

QUALITY ASSURANCE AGREEMENT (QAA)



ID: «ID»

between

WOMA GmbH
Werthauer Str. 77-79
47226 Duisburg
- hereinafter referred to as "WOMA" -

and

company

«NAME1»
«STR»
«LKZ»-«PLZ» «ORT»

including the relevant producing locations

- hereinafter referred to as "the Supplier" -

Whereas:

Either a permanent supply arrangement already exists between WOMA and the Supplier for products or WOMA has started contract negotiations with the potential supplier. Provided that a supply arrangement already exists, the Supplier shall ensure by appropriate quality management measures the quality of the products that should be delivered to WOMA. Provided that this is not yet the case, WOMA wants to be able to evaluate the quality capability of the potential supplier by this quality assurance agreement.

A supplier's claim of supply respectively a commitment to acceptance on the part of WOMA is not connected to the sole completion of this Quality Assurance Agreement in any case.

Within the framework of this arrangement, the Supplier delivers parts ordered by WOMA under certain circumstances also directly to WOMA customers named by WOMA.

Now, therefore, the parties agree as follows:

1. Quality Management System

- 1.1 In order to assure the quality of all products that should be delivered by the Supplier, the Supplier shall set up a Quality Management System. This Quality Management System shall be oriented to the relevant recommendations and requirements of the ISO 9000 series in the current valid revision. Compliance with the requirements of the ISO 9001 is the long-term intention of both parties.
- 1.2 The quality characteristics to be complied with by the Supplier for the products are indicated in the purchase order documentation (e.g. technical specifications, drawings, WOMA standards, reference to catalogue article numbers, information letters or circulars etc.) from WOMA. Lawful directions and prescriptions (e.g. bans of substances of contents, emission targets, identification regulations) must even be complied with if they are not particularly mentioned in the order documents.

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- 1.3 In case WOMA specifies quality characteristics for WOMA products the Supplier checks whether they are free of contradictions and plausible and whether they can be kept with the ways of manufacturing at his disposal with process certainty. In cases of doubt the supplier informs the Purchasing Dpt. of WOMA accordingly and makes, as far as possible, proposals under which conditions a manufacturing of the products is possible with process certainty.
- 1.4 The Supplier obliges itself to name to the Quality Management Dpt. of WOMA the material composition of the products that should be delivered by saving of its business secrets. WOMA needs these data e.g. for the later disposal of the product and to create eco balances.
The products that should be delivered are basically provided for a world-wide distribution. Should the products that should be delivered be not appropriate for certain countries according the knowledge of the Supplier (e.g. because of bans of substances of contents, emission targets, identification regulations), the Supplier informs the Quality Management Dpt. of WOMA about this.
- 1.5 The Supplier determines which test and inspection equipment and testing measures it uses in order to ensure compliance with the quality characteristics. The test and inspection equipment, testing measures and the test frequency used must be designed so as to permit testing of the quality characteristics in a sufficient extend. Test and inspection equipment used shall be maintained on a regular basis (generally at least once a year) and checked to ensure it is in correct working order. It must also be subject to regular calibration that must be documented by the supplier. In case of analyses (e.g. for determination of the amount of certain substances of contents) national and international standards must be complied with. Thereby international standards have preference compared with European ones and European standards have preference compared with national ones.
- 1.6 The Supplier shall inform the Purchasing Dpt. of WOMA of any significant changes it intends to make to its Quality Management System and of changes to significant production factors (e.g. use of alternative materials or constructions; use of new, modified or alternative tools; change of manufacturing methods or production processes; relocation of productions to other locations or use of new production facilities; change of important subcontractors) 3 month in advance. (Just so WOMA is able to decide which consequences this must have (e.g. a new initial sample inspection, the execution of an audit or an intensified incoming goods inspection)). Changes that do not influence the agreed quality of the contractual items are exempt from the information obligation of the supplier.
- 1.7 If the Supplier purchases products that should be delivered to WOMA on his part completely manufactured by subcontractors, those should have established a QM System oriented at least to the requirements of ISO 9001 in the current valid revision. Is this not possible, the Supplier informs the Quality Management Dpt. of WOMA about that in written form 3 month in advance.
The Supplier informs the Quality Management Dpt. of WOMA whether the merchandised products delivered to WOMA are from one or more established manufacturers/dealers or from frequently changing manufacturers/dealers.
When using established manufacturers/dealers for purchase of the merchandised products, the Supplier shall inform the Quality Management Dpt. of WOMA of any permanent change of manufacturer/dealer. (Only with this information is it possible for WOMA to decide whether more stringent inspection of the merchandised products or new sampling is necessary).
- 1.8 If the Supplier purchases products that should be delivered to WOMA on his part completely manufactured by subcontractors, the supplier at least makes a receiving and a sales inspection.
- 1.9 The supplier commits to manufacturing products that are to be delivered to WOMA by means of production methods and/or processing equipment which comply with the state of the art.

