

QUALITY AGREEMENT

between

WESTFALIA TECHNOLOGIES &
GMBH & CO. KG
Am Teuto 1
D-33829 Borgholzhausen

(hereinafter referred to as "WESTFALIA")

(hereinafter referred to as the "SUPPLIER")

1 SCOPE AND PURPOSE

This Quality Agreement applies to all supplies obtained from the SUPPLIER, i.e. all materials, component parts, assemblies, and services based on in-house or external drawings in accordance with catalogs, standards and other documents.

The Quality Agreement forms part of our Terms and Conditions of Purchase. It informs the SUPPLIER of:

- > WESTFALIA'S expectations;
- > the quality assurance principles to be observed;
- > WESTFALIA'S incoming goods inspection process;
- > WESTFALIA'S delivery instructions.

The technical documents on which WESTFALIA'S requests for quotations and orders are based set out the quality required by WESTFALIA. The SUPPLIER is responsible for providing goods that have the required quality and shall ensure this through effective quality assurance.

The signing of this Quality Agreement is an indispensable step towards a future business relationship with WESTFALIA.

2 WHAT WE EXPECT FROM THE SUPPLIER

The parties shall jointly pursue the following targets:

- > Quality target = zero defects
- > Deadlines = 100% delivery reliability

3 TECHNICAL DOCUMENTS

Technical documents are drawings, standards, inspection plans, parts lists, packaging instructions and other technical specifications entered in technical drawings. They form part of WESTFALIA'S Terms and Conditions of Purchase.

The SUPPLIER is given the most up-to-date version of the technical documents with the order. Changes to and deviations from the technical documents are not permitted without WESTFALIA'S consent.

It shall be ensured that third parties have no access to WESTFALIA'S technical documents.

4 CHANGES

A product change may only be carried out after a change to the technical specification has been approved in writing by WESTFALIA. Significant changes to the supplier's own designs also require the written approval of WESTFALIA prior to their introduction.

The document to be used for this "Request for deviation permit" is available at <https://www.westfaliaeurope.com/en/company/purchasing.html>

All deliveries made on the basis of an accepted deviation must be clearly marked. In addition, a copy of the deviation permit signed by WESTFALIA must be attached to the deliveries.

WESTFALIA must be notified in writing of additional costs or changes in schedule as a result of changes to drawings.

5 REVISION INDEX FOR DRAWINGS

For all WESTFALIA orders, the SUPPLIER shall carefully check the indicated revision indices in the order and on the respective drawing for consistency prior to commencing planning and manufacturing.

This also applies to repeat parts if the documents are already available to the SUPPLIER and have not been sent again by WESTFALIA. The SUPPLIER is responsible for the respective parts being manufactured according to the revision index indicated in the order.

In the event of deviations, the relevant WESTFALIA purchaser shall be contacted before the parts are manufactured and the drawing with the correct revision index shall be requested if necessary.

6 QUALITY ASSURANCE

Quality assurance is a task pursued jointly by the SUPPLIER and WESTFALIA.

6.1 Information for the SUPPLIER

WESTFALIA shall inform the SUPPLIER about:

- > quality requirements through the technical documents;
- > the nature and scope of the incoming goods inspection.

6.2 SUPPLIER'S duties

The SUPPLIER'S duties are:

a) Before accepting an order:

- > clarifying whether and how the SUPPLIER can achieve the quality requirements set out in WESTFALIA'S technical documents;
- > checking whether the technical documents are complete and clear for the SUPPLIER'S purposes;
- > ensuring that any ambiguities that may exist, e.g. technical documents that are not clearly legible, are dealt with.

b) Following acceptance of an order, ensuring:

- > through a proper incoming goods inspection of his supplies,
- > through a systematic manufacturing inspection,
- > through an end-to-end output inspection

that WESTFALIA only receives deliveries that meet WESTFALIA'S quality requirements.

c) In the event of defects established by the SUPPLIER

The respective WESTFALIA purchaser shall be notified of any deviations from the order or technical documents prior to delivery in writing and without undue delay. The SUPPLIER shall indicate:

- > how many products are affected;
- > the nature of and reason for the deviation;
- > the measures planned or already taken to permanently eliminate these issues; and
- > the impact on the delivery deadline.

The WESTFALIA purchaser or quality department shall inform the SUPPLIER about their decision on whether or not they can accept the deviation. If the deviation is approved, the SUPPLIER shall identify the products affected and add a deviation report to the delivery documents referencing WESTFALIA'S approval.

d) Outgoing goods inspection

Prior to dispatch, the SUPPLIER shall check and document the compliance of the products to be delivered by the SUPPLIER with the technical documents, drawings, specifications, standards and other specified quality features.

The SUPPLIER shall document the actual values, measured through sample checks where relevant, in a measurement report or on the customer drawing. These documents shall also be included in the delivery.

7 INCOMING GOODS INSPECTION OF DELIVERIES

WESTFALIA'S incoming goods inspection does not relieve the SUPPLIER from its responsibility to meet the required delivery quality. All properties of each and any part of a delivery shall be within the specified limits.

WESTFALIA may discover deviations from the quality requirements when checking incoming goods, or during processing, assembly, and functional testing. In such a case, the SUPPLIER shall be notified by means of a COMPLAINT specifying the defective features, and the WESTFALIA purchaser shall reach an agreement with the SUPPLIER on whether the defective products is to be

- > used to a limited extent;
- > returned;
- > replaced;
- > reworked by WESTFALIA at the SUPPLIER'S expense, or
- > scrapped by WESTFALIA .

As a rule, a new binding deadline shall be agreed between the SUPPLIER and WESTFALIA in the event of a resulting delay in delivery.

8 DELIVERY INSTRUCTIONS

WESTFALIA'S delivery instructions can be viewed at
<https://www.westfaliaeurope.com/en/company/purchasing.html>.

At the SUPPLIER'S request WESTFALIA shall provide the SUPPLIER with the delivery instructions in text form.

**WESTFALIA TECHNOLOGIES
GMBH & CO. KG**
Am Teuto 1
D-33829 Borgholzhausen

Borgholzhausen, dated

, dated

Head of Purchasing
(company stamp and signature)

Managing Director
(company stamp and signature)