labelling and traceability

The partner must systematically ensure that at all stages of its material flow up to delivery

- the CZF products are clearly labelled in their accompanying documents,
- the production status is identifiable and
- allocation and traceability to the production documents is possible.

3.5 Defective products

To identify and prevent defects, the partner undertakes to maintain a system for handling defective products. This includes

- labelling and segregation of defective materials and products
- notification of defective materials/products provided to CZF
- blocking and clarification of the further procedure with CZF
- initiation and implementation of corrective and preventive measures for the further and future production of this product group

3.6 Reworking, deviations and special approvals

If it is apparent to the partner that reworking will not result in any deviation from the requirements in the technical documentation or any impairment of the product, the partner may plan, carry out and check the reworking on its own responsibility.

If this cannot be assessed by the partner or if an impairment cannot be ruled out, a written special release must be obtained from CZF. A copy of the special release must be enclosed with the delivery and noted in the delivery documentation.

Products that are subject to reworking by the partner must be subjected to a new inspection in accordance with the established quality inspection procedure before delivery to CZF. The reworked feature must also be subjected to a test.

3.7 Handling, preservation and packaging

All components must be delivered free of dust and chips. The partner shall take suitable measures regarding its handling and packaging (if not provided) to ensure that any damage, contamination, corrosion or impairment of the products due to transportation or weather influences is excluded.

In consultation with CZF, returnable packaging may be used.

3.8 Delivery and documentation

The following documents must be enclosed so that CZF can clearly assign the delivery to the order upon receipt of the goods:

- Delivery bill with the following minimum details:
 - Delivery note number (or other identification)
 - delivery date
 - CZF order number
 - CZF article or drawing number
 - Item description
 - Quantity delivered including information on complete/partial delivery
 - Assignment number of the partner (internal order, AB, ...)
- Copy of the special release, if one has been issued
- Required test reports and certificates, if sending them by e-mail is not possible

The following additional documents must be sent by e-mail to purchasing@czf-gears.com:

- Initial sample test reports
- Acceptance and factory test certificates, if required
- Test reports and protocols, if requested

If delivery documents are missing, no incoming goods inspection and no further processing of the delivery can take place.

3.9 Test certificates, test reports and test certificates

If agreed in writing, an acceptance test certificate 3.1 in accordance with

DIN EN 10204:2005-01 must be sent with each delivery. This certificate must show that the quality of the primary material of the delivered products corresponds to the agreed specifications.

The information on the certificate must have a clear reference to the delivery and the production batches supplied and should preferably be sent to CZF by e-mail.

Special characteristics and necessary information shall be determined by CZF and shall be certified in a certificate or report as required in the order details.

4 CZF processes

4.1 Incoming goods

CZF's incoming goods department checks the condition of the delivery, the article and the quantity against the delivery bill.

Protocols and certificates supplied are sent to the quality assurance department. In the case of directly recognizable damage, information and pictures are sent to Quality Assurance and Purchasing for further clarification with the partner.

If the delivery is obviously damaged, CZF reserves the right to refuse acceptance or to return the delivery immediately.

4.2 Incoming goods inspection

A documented incoming goods inspection of all drawing items and all external processing shall be carried out in accordance with the specifications and considering the documents supplied by the partner.

4.3 Complaints about defective products

If the ordered products are delivered without approval despite deviating characteristics or if the delivery arrives damaged, the partner will receive a corresponding notification.

Damaged deliveries as well as deviations from given specifications that are noticed during the incoming goods inspection are sent to the partner with a quality report (QB XXX-YEAR).

In addition to the description of the detected non-conformity, the report shall also list any measures already taken internally by CZF and indicate any costs that are to be expected or have already been incurred.

The CZF reserves the right to invoice the partner for any reworking and testing costs as well as administration costs incurred. German law according to BGB and HGB shall apply.

Depending on the error and its possible cause, the partner will be required to submit a statement which, in addition to the cause of the error, must also include future measures to prevent errors. Depending on the severity, this can take the form of a 4D or 8D report.

If the partner recognizes that further deliveries may be affected by this error, CZF must be informed immediately.

If the non-conforming components have been returned to the partner with a quality report and return delivery bill for reworking or new production, the partner must ensure that they are replaced as quickly as possible and inform their contact persons in the purchasing department and regarding scheduling.

5 Final provisions

5.1 Confidentiality

All commercial and operational information, not in the public domain and not intended for disclosure to third parties which becomes known based on this agreement shall be treated confidentially and as business secrets by both contracting parties.

Disclosure of information and technical documents is generally prohibited. In justified cases, prior written authorisation may be granted by CZF. This shall also apply after termination of this agreement.

5.2 Term

This agreement is concluded for an indefinite period.

Cancellation must be made in writing and shall take effect 3 months after receipt.

5.3 Signatures

We hereby agree to this Quality Assurance Agreement:

Chemnitzer Zahnradfabrik GmbH & Co. KG

Name des Partners

Location, Date

Location, Date

Signature

Signature

Name, Position

Name, Position