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2. Freedom from hazardous substances of the products

With the EU-directive RoHS (2011/65/EU on restriction of the use of certain hazardous substances in electrical and electronic equipment) as well as several other EC-directives and national prescriptions and laws the use of certain substances of contents in products is restricted or forbidden. The current state of the international legislation is summarized in the Kärcher standard 050.032. This standard becomes herewith part of the treaty and can be downloaded under <http://supplierinfo.woma.de>. On request it will be provided by WOMA. Should the legislation exceed the scope of the Kärcher standard, the legislation is to be followed.

2.1 The supplier obliges itself to keep his level of knowledge on the current state in respect of the respectively current bans of substances of contents to be complied with. He will be supported upon request by the environmental department of WOMA.

2.2 Further the supplier obliges itself to assure by appropriate measures that the Kärcher standard 050.032 as well as, if appropriate, rules and regulations extending beyond this are paid attention to and are kept, so that the products delivered to WOMA contain no substances of contents that are restricted or forbidden according to the Kärcher standard and rules and regulations extending beyond this, provided the Kärcher standard and the respective rules and regulations are applicable on these products. Deviations hereof need the previous written release by WOMA.

2.3 The supplier obliges itself,
- to inform its suppliers, as far as they may be concerned, about bans of substances of contents to be complied with,
- to assure through appropriate steps (e.g. obligations of the suppliers, check of the supplied products) that the Kärcher standard 050.032 or guidelines, directives or laws extending beyond this are paid attention to and kept, so that supplied products and materials that are used for products for WOMA do not contain substances of contents that are restricted or forbidden according to the Kärcher standard 050.032 or rules and regulations extending beyond this, provided the Kärcher standard and the respective rules and regulations are applicable on these products.

2.4 The supplier undertakes to comply with all the statutory requirements resulting from the EU regulations concerning protection against chemicals (REACH) (in particular the registration, notification and authorisation duties). The supplier shall provide the environmental department at WOMA with sufficient information as required pursuant to Art. 33 of Regulation 1907/2006 EC (REACH Regulation) for the safe use of the products pursuant to Art. 57 REACH Regulation. If, as a consequence of REACH, any changes should ensue in the availability or use in accordance with the designated purpose of materials, components, groups of components, contractual products or packaging, or if action is required by WOMA, the supplier shall notify the environmental department at WOMA hereof without delay. The supplier shall also pass on the duties set forth in this subsection to the supplier's upstream suppliers. The materials, components, groups of components, contractual products or packaging do not contain any substances of very high concern (SVHC) set forth in the current REACH candidate list. If SVHC should be present in a concentration above 0.1%, the supplier shall notify the environmental department at WOMA hereof without delay.

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3. Planning and documentation of testing and inspection measures

- 3.1 The Supplier plans and documents the test and inspection measures necessary for assurance of the specified quality characteristics, and determines in its inspection and/or production documents how such test and inspection measures are to be performed. In justified cases, WOMA may demand that modifications are made.
- 3.2 The inspection and/or production documents shall define the quality characteristics to be inspected, the scope of testing and inspection, test and inspection equipment and the type and scope of records to be kept of executed tests and their results (test certificates).
- 3.3 The Supplier shall document the inspection and (as far as applicable) production documents and their amendments as well as the test certificates. The test and inspection results shall be analysed and the analyses also documented.
- 3.4 All the documents named under this point shall be retained by the Supplier for a period of at least 10 years.
- 3.5 The supplier commits to carrying out a manufacturing release as well as a manufacturing control with series products. Both measures shall be documented by the supplier.

4. First article inspection

First article inspections are especially necessary for new products and for those of which the drawing or the order includes a corresponding remark. Deviations hereof need the agreement between Supplier and the Purchasing Department of WOMA.

The supplier is committed to send WOMA first article samples and a first article inspection test report before starting the first serial delivery of concerned products. (For products the Supplier purchases on his part completely manufactured by subcontractors, and where agreed, the first article inspection test report and samples may alternatively be provided by the subcontractor). In the case of subsequent orders by WOMA, no further submission of production samples shall be necessary on principle. However, resampling shall be required in the event of changes to the manufacturing process or to the materials used or a change of important subcontractors.

For the execution of first article inspections the regulations of the "Leaflet for suppliers concerning first article tests" shall be applied.

