

**WEBER HYDRAULIK GMBH**

Heilbronner Straße 30  
74363 Güglingen, Germany  
Telefon + 49 (0) 7135 / 71-0  
Telefax + 49 (0) 7135 / 71-301  
eMail info@weber.de  
Internet www.weber.de

## Quality Assurance Agreement to be entered into with the suppliers of **WEBER-HYDRAULIK GMBH**

BETWEEN

WEBER-HYDRAULIK GMBH  
HEILBRONNER STR. 30  
74363 GÜGLINGEN

--hereinafter referred to as "Weber-Hydraulik" --

AND

-- HEREINAFTER REFERRED TO AS THE "SUPPLIER"--

the following is agreed upon:

### **PREAMBLE**

The objective of our business policy is to provide our customers and consumers with advanced and reliable products at reasonable prices. The quality of the purchased parts has a direct impact on our products, thus gaining increasingly importance among aspects such as product safety, customer satisfaction and environmental compatibility. By solely warranting a delivery according to the specifications made in the frame of his order confirmation, the SUPPLIER does not sufficiently assume his responsibility. Therefore, the SUPPLIER is required to implement a qualified management system in order to achieve our common goal of zero faults.

### **1. OBJECTIVE AND SCOPE OF APPLICATION**

- 1.1 The objective of the present Agreement is to establish a trusting and longterm cooperation with our suppliers.
- 1.2 The present agreement applies to all products and services supplied and/or provided by the SUPPLIER (hereinafter referred to as Products).

The present quality assurance agreement sets forth the obligatory provisions agreed upon between the SUPPLIER and WEBER-HYDRAULIK.

In addition, individual agreements may be entered into.

- 1.3 The agreement on quality objectives and measures does not affect the Supplier's liability for the customers' warranty claims and claims for damages due to defective consignments.

The present quality assurance agreement shall not give rise to any claims arising out of liability for defects or claims for damages on account of any other legal argument.

## **2. REQUIREMENTS OF THE SUPPLIER'S QUALITY MANAGEMENT SYSTEM**

### **2.1 Quality Management System of the SUPPLIER**

The Supplier undertakes to develop a quality management system in accordance with ISO/TS 16949:2002.

This shall be based on a certified quality management system in accordance with ISO 9001:2000, including the commitment to a zero-fault target and the continuous improvement of the Supplier's performance.

### **2.2 Quality Management System of Subcontractors**

If the SUPPLIER purchases any means of production, testing devices, software, services, material or any other upstream supply from subcontractors for the manufacture or quality assurance of the products, he shall include them into his quality management system or shall ensure the quality of the said upstream supplies by adequate measures on his own.

WEBER-HYDRAULIK shall be entitled to request the SUPPLIER to provide it with evidence of the fact that the SUPPLIER satisfied himself as to the efficiency of the quality management system of his subcontractor.

## **3. AUDIT**

The SUPPLIER allows WEBER-HYDRAULIK to examine by means of audits if his measures regarding quality assurance comply with the requirements of WEBER-HYDRAULIK.

After an appointment has been previously fixed, an audit may be carried out in form of a system, process or product audit.

The SUPPLIER shall grant WEBER-HYDRAULIK and – to the extent required – the customers of the latter access to all establishments, storehouses and neighbouring areas and let them inspect the quality-relevant documents.

When doing so, the restrictions imposed by the SUPPLIER which are reasonably required for the safeguarding of his business secrets shall be accepted.

WEBER-HYDRAULIK shall notify the SUPPLIER of the result of the said audits. If any measures are required according to WEBER-HYDRAULIK, the SUPPLIER undertakes to immediately prepare an action plan, to implement it according to the fixed schedule and to keep WEBER-HYDRAULIK informed.

## **4. AGREEMENTS RELATING TO PRODUCT AND PROCESS**

The orders shall be based on specifications such as drawings, standards, works standards, samples and the information provided by the catalogue. The products shall comply with the agreed and warranted quality.

The SUPPLIER shall check immediately if any description provided by WEBER-HYDRAULIK (e. g. specification, performance specification, drawing, works standards) is apparently incorrect, not clear, incomplete or differing from any sample possibly agreed upon. If the SUPPLIER discovers that such is the case, he shall immediately notify WEBER-HYDRAULIK in writing prior to the beginning of the manufacturing process or the execution of the performance.

## 5. INFORMATION , DOCUMENTATION, PERIODS DURING WHICH RECORDS SHALL BE PRESERVED

If it becomes apparent that any requirements agreed upon such as quality characteristics, fixed dates or deliveries cannot be complied with, the SUPPLIER shall immediately notify WEBER-HYDRAULIK. The SUPPLIER shall also immediately notify WEBER-HYDRAULIK of any divergences that were discovered following any delivery.

In order to quickly come to a solution, the SUPPLIER shall disclose all required data and facts.

The Supplier undertakes to notify WEBER-HYDRAULIK in due time prior to

- any changes of the manufacturing procedures, processes and materials (also on part of his subcontractors);
- any substitution of a subcontractor;
- any changes of the testing methods / facilities;
- any relocation of production sites;
- any relocation of production facilities at the site

in order to enable it to examine if the planned change might have a negative impact.

The duty to notify shall not apply to any products of the catalogue and standard parts.

The SUPPLIER shall record the execution of the quality assurance measures, in particular the measured values and test results, and preserve the said records and any possible product samples in a systematic way. The duty to preserve the documents and records shall be valid during a period of at least 15 years.

