

### Quality assurance agreement and quality guidelines of purchased parts

#### General information

STRACK NORMA, hereafter called STRACK, permanently wants to guarantee the high expectations of its customers by perfect product quality and a quality management which is recognized on an international level.

STRACK sells to large extent merchandise for injection moulding-/die-casting-, punching- and forming tools in very different sectors and manufactures in its own production components according to customers' request.

Due to the fact that the suppliers take a great influence on the quality of the STRACK products, in addition to the pricing and ability to deliver, the quality capability of the suppliers plays an important role.

Preconditions for this quality awareness are

- Quality planning i.e. systematic risk analysis prior to the series for products and processes
- Statistical process control i.e. continuous monitoring of the quality level and immediate intervention if necessary
- Continuous improvement process i.e. continuous improvement of the quality and productivity and expansion of the own market position

Collaboration in a spirit of partnership and the associated securing of the quality ability of the supplier is the main objective.

STRACK reserves the right to make an additional agreement with individually specified requirements to the process- and product quality with selected suppliers. The "Quality guidelines and quality assurance for purchased parts" are in addition to the "Shipping and packaging regulations" an integral part of the purchase conditions and can be seen under "Company".

All three documentations are binding for all contracts between STRACK and its suppliers, provided that no individual agreements, which must be signed by at least two authorized representatives in the company STRACK, have been made.

#### 1. Requirements to the product quality

The supplier is obliged to deliver error-free and compliant products in accordance with the order and/or the quality characteristics specified by STRACK.

He assumes complete responsibility for the quality of the products to be supplied and delivered, regardless of whether other sub-suppliers are involved in the production of the final product. The quality characteristics of the products to be delivered are determined in the technical documentation.

Technical documentation in this sense are among other things:

- Drawings,
- Data sheets,
- Quality specifications,
- Specification sheets
- Standards

#### 2. Supplier qualification/-development

STRACK exclusively buys products from approved suppliers. The approval of suppliers is effected after positive result according to the following criteria:

##### 2.1. Management System

STRACK has implemented the requirements of ISO 9001:2015 and is accordingly certified by the TÜV. Due to this high quality level, STRACK suppliers have at least to consider the requirements of ISO 9001:2015 or a comparable demand e.g. TS 16949/VDA 6.1/QS 9000 and to implement them in their operational processes.

The supplier also commits its sub-suppliers to build a comparable quality management system, to apply it constantly and to maintain it. This is connected with the objective to ensure a perfect quality of the purchased parts.

The fulfilling of the requirements of this certification is the basis for a correct running for the production of high-quality products and therefore for the minimization of complaint rates. Each supplier is obliged to analyze, to control, to steer its operational processes and production facilities autonomously and to seek to improve them continuously.

##### 2.2. Initial samples

In the following cases initial samples have to be submitted to the company STRACK prior to start series deliveries:

- For new products
- Modification of technical documents
- Utilisation of new moulds/punching devices
- Relocation of the production

The supplier performs process capability studies for the marked, function-relevant dimensions and documents them.

The initial samples must be produced under series conditions and tested with respect to all quality characteristics required in the technical documentation. Together with the initial samples, the supplier delivers a completely filled "initial sample report" with the results of his test including measurement report. The deliveries have to be marked clearly on the packaging unit and the delivery note with the notation "initial samples". The number of the necessary samples is determined in the individual case at placing the order.

In reasonable exceptional cases a presentation of initial samples without corresponding report can be effected after consultation with the quality assurance. In these cases the testing of the initial samples by STRACK is carried out at the expense of the supplier. The costs are calculated according to expenditure, based on an hourly rate of 63.00 €.

As soon as the initial sample was found to be specification-conform after successful examination of the quality assurance and the engineering department, the tested articles are released for series deliveries. In this context, the supplier receives the initial sample test report, issued by STRACK.

As soon as STRACK provides updated production drawings to the supplier, these must absolutely be considered for current or future orders.

STRACK will immediately return components which were manufactured and delivered according to outdated production drawings at the expense of the supplier.

##### 2.3. Series deliveries

Series deliveries must fully comply with the technical documentation provided by STRACK, the previously released initial samples and the order placed by the purchasing department, in terms of quality and quantity. The supplier makes a test schedule for the individual working steps and its outgoing goods inspection which documents the determined operating- and test sequences. Moreover the supplier ensures that he disposes of and uses the appropriate testing- and measuring equipment to test all function-relevant characteristics determined in the specifications.

For the used test equipment appropriate capability tests have to be carried out, if necessary.

The obtained test results are archived reproducibly for the respective production lot by the supplier for 10 years within the frame of its product responsibility. Hereby the supplier commits himself to the clear marking of the production lots:

- Denomination
- Part-number
- Change status
- Quantity

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In case of claim of individual deliveries, this marking in connection with the internal data archiving system enables the supplier an error localization with regard to the production period and - batch or the delivery quantity and - date. Series deliveries are checked by sampling by the STRACK quality assurance. The target is to renounce incoming good inspections at good quality.

There will only be a check on identity, quantity and externally visible errors, e.g. transport damages.

If changes in production processes are carried out by the supplier, STRACK has to be informed immediately and a measurement report with the notation "modified manufacturing processes" has to be added to the subsequent delivery.

#### 2.4. Supplier audits

In the following cases STRACK reserves the right to check the supplier processes by means of a previously announced process audit on the supplier's premises:

- Insufficient series quality/high complaint rate
- Relocation of production facilities
- Changed production processes
- Supply of new products

The results are immediately communicated to the supplier in writing. In case of corrective measures the supplier obliges to initiate them immediately and to implement them in the form of an action plan in due time and to inform STRACK about this in writing.

The exchange of data and results of supplier audits should promote the cooperative partnership and should give the supplier hints concerning improvement potentials to continuously meet the expectations of STRACK to its suppliers.

#### 2.5. Malperformances

2.5.1. If the supplier finds defective parts during his tests, these have to be sorted out immediately, the cause has to be analyzed and corrective measures have to be initiated. If the supplier determines that products have been delivered with defects, he has to inform the quality assurance of STRACK immediately about this.

2.5.2. If during the further processing in the company STRACK possible defects at products occur due to assembly problems, after delivery by customer complaints or other investigations, STRACK obliges to inform the supplier immediately about this in writing.

The measures necessary due to this complaint can be:

- Replacement delivery
- Return
- Sorting on site (supplier/customer)
- Processing with additional expenditure
- Removal of defects/rework
- Scrapping

The determination and implementation of the above-mentioned measures are carried out by STRACK. Furthermore the supplier receives a 4D-Report which has to be filled out completely and which has to be returned to STRACK within 10 working days.

Moreover, immediately after the discovery of malperformances, the entire stock at STRACK is controlled at the expense of the supplier, and if necessary sorted. STRACK charges the supplier the costs for this according to expenditure, whereby an hourly rate of 65.00 € is based (these costs are charged in addition to the expense allowance according to point 2.5.3.). Within the warranty period the supplier will send a credit note about the sorted parts or will deliver alternatively new/reworked, error-free components within two working weeks. In individual cases a possible reworking can be carried out by STRACK or a third company, chosen by STRACK, at the expense of the supplier.

2.5.3 All complain costs arising for the company STRACK are charged to the supplier. In principle per complaint case an expense allowance of 120 € is charged. STRACK reserves the right to charge higher costs which exceed the expense allowance, as well as the assertion of compensation claim exceeding the expense allowance.

2.5.4 If in exceptional cases products must be delivered that not completely comply with the technical documentation, prior to delivery a special written authorization has to be obtained by the STRACK Quality Assurance.

#### 2.6. Supplier assessment

Once a year STRACK performs a supplier assessment and the main suppliers are subjected to an ABC analysis. Here the quality of the deliveries is a decisive factor for the continuation of a successful cooperation. Each supplier reaching the status "B" or "C" is obliged to make a written statement with corresponding measures for the improvement of malperformances.

The compliance with these measures will be tested at STRACK at least after 3 months and the supplier receives its updated assessment.

#### 3. Dokumentation

Any documentation are to be archived for 10 years in such a manner, that they can be made available at any time or that, if necessary, the identity between the initial sample and the series delivery can be proven.

#### 4. Annotations

When manufacturing the products the supplier obliges to exclude the utilization of conflict materials to "Dodd-Frank Wall Street Reform" and to demonstrate this for STRACK.

Any ambiguities or contradictions within this documentation are to be clarified in advance with STRACK.

The serial-accompanying quality monitoring is effected within the scope of this agreement.

Due to the conclusion of this agreement the proportional transfer of company certificates, examination certificates and other confirmations at the delivery of goods by the supplier is obmitted.

If the supplier cannot fulfill one or more requirements of this guideline, he has to inform the STRACK purchase department about his in written. The supplier receives then from the purchase department further statements about the further proceeding.

If no objections are made by the supplier prior to his order confirmation, the "quality guidelines and quality assurance of purchased parts" apply obligatorily for each delivery to STRACK.

**Version date: 06/2021**