5. Quality audit

- 5.1 On request, the Supplier shall make available to WOMA all inspection and/or production documentation necessary for checking the compliance with the points 3.1 and 3.2 above for inspection.
- 5.2 WOMA is entitled, after previous notification with an appropriate term, to ensure themselves of the effectiveness of the quality assurance system of the supplier and the compliance with the quality characteristics and to examine the products themselves or have them examined through an external service provider by participating in the tests of the supplier, inspection of the test results and/or by means of performing a system or process audit. For this purpose, WOMA or an external service provider appointed by WOMA for this purpose may enter the test and (if applicable) the production facilities of the supplier and inspect the documents stated in subparagraph 5.1 after prior arrangement of an appointment. If necessary, the supplier shall provide the test equipment and/or processing equipment required for the test as well as the products to be examined.
- 5.3 The Supplier shall provide WOMA with due justification for any restrictions it imposes relating to submission of documents or the granting of admission to test and inspection or manufacturing facilities, for example to safeguard operating secrets, in the case of special manufacturing techniques or other special reasons.
- 5.4 If examinations are not possible in cases of subparagraph 5.2 because of missing/defective test equipment, the supplier shall bear the costs for an external examination required in single cases. The parties will agree on the selection of the external validator.



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6. Defective Products

Should any defects in products already delivered (in particular non-conformance with stipulated quality characteristics, of bans of substances of contents, emission targets or identification regulations) become known to the Supplier, the Supplier shall inform the concerned plant QA department of WOMA without delay and furthermore provide proposals for the elimination of such defects short dated and the exclusion of such defects in the future. Should supplementary testing and inspection be necessary, the Supplier shall inform WOMA of its type, scope and duration. This shall apply analogously if WOMA informs the Supplier about defects.

7. Receiving inspections by WOMA

7.1 Immediately on receipt of the products, WOMA shall check whether these correspond to the ordered quantity and type, and whether external transportation damage or other externally visible defects are present.

In case the supplier provides certain products directly for the production (e.g. Canban deliveries): In such a case the checking on identity, external transportation damage or other externally visible defects of the concerned products can be done as late as using them by way of the production personnel during the assembly.

7.2 Should WOMA discover any case of damage or defect during the course of the above receiving inspection, the Supplier will be informed without delay. Should WOMA discover a defect or damage later, the Supplier will also be informed without delay.

7.3 WOMA is under no obligation to the Supplier to carry out any further-reaching inspections or to provide any other notification than those outlined above.

8. Product liability insurance

To cover claims for damages (including consequential damage) resulting from defects of products, the Supplier has concluded:

a product liability insurance with an amount of cover of	an enhanced product liability insurance with an amount of cover of
Euro (€) ¹	Euro (€) ²

9. Confidentiality

9.1 Each contractual party shall maintain secrecy regarding documents and information which come to its knowledge in connection with this Agreement and which are identified by the other party as confidential, and shall refrain from making such information accessible to third parties or using it for any other than the purpose for which it was provided without the written consent of the other party.

9.2 This shall not apply to documents and information which are in the public domain, or which were already known and not subject to any confidentiality obligation on their receipt by the other party, or which are transmitted after their receipt by a third party with the necessary authorization.

9.3 The supplier will equally place their sub-suppliers under the secrecy obligation insofar as they are involved in a quality assurance system in accordance with this agreement.

9.4 The above mentioned regulations do not ban the contractual partner from providing public-sector institutions the information and documents required by law or pursuant to a law.

9.5 The obligations from this subparagraph 9 comprise a period of five years beyond the duration of this agreement.

¹ Please enter the appropriate value. If no product liability insurance exists, please enter "0".

² Please enter the appropriate value. If no enhanced product liability insurance exists, please enter "0".



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10. Applicable law, jurisdiction

Differences of opinion arising from or in connection with this Agreement shall be settled amicably wherever possible. Should this not be successful, the Courts of Stuttgart shall have locally and internationally exclusive jurisdiction over all contractual and extra-contractual disputes arising from this Agreement.

This Agreement shall be subject to German law. If the place of business of the Supplier is not Germany, the parties agree that the United Nation Convention on Contracts for the International Sale of Goods (CISG) dated 11/04/1980 in its valid revision shall be applicable. In this case, the definitions of the German legal system shall be understood in analogy to the terminology used in the CISG.

11. Term of the Agreement

The present agreement replaces eventual earlier versions of a Quality Assurance Agreement existing between the two parties.

This Agreement shall come into force on its execution by the contractual parties, and can be terminated in writing with a period of notice of three months to the end of the quarter by each of the parties.

12. Escape Clause

Should single provisions of this agreement (as a whole or in part) be or become non-effective or void, the validity of the remaining provisions of this agreement will not be influenced hereby. The contracting parties oblige themselves to agree upon a regulation instead of the non-effective or void regulation which comes most closely to the will of the contracting parties and the commercial purpose of the non-effective or void regulation in a legally admissible manner.

Something similar should be valid if a gap should emerge in the contract. To close the gap the parties oblige themselves to go after the agreement of adequate regulations that come most closely to what the contracting parties would have determined according the aim and object of the contract if the point would have been considered by them from the start.

Duisburg, date.....

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(WOMA-Purchasing)
Name

.....
(WOMA QM)
Name

«ORT»,

date

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(Legally binding signature of Supplier, stamp)

Name in print	Function	Phone	Mail: