

Quality assurance agreement

This quality assurance agreement is agreed between a company of Transporter Industry International Group; this corresponds to:

SCHEUERLE Fahrzeugfabrik GmbH – Otto-Rettenmaier-Strasse 15 – D-74629 Pfedelbach and/or

KAMAG Transporttechnik GmbH & Co. KG – Liststrasse 3 – D-89079 Ulm and/or

NICOLAS Industrie S.A.S. – RN 6 BP 3 – F-89290 Champs-sur-Yonne and/or

TII INDIA Private Limited – Plot2, Sector 14, Phase-II – IMT Bawal – Haryana, 123501 India

(hereinafter “**TII Group**”)

and

Name of supplier

Street, postal code, city

Country

(hereinafter “**supplier**”)

and “**party**” in each case in the following
and together hereinafter referred to as “**parties**” to this agreement.

Table of contents

<u>PREAMBLE</u>	<u>3</u>
<u>1. SCOPE</u>	<u>4</u>
<u>2. QUALITY ASSURANCE</u>	<u>5</u>
<u>3. AUDIT</u>	<u>6</u>
<u>4. INFORMATION OBLIGATIONS OF THE SUPPLIER</u>	<u>6</u>
<u>4.1. SPECIAL RELEASES OF THE SUPPLIER</u>	<u>7</u>
<u>5. PRODUCT CREATION PROCESS</u>	<u>8</u>
<u>6. INPUT CHECKS BY THE TII GROUP</u>	<u>8</u>
<u>7. HANDLING OF COMPLAINTS</u>	<u>8</u>
<u>8. LIABILITY FOR MATERIAL DEFECTS, LIABILITY, INSURANCE</u>	<u>9</u>
<u>9. CONFIDENTIALITY</u>	<u>10</u>
<u>10. QUALITY ASSURANCE OFFICER & SQE</u>	<u>11</u>
<u>11. DURATION OF THE AGREEMENT</u>	<u>11</u>
<u>12. OTHER</u>	<u>12</u>
<u>13. APPENDIX</u>	<u>12</u>

Preamble

This Quality Assurance Agreement (QAA) is a contractual definition of the technical and organisational conditions between the supplier and the TII Group which are necessary to achieve the desired quality goal. It describes the minimum requirements for the management system of the contractual partner with regard to quality assurance. The supplier is obliged to comply with the provisions of this QAA also in regard to the companies associated with the client (Scheuerle Fahrzeugfabrik GmbH, Nicolas Industrie S.A.S, Kamag Transporttechnik GmbH & Co. KG and TII INDIA Private Limited – in the further text only as TII Group). The client is entitled to adapt this list.

Conclusion of this QAA is an indispensable step on the way to becoming a strategic supplier. Product quality has a high priority in the competitive environment and in regard to the aspects of product safety, customer satisfaction and avoidance of costs. The consequent need for quality testing of the products procured by the TII Group results in measures and costs for the TII Group that are to be avoided by a supplier quality audit that accompanies production, including outgoing goods inspection and appropriate documentation of the test results by the supplier. For these reasons, the TII Group would only like to procure from the supplier products which are of impeccable quality and have been tested by it. This requires continuous quality checks by the supplier on the basis of a qualified quality assurance system. Our common goal is to achieve a quality level of 0 defects.

For the duration of the successful implementation of this agreement, the TII Group will give preference to the supplier over other suppliers which are capable of quality in the same manner in the placement of its orders at reasonable prices and in case of appropriate product availability.

1. Scope

This agreement applies to all products supplied by the supplier on the basis of orders from the TII Group which it receives during the term of this agreement.

The products must comply with the agreed description (e.g. specifications, data sheets, drawings) and/or the agreed models. In each case, the supplier will immediately check whether a description provided by the TII Group is obviously incorrect, unclear, incomplete or obviously different from the model. If the supplier recognises that this is the case, it will immediately notify the contact person (see section 11 Quality Assurance Officer) at the respective company of the TII Group by e-mail or phone.

Compliance with the rules of this agreement will secure advantages on the market over the long term for the TII Group together with its suppliers, thus guaranteeing a successful partnership.

2. Quality assurance

The supplier maintains a QM system as per ISO 9001 or a comparable quality management system based on this standard and will manufacture and test the products in accordance with the rules of this QA management system. Additional requirements are defined in a separate agreement or on a product-specific basis (e.g. on drawings). The supplier will immediately confirm that these requirements are consistent with its QA management system.

Suppliers of structural steel must fulfil at least one of the following standards:

DIN EN ISO 3834; DIN 18800-7 or DIN EN 1090.

If the supplier procures production or testing equipment, software, services, material or other upstream deliveries from upstream suppliers for production or quality assurance of products, it will include these contractually in its QM system or ensure the quality of the upstream deliveries itself. The TII Group may require documented evidence from the supplier that the supplier is satisfied with the effectiveness of the quality management system at its subcontractors and/or has ensured the quality of purchased parts and services through other appropriate measures.

The supplier will in particular retain measurements, test results, and records in regard to the quality assurance measures for the implementation and store these records and any models of the products in a clear and orderly manner. To the extent necessary, it will allow the TII Group to view them and hand over copies of the records and any models.

The supplier will conduct a process and product release procedure according to the specifications of the TII Group.

3. Audit

The supplier will allow the TII Group to convince itself of the implementation of the named quality assurance measures. For this purpose, the supplier will grant access to its premises to the TII Group to an appropriate extent by prior agreement of an appointment and provide a technically qualified employee to support the customer during such access. The TII Group is entitled to determine in an audit whether the quality assurance measures of the supplier guarantee the customer requirements. The audit can be conducted as a system, process or product audit and must be agreed before the scheduled execution. If quality problems caused by services and/or deliveries from subcontractors arise, the supplier is obliged to enable an audit at the relevant subcontractors. Insight into confidential production processes and other operational secrets can be denied.

4. Information obligations of the supplier

Before changes to production methods, processes and materials or supplier parts for the products, relocation of production sites or changes to processes or equipment for testing products or other quality assurance measures, the supplier shall notify the TII Group in time so that it can consider whether the changes may have an adverse effect. Upon approval of the proposed amendment by the TII Group, a process and product release procedure is carried out by the supplier according to the specification of the TII Group.

If the supplier finds an increase in the deviation of the actual condition from the target condition of the products (deterioration in quality), it will immediately notify the TII Group about this and about planned remedial measures in an 8D report. This also applies to deviations from deadlines and quantities delivered.

The supplier will ensure through product labelling or, if this is impossible or contrary to the intended purpose, use other appropriate means to ensure that it can immediately determine which other products might be affected if a defect appears in its products. The supplier will use its labelling system or other measures to instruct the TII Group so that it can make its own findings to the extent necessary.

All specification and supporting documents must be kept for at least 10 years, provided that the TII Group has no specifications that deviate from this. In any case, the supplier must obtain the written consent of the TII Group before destroying documents.

4.1. Special releases of the supplier

This item applies if the supplier finds a deviation from the properties and specification required by the TII Group in the production of parts.

Before delivery of the parts, the supplier submits the application for special release using the corresponding form “QMA 9.037 Special release application” to the responsible QA Officer. The supplier must request the form from the responsible QA Officer.

The application must be submitted by the supplier in digital form as a Word document and additionally in signed form.

The TII Group then considers the impact on the availability of parts in accordance with the deviation determined on the supplier side. After a number is assigned for traceability, the QA Officer processes the application with the relevant departments.

The supplier receives the processed application from the competent QA Officer. If the parts are released for delivery by the TII Group with a special release, they must be classified as such upon delivery (obligation of the supplier).

If delivery deadlines or other contract elements result from changes to the terms and conditions, this must be agreed with the supplier in writing via the QA Officer and Purchasing.

5. Product creation process

Upon receipt of all technical documents such as specifications, drawings, parts lists, and CAD data, the feasibility must be checked based on a feasibility study. Defects and risks recognized thereby, as well as opportunities for improvement, shall be communicated to the supplier of the TII Group without delay.

In the development phase, the supplier uses suitable preventive methods of quality planning, such as feasibility analysis and FMEA. Experiences (processes, etc.) are taken into account by the supplier. For all properties, the supplier shall perform process planning (work plans, test plans, equipment, tools, machinery, etc.). The product quality is monitored by regular audits carried out by the supplier.

6. Input checks by the TII Group

Immediately upon receipt of products, TII Group shall check whether they comply with the order quantity and, if the product seems to correspond to the type ordered, whether externally recognisable damage or externally visible defects are present. If the partners think that further testing by the TII Group is appropriate, this is defined in separate agreements or on a product-specific basis (e.g. drawings).

If the TII Group finds damage or defects during the aforementioned tests, this must be reported to the supplier immediately. If the TII Group later discovers damage or defects during the ordinary course of business, it will likewise report this immediately. The supplier waives the objection of late notification of defects in this respect.

The TII Group is not responsible for providing the supplier any further inspections and reporting other than that which is mentioned above.

7. Handling of complaints

If defects are found at the TII Group, they will be indicated in a complaint report. Regardless of whether the complaint was made at goods receipt, during further processing or in the use phase, the supplier will prepare an 8D report and inform the TII Group regarding emergency measures taken within 24 hours. The first 3 points of the 8D report must be processed within 24 hours and completed no later than 2 weeks after a verification.

The TII Group reserves the right to accept deliveries in spite of existing defects but to insist on freedom of defects for subsequent deliveries.

Parts that cannot be used by the TII Group due to a deficiency will be returned at the cost of the supplier with a complaint report in the agreed scope.

If assembly threatens to be stopped by the delivery of components which do not correspond to the specification for products, the supplier must rectify the situation through suitable immediate action carried out by it (replacement deliveries, rework, special shifts, rush transport, etc.) in coordination with the TII Group.

If the repair cannot be carried out either by the TII Group or by the supplier for capacity reasons and/or because of the scheduling situation, the TII Group has the right to commission a suitable third party with the repair even without consultation with the supplier. The cost of the repair is to be billed in full to the supplier.

8. Liability for material defects, liability, insurance

The supplier is liable for all damage incurred by the customer due to poor performance, in particular the delivery of defective contractual items. This covers all direct and indirect damage, including foregone profit.

Due to defective delivery and/or performance, the TII Group can demand compensation from a supplier, in particular:

- a. The costs incurred through separating out the defective contractual objects (sorting costs)
- b. The costs of replacement procurement
- c. The costs for partly processed and finished products which are affected by a defective delivery and/or performance (scrap costs)
- d. The costs of disassembly and reassembly
- e. The costs of return shipping and other freight costs incurred due to defects
- f. All other costs associated with the settlement of claims, including additional administrative expense
- g. A processing fee of €100

Damages qualifying for reimbursement include the cost or damage that the TII Group must pay to customers due to defective delivery and/or performance of the supplier.

Claims arising from liability for defects shall lapse 24 months after delivery by the TII Group to the end customer, spare part replacement or, upon supply of machinery, equipment or tools and other performances of the supplier since formal final acceptance, at the latest after expiry of 36 months from delivery to the TII Group or delivery to the contractually specified location.

If, due to strict liability of third parties, a claim is made against the TII Group according to mandatory law, the supplier will defend the TII Group as it would also assume liability to immediate third parties.

In addition, the provisions for defect liability and liability of the purchasing terms and conditions of the TII Group in the latest version at the time of the respective conclusion of the contract apply for the development and/or delivery of a product unless otherwise agreed in the development and/or supply contracts.

9. Confidentiality

Each partner will use all documents and knowledge he receives in connection with this agreement only for the purposes of this agreement and keep them secret with the same care as applied to its own documents and information in regard to third parties if the other partner describes them as confidential or their confidentiality has an obvious interest. This obligation shall begin upon receipt of the documents or information and ends 36 months after the end of the agreement.

The obligation does not apply to documents and information which are generally known or were already known upon receipt by the partner without it having been sworn to confidentiality, or that were received afterwards by a person authorised for disclosure to third parties, or documents or knowledge of the other partner to be kept confidential without utilisation which were developed by the receiving partner.

10. Quality Assurance Officer & SQE

Each partner appoints for the other in writing a Quality Assurance Officer who must coordinate the implementation of this agreement and thereby must make or bring about coherent decisions. A change in the Quality Assurance Officer must be reported in writing without delay.

The Quality Assurance Officers and SQEs of the TII Group are:

Name, company	Function	Tel.	E-mail:
Gerhard Albrecht, Scheuerle	QA Manager	+49 (0)7941 691 2182	Gerhard.Albrecht@scheuerle.com
Sébastien Merlot, Nicolas	QA Manager	+33 386 53 52 49	Sebastien.Merlot@nicolas.fr
Thomas Barth, Kamag	QA Manager	+49 (0)731 4098 240	Thomas.Barth@kamag.com

Name, company	Function	Tel.	E-mail:
Sergej Erlenbusch, Scheuerle	SQE	+49 (0)7941 691 215	Sergej.Erlenbusch@scheuerle.com
Denis Martinet, Nicolas	SQE	+33 386 53 52 33	Denis.Martinet@nicolas.fr
Ekrem Köroglu, Kamag	SQE	+49 (0)731 4098 119	Ekrem.Koeroglu@kamag.com

11. Duration of the agreement

This agreement goes into effect with full signature by both parties and is concluded for an indefinite period. It may be terminated by either party with a period of three months, at the end of the calendar month in each case. Upon termination of this agreement, any ongoing delivery contracts will remain valid until their execution.

12. Other

Changes or additions to this agreement must be in writing and go into effect only with approval by both parties.

This contract is subject to the law of the country of the ordering company of the TII Group.

If any provision of this agreement is or becomes partially or totally ineffective or unenforceable, this shall not affect the validity of the remaining conditions. The parties commit themselves, in such a case, to replace an invalid or unenforceable provision with an effective or enforceable provision that corresponds to the spirit and purpose of the provision to be replaced as far as possible. This also applies to lack of determination.

The agreement of quality objectives and measures do not affect the supplier's liability for warranty and replacement claims arising from defective deliveries by the TII Group.

Have special arrangements been made for the quality assurance agreement?

Yes

No

13. Appendix

Additional documents **Steel construction** (QMA 9.101 QAA Appendix Steel construction)

Additional documents **Hydraulics**

Additional documents **Electrics/electronics**

Additional documents **Forging/casting**

Additional documents **Surface coating**

Additional documents **Logistics/packaging**

Other documents

1. Additional document _____

2. Additional document _____

3. Additional document _____

4. Additional document _____

5. Additional document _____

This delivery agreement was duly signed by the respective legal or authorised representatives of the parties and shall enter into force on _____.

Signed:

On behalf of the TII Group

Name of supplier

Signature

Date

Signature

Date

Name in plain text

Name in plain text

Position

Position