Upon request, the SUPPLIER shall allow WEBER-HYDRAULIK to look at the records and make them available at no costs upon request.

The SUPPLIER shall control the steering of all data and documents (including any external documents such as standards and the customers' drawings) by means of procedural statements and shall implement them efficiently.

## 6. PLANNING AND MONITORING OF PRODUCTION AND PROCESSES

In order to ensure the product quality of all new or changed products, a quality planning focussed on the following is required:

- manufacturing (machinery, devices, tools, flows of work, preventive maintenance)
- capacity and procurement (machinery, resources and testing devices, subcontractors, material)
- handling, conservation, storage, packaging, transport
- environmental protection in the frame of processes and recycling of products and packing
- reliability analysis, product safety
- quality assurance methods (such as FMEA, SPC, MFU, test plan)

Quality planning shall take into account the areas of incoming goods, manufacturing, final inspection, storage and packing.

## 7. INITIAL SAMPLES

If WEBER-HYDRAULIK is requested to provide initial samples, an acceptance procedure regarding the manufactured parts (e. g. VDA – PPF) shall be carried out. Any initial sample shall be manufactured under conditions of series production. Samples shall be provided of all characteristics mentioned in the specifications, of the material, the mechanical properties and, if applicable, of the function.

Additional initial samples shall be required in the following events:

- relocation of production sites and substitution of subcontractors
- changes of the specification
- change of manufacturing procedures and means of production

Usually, the number of initial samples amounts to three to ten units. If several similar devices, casting or compression moulds, forging dies or dies are being used, at least one sample of each shall be required.

As far as any parts of multiple moulds are concerned, one part shall be required for each mould cavity.

The delivery of serial parts shall take place only after the initial samples have been released by WEBER-HYDRAULIK.

## **8. MARKING, TRACEABILITY**

The SUPPLIER undertakes to mark the products, parts and packaging as agreed upon with WEBER-HYDRAULIK. He shall ensure that the labelling of the packed products is legible during transport and storage.

The SUPPLIER undertakes to ensure the traceability of the products delivered by him. In the event any defect is discovered, traceability and the localization of the defective parts / products / batches has to be guaranteed.

## **9. INCOMING GOODS INSPECTION AT WEBER-HYDRAULIK**

By virtue of the present agreement and the quality inspections to be executed by the Supplier, WEBER-HYDRAULIK shall be entitled to check the SUPPLIER'S deliveries upon their arrival only for their quantity, identity and externally recognizable transport damages.

This shall not affect the Supplier's liability for quality defects and/or product defects. However, the Supplier in particular waives the defence of late notification of deficiencies according to § 377 HGB (German Commercial Code).

## **10. COMPLAINTS, MEASURES**

On principle, WEBER-HYDRAULIK shall be supplied exclusively with products that do not differ from the agreed quality. If, in exceptional cases, the SUPPLIER is not able to provide products complying with the specifications, he shall obtain a special release from WEBER-HYDRAULIK prior to their delivery. If WEBER-HYDRAULIK grants a special release, the goods shall be delivered together with a copy of the document giving evidence of the said special release.

In the event WEBER-HYDRAULIK discovers any defect, the Supplier shall be notified of the said defect in the due course of business and the goods shall be returned to him. The SUPPLIER shall immediately execute a default analysis and inform WEBER-HYDRAULIK in the short term in a report (e.g. 8 D report) about the reason of the divergence, the measures initiated in order to eliminate the default and to ensure prevention and their efficiency. If the supply of any products that do not comply with the specifications threatens to interrupt WEBER-HYDRAULIK'S production or the production of its customers, the SUPPLIER shall, by mutual agreement with WEBER-HYDRAULIK, take remedial action by adequate immediate measures (such as substitute deliveries, sorting, subsequent work, extra shifts, express deliveries etc.) to be borne by him.

**WEBER HYDRAULIK GMBH**

Heilbronner Straße 30  
74363 Güglingen, Germany  
Telefon + 49 (0) 7135 / 71-0  
Telefax + 49 (0) 7135 / 71-301  
eMail info@weber.de  
Internet www.weber.de

**11. ENVIRONMENTAL PROTECTION, INDUSTRIAL SAFETY**

The Supplier undertakes to comply with all legal provisions relating to environmental protection and to minimize the impact on human beings and the environment by an adequate environmental protection system and adequate internal environmental protection measures. To this effect, the implementation and development of an environmental protection management system (UMS) in accordance with ISO 14001 is expected to be executed.

**12. SECRECY**

The contracting parties shall treat any commercial and internal information of the co-contracting party which are not evident and not intended for transmission to any third party they become aware of in the frame of the present agreement and their business relationship as confidential and as business secrets and shall not make them accessible to any third party, neither fully nor partially, neither directly nor indirectly, and shall use them only for the purposes intended by the present agreement.

This provision shall remain valid even after the termination of the present agreement.

**13. FINAL PROVISIONS****13.1 Term**

The present agreement is entered into as of \_\_\_\_\_ and for an indeterminate period of time.

**13.2 Miscellaneous**

Any changes and amendments of the present quality assurance agreement shall be done in writing.

The present quality assurance agreement shall be governed by German law.

Should any provision of the present quality assurance agreement be fully or partially invalid, this shall not affect the validity of the remaining provisions; in this case, the contracting parties shall agree upon such a valid provision coming next to the economic intention of the invalid provisions. The same shall apply to any possible loopholes.

The business seat of the client shall be the place of jurisdiction.

Güglingen, this \_\_\_\_\_

WEBER-HYDRAULIK GMBH

SUPPLIER: