



Quality Assurance Agreement (QSV)

between the Companies

WINDHOFF Bahn- und Anlagentechnik GmbH
Hovestraße 10
48431 Rheine

- THE CLIENT -
(hereinafter referred to as “The CLIENT”)

and

XYZ GmbH
Exemplar Street
Exemplar City

- THE CONTRACTOR -
(hereinafter referred to as “The CONTRACTOR”)

Date: _____



Index of Contents

1. Preamble	3
2. Scope of Application, Subject Matter of the Contract	3
3. Quality Management System of The CONTRACTOR	4
4. Quality Assurance by The CONTRACTOR	4
5. Quality Audits / Appraisal of The CONTRACTOR	5
6. Applicable Laws, Regulations, Level of Technology	5
7. Environmental Protection and Occupational Safety	5
8. Quality Panning and Inspection Planning	6
9. Quality Certification by The CONTRACTOR	6
10. Order Documentation / Technical Features	6
11. Manufacture and Testing, Testing Status	7
12. Monitoring of Measuring Equipment and Testing Equipment	7
13. Labelling of Products and Documents	7
14. Measures in case of Defects / Quality Non-Conformance / Cost Ruling / CIP	8
15. Storage, Packing, Transport	8
16. Retention of Documentation / Information / Updating	9
17. Duration of the Agreement	9
18. Liability, insurance	9
19. Other Conditions	9
20. Digest of other Applicable Documents and Regulations: For Each One the Version Prevailing at the Time of Placing the Order Shall Apply	10
Appendix 1	11
Quality Requirements Specific to Product Groups	11



1. Preamble

The Customers of The CLIENT have high expectations of, and demands for, product quality from The CLIENT, and these require a corresponding level of involvement from The CONTRACTOR.

We strive to achieve a long-term CLIENT-CONTRACTOR relationship in partnership and a synergy in the Quality Management Systems of The CLIENT and The CONTRACTOR in the sense of a quality management cycle.

This Quality Assurance Agreement (hereafter referred to as “The QSV”) designates and regulates all measures for quality assurance for future deliveries between the envisaged partners with the aim of assuring the quality of the “Products and Services”. The QSV describes the minimum requirements for the quality management system of The CONTRACTOR and regulates all rights and obligations in relation to the quality of the products to be delivered.

In the QSV special requirements are laid down for the production process and the product approval procedure as well as requirements for the finishing, inspecting and the dispatch of the products to be delivered with regards to their quality.

The QSV complements other contract documentation such as, for example, outline agreements, individual orders, agreements affected by individual contracts, technical specifications and product requirement documents (PRD), general terms and conditions for purchase agreements (AEB) as well as legal requirements.

2. Scope of Application, Subject Matter of the Contract

This Agreement regulates the fundamental conditions of the contract and the terms for products and services to be delivered by The CONTRACTOR to The CLIENT in the future. Any written agreements between the Parties for individual cases which deviate from, and / or complement, this QVA shall remain reserved. Above all, quality requirements for specific groups of goods which apply to particular products come in for consideration here, and these are listed in Appendix 1 of this agreement.

No legal obligation on the part of The CLIENT to accept any bids shall be established by this outline agreement.

Any and each agreement to complement this QVA, as well as any specific amendments to it, shall be required to be presented in writing.

This agreement does not replace the requirements of DIN EN ISO 9001 in their currently applicable form, nor the customer standards; rather it only expresses the minimum requirements of The CLIENT.

The rights and obligations of the Partners to the contract from purchasing companies, service companies and delivery companies shall be agreed separately, especially as far as concerns the scope, the technical design, regulations, and, where the need arises, special quality requirements (as conveyed via specifications, for example, in drawings, parts lists, inspection plans etc.), delivery dates and delivery prices.



3. Quality Management System of The CONTRACTOR

The CONTRACTOR shall commit to the permanent application of certified quality management system that at least meets the requirements of DIN EN ISO 9001 in the currently valid form.

Product-specific, non-certified quality management systems can be recognized by the responsible quality officer in individual cases

Evidence of the setting up and functioning of the quality management system introduced shall be provided by valid certification to DIN EN ISO 9001 carried out by an accredited institution.

The CONTRACTOR shall be further obliged to satisfy himself as to the effectiveness of his quality management and environment management systems via internal system audits of his procedures, products, processes, information protection measures and environmental control. The audits of products and processes shall be incident based and / or shall be carried out at least once a year.

4. Quality Assurance by The CONTRACTOR

In agreeing the purchase contract, The CONTRACTOR shall assume an obligation to The CLIENT to do everything in accordance with the level of technology prevailing at the present time to ensure that his deliveries are free from any defects. He shall be committed to the "Zero Defects Principle" and shall have to continually optimise his performance to that effect.

The CONTRACTOR shall be fully responsible for adhering to this agreement and for the quality of the products and services delivered by him to The CLIENT in accordance with those features of the prevailing purchase contract and in the technical documentation, or with those otherwise prescribed by The CLIENT, or those agreed with The CLIENT.

The CONTRACTOR shall oblige his subcontractors to adhere to those obligations assumed by him out of this contract. Further to this, he shall, upon request from The CLIENT, make these subcontractors known to The CLIENT.

The CLIENT shall be able to request from The CONTRACTOR documented evidence that The CONTRACTOR has satisfied himself as to the efficiency of the quality management systems at the premises of his subcontractors. The CLIENT shall equally be able to request that The CONTRACTOR present written evidence of inspections and other written evidence of quality from his subcontractors.

The CONTRACTOR shall commit to document all the inspections that he carries out within the framework of his factory production control (WPK) on the basis of the prevailing laws, norms and directives (cf. point 5).

The CONTRACTOR undertakes to provide The CLIENT with project-specific evidence (e.g. the documents mentioned in the EMP form FB QS-313 and/or in the WPK external FB WP-nnn, photo and video material about the construction status, etc.). hand over.



5. Quality Audits / Appraisal of The CONTRACTOR

The CONTRACTOR shall commit, by agreement, to allow audits of his systems, procedures, products, processes, information protection measures by The CLIENT or his Customers.

To do this, persons commissioned for quality management by The CLIENT, by the Customer of The CLIENT or a consultant or expert commissioned by one of these Parties shall receive from The CONTRACTOR upon consultation the right of access to his production facilities. Once there, they shall be allowed to inspect, as required, all production and quality records, and they shall be handed any designs that they wish to see which relate to the product ordered. The CONTRACTOR shall not be discharged from his responsibilities by doing this.

The CLIENT shall give notification of the visits in good time, but shall reserve the option to visit at short notice within a few hours in the case of unexpected defects, incidents or breakdowns.

The CLIENT shall use special checklists for his quality audits. The results of the audit shall be documented by The CLIENT and discussed with The CONTRACTOR. During this process any necessary measures will be jointly determined, introduced and verified.

For the purposes of these audits, The CLIENT shall receive from The CONTRACTOR the right to take photographs of production facilities and products; the use of these photos for any purpose beyond the audit is prohibited.

The CLIENT shall be permitted, upon consultation with The CONTRACTOR, also to make checks on his subcontractors.

6. Applicable Laws, Regulations, Level of Technology

Adhering to the principle of maintaining the "Level of Technology" by using the latest updated versions is a minimum prerequisite for all products. As long as nothing to the contrary is provided for in individual contracts, the country of deployment for the products to be delivered shall be deemed to be Germany. Correspondingly, all prevailing German and European laws, norms and directives that are relevant to the products to be delivered shall apply.

The CONTRACTOR shall undertake to appraise himself of the aforementioned "Level of Technology" requirement, and to put this into operation.

In a case where special laws or regulations are required to be fulfilled which deviate from the regulations above, The CONTRACTOR shall specify this in the purchase agreement. In accordance with the EC Machine Directive in the version applicable at any given time, all products which fall into the classifications therein shall be delivered with an EC Declaration of Conformity (DoC) or a Declaration of Installation.

7. Environmental Protection and Occupational Safety

The CONTRACTOR shall have implemented an environmental protection management system on the basis of ISO 14001 and shall be committed to avoiding any influences which



pose a risk to, or which are damaging to, the environment, as well as pursuing the considerate exploitation of all natural resources.

The health and occupational safety of employees are values of particularly high standing for The CLIENT. Therefore, The CLIENT takes seriously his responsibility of guaranteeing a safe working environment which promotes good health so as to avoid accidents and injuries.

These standards shall form the basis of a long-term collaborative partnership with The CLIENT. The analysis of all measures taken by The CONTRACTOR in relation to environmental protection and occupational safety shall therefore be a consistent feature of the auditing procedures.

8. Quality Planning and Inspection Planning

In so far as The CLIENT may have specific requirements relating to quality planning and inspection planning which stem from the requirements of DIN EN ISO 9001, these shall be dealt with by use of individual contracts.

For special projects, the submission of a production status report is required regardless of the application of this QS agreement.

9. Quality Certification by The CONTRACTOR

Quality certification relating to products ordered shall be provided by The CONTRACTOR at the latest by the time of delivery of same. Any exceptions shall form the requirement for special agreements between both Parties to the contract.

All tests carried out shall be documented by The CONTRACTOR in a clear format. The inspection and test status must be clearly visible on each occasion.

The CONTRACTOR shall undertake to hand over to The CLIENT any quality certification as defined in individual contracts (e.g. Acceptance Test Certificate (**APZ**) to DIN EN 10204-3.1, Initial Sample Inspection Reports (ISIR), weld suitability test certificates or others) at the latest by the time of delivery of the equipment.

