##### Quality Agreement

between the company

**E + E Elektronik Ges.m.b.H.**

**Langwiesen 7**

**A - 4209 Engerwitzdorf, Austria**

- hereinafter referred to as "**E+E** **Elektronik"** or **“Buyer”** -

and the company

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- hereinafter referred to as "**Supplier**" -

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# **1. Scope**

This agreement is applicable to all products delivered by the supplier based on orders that the supplier receives and accepts from the buyer during the term of this agreement.

The delivered products must correspond to the approved text of the order and all drawings, data sheets, specifications and approved models included in the order. The supplier must immediately check whether a description submitted by the buyer is blatantly incorrect, unclear, incomplete or whether it clearly deviates from the model. If the supplier recognizes any of these conditions, the buyer is to be immediately informed.

# **2. Quality Assurance**

The supplier maintains a quality management system according to DIN EN ISO 9000 ff. A development of the quality management system to an automotive standard should be aimed (for example IATF 16949:xxxx).

The supplier is responsible for testing the quality of its products before delivery to

E+E Elektronik, so that incoming packages need only to be checked for external visible shipping damages.

If the supplier receives testing means, software, services, materials or other preliminary supplies from other suppliers for the production or the quality assurance of products, then the supplier shall include this condition contractually in its quality management system or shall independently guarantee the quality of the other suppliers.

The supplier shall, as far as it already corresponds to prior documentation, prepare reports on the execution of the previously mentioned quality assurance measures. The supplier should pay particular attention to measurement values and test results and keep these reports as well as some models of the products in a clear and ordered fashion. The supplier shall grant access to its quality reports to the buyer when desired and, if they exist, the supplier shall make available desired product models.

The zero fault policy generally applies to all deliveries. Should this not be achieved, it is mandatory that the supplier and E+E Elektronik reach an agreement (e.g.) on how to achieve compliance regarding the aforementioned zero fault policy.

The supplier produces the products according to all legal and official regulations of the country of production.

# **3. Verification and Informational Responsibilities of the Supplier**

At reasonable intervals, the supplier shall allow the buyer to inspect the execution of the quality assurance measures mentioned under Point 2. For this purpose, the supplier shall grant to the buyer – to the indicated extent and according to an agreed upon schedule - access to its operating facility. It is required that a professional qualified employee be available for support

during the aforementioned visit. The supplier can refuse inspection of production processes with secrecy requirements or other operating secrets are in place.

The supplier has the responsibility to notify the buyer no later than 6 months before changes are made to production processes, materials, corresponding software as well as changes to production sites, processes or devices for testing of the products or other quality assurance measures. This is necessary in order to prove whether the changes have disadvantageous effects. The supplier is to notify E+E Elektronik when a quality certificate has been changed.

In case of discontinuation of the product to be delivered, E+E Elektronik has to be informed via a “Product Termination Notification (PTN)” no later than 6 months prior to the termination date.

If the supplier determines there is an increase in deviations concerning a product (decrease in quality), the supplier shall immediately notify the buyer about this observation and suggest immediate measures for improvement.

The supplier should label all products in order to immediately determine which other products might be affected in case of failure. If this proves to be impossible or impractical other suitable measures should be undertaken.

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# **4. Inspection of Outgoing Goods by the Supplier**

The supplier commits himself to perform an inspection of each packaging unit. This inspection shall guarantee that the delivered goods comply with ordered types.

# **5. Inspection of Incoming Goods by the Buyer**

Immediately upon delivery of the ordered goods, the buyer shall check whether the products correspond to the ordered amounts and types, and whether visible, external damage can be detected.

If the buyer detects damage the supplier is to be immediately notified. The supplier is also to be notified if the buyer discovers damage at a later date. The supplier accepts a delayed notification of defects up to 24 months after receipt of goods by E+E Elektronik.

The buyer is not obliged to perform more than the previously mentioned tests and notifications after receipt of goods.

# **6. Environmental Protection**

The partners are responsible for considering relevant environmental aspects for all products that fall within the scope of this agreement. This particularly applies to the selection of materials to be used for production, packaging, transport, and disposal of the product at its end of life; environmentally friendly alternatives should be given preference as much as possible.

The supplier is responsible for fulfilling all legal requirements and regulations pertaining to environmental standards and must inform E+E Elektronik about compliance procedures.

The fulfillment of the points above can be achieved most reliably by the application of an environmental management system (e.g. according to EN ISO 14001).

The fulfillment of the guidelines specified within RoHS (2011/65/EG) and - where applicable - REACH (1907/2006/EG) is mandatory.

# **7. Social Responsibility**

To comply with the United States Securities and Exchange Commission (SEC) reporting regulations for conflict minerals, E+E Elektronik requires chain of custody declarations from our suppliers to verify the origin of conflict minerals (tin, tantalum, tungsten and gold) which are contained in their products.

The regulations and requirements regarding the "Code of Conduct", which are visible on the website [www.epluse.com](http://www.epluse.com), must be adhered by the supplier.

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# **8. Confidentiality**

Each partner shall use all documents and knowledge obtained in connection with this agreement exclusively for the purposes of this agreement and shall maintain their secrecy with the same care that they would give their own documents and knowledge.

This also pertains to third parties when the other partner designates the documents or knowledge as confidential or has an obvious interest in their secrecy.

This obligation begins with the first receipt of the documents or transfer of knowledge and applies throughout the term of this agreement.

The obligation does not apply to documents and knowledge that are known to the public or that were already known to the partner before receipt and that did not carry an obligation to secrecy.

Nor does this apply to documents and knowledge transmitted by a third party which have been

authorized for reproduction or that were developed by the receiving partner without use of the confidential documents or knowledge of the other partner.

**9. Contact Information**

E+E Elektronik and the supplier shall maintain close contact for answering questions on quality assurance and problem analysis, and for this purpose they name the following persons and departments:

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| *E+E Elektronik:* | **Name:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
|  | **Dept.:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
|  |  |  |
| *Supplier:* | **Name:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |
|  | **Dept.:** | **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** |

# **10. Duration of the Agreement**

This agreement may be terminated by either party at the end of each calendar month.

A notice of termination must be given 3 months in advance.

In principle, it applies to all delivered products, which were ordered after this agreement has come into effect (e.g. within the framework of a master agreement).

This is also valid for an order confirmed before the termination of this agreement.

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| *E+E Elektronik:* |  |
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| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Location, Date | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature of Purchasing Manager |
|  |  |
|  | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Signature of Quality Dept. |

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| --- | --- |
| *Supplier:* |  |
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| \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Location, Date | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  legally binding Signature |
|  |  |