10. Order Documentation / Technical Features

The order documentation from The CLIENT shall contain the technical features and requirements which must be adhered to with relevance to quality which shall be considered alongside the provisions in this contract. These shall form a constituent part of the purchase agreement.

In-house production drawings, production plans and inspection plans shall be issued by The CONTRACTOR on the basis of the regulations contained in the individual contracts.

Even before The CONTRACTOR shall accept the contract, he shall undertake to verify and to ensure that:

- he has the ability to fulfil the requirements of the contract;



- all order documentation has been fully, unambiguously and appropriately documented for him;
- any matters which are unclear to him, or any order documentation which may prove to be incomplete, shall be discussed with The CLIENT and the issues resolved before he shall carryout the contract.

11. Manufacture and Testing, Testing Status

The CONTRACTOR shall produce and test the products / services to be provided in accordance with his established production and testing procedures. Where special production and testing requirements for orders are called for, these shall be specified by The CLIENT in the order.

The CONTRACTOR shall be required to document all tests carried out by him in a format which is simple and clear. The inspection and test status must be clearly visible on each occasion.

The CONTRACTOR shall undertake to obtain authorisation from The CLIENT in the event of any change to the manufacturing or testing procedures, or the use of different materials for production, or the transfer of production to another site or also for the transfer of production to a subcontractor.

12. Monitoring of Measuring Equipment and Testing Equipment

The completion of tests by The CONTRACTOR shall have to be done with the use of calibrated, appropriate and effective measuring equipment, which in its type and scope shall be so designed that all quality features can be inspected in accordance with the contract. The testing equipment shall have to be monitored at fixed intervals and be subjected to a measuring systems analysis (MSA) inspection to keep it ready for operation and serviceable. Calibration protocols with evidence of accuracy shall be maintained by The CONTRACTOR and records kept. The CONTRACTOR shall afford The CLIENT sight of these documents at his request.

13. Labelling of Products and Documents

Should any documentation, products or parts be made available to The CONTRACTOR, these shall be clearly labelled by The CLIENT.

The CONTRACTOR shall undertake to provide a clear correlation between manufacturing and testing documentation which shall at all times be traceable and comprehensible, both during and after the production of products or services respectively.

Identical labelling shall be used in the delivery note from The CONTRACTOR and on the product / deliverable so as to enable a clear correlation to the order process. The labelling shall have to be durable and non-detachable (e.g. tags, stickers or similar) and easily removable (labels using permanent adhesive or sticky labels made of paper are not suitable.)



14. Measures in case of Defects / Quality Non-Conformance / Cost Ruling / CIP

Should The CONTRACTOR determine any defects in the material or / and in the documentation made available to him by The CLIENT, he shall be obliged to inform The CLIENT of this without delay before commencing or continuing any work.

Before the delivery of the products, The CONTRACTOR shall have to inform The CLIENT of any defects or issues of quality non-conformance that have arisen and that may have consequences in terms of quality for The CLIENT. In cases of non-conformance of this kind, the possibility shall exist for The CONTRACTOR to apply for approval for the non-conforming product via the (WINDHOFF form FB QS-200) concession request. In any case where non-tolerance is determined, The CONTRACTOR shall be obliged either to replace the defective products at his own expense with non-defective ones, or to correct the defect.

In order to reduce as far as possible any expense caused by non-conformance, The CONTRACTOR shall implement the following measures:

- The CONTRACTOR shall nominate a person in charge as well as his representatives in the company of The CONTRACTOR who shall have respectively the expert competence and sufficient authority to take decisions in relation to the implementation of corrective and preventive measures.
- In cases where non-conformance is established the cause of the defect shall be identified without delay and appropriate corrective measures to rectify the defect shall be determined, along with a time-scale for their implementation, and these shall then be implemented.
- The CONTRACTOR shall determine appropriate preventive measures so as to avoid any repeat of the defect or the non-conformance, whichever the case may be.
- The implementation of the preventive measures shall be inspected by The CLIENT, for example, within the framework of audits, factory acceptance tests (FAT) or production monitoring by the QM department or the purchasing department of The CLIENT
- The measures should be created, implemented and documented in accordance with an 8D report (WINDHOFF form FB QS-238)
- If unplanned tests or rework are required due to a fault finding, incomplete information on the delivery papers, incorrect deliveries or missing / incomplete quality certificates, the costs incurred for this will be charged to The Contractor.

15. Storage, Packing, Transport

The CONTRACTOR shall undertake to store, to pack and to transport all products, parts for delivery, services and raw materials in line with quality assurance requirements, so that it shall be certain that all damage shall be excluded.

The packing of any deliverables must in all cases offer sufficient protection against damage, damp and dirt. Where special packing is required by The CLIENT, for example for transport by sea or by air, this shall be regulated by contract.



16. Retention of Documentation / Information / Updating

The CONTRACTOR shall have to afford The CLIENT on his request sight of all documents, data and drawings relevant to the product and to production processes. All corresponding obligations to retain documents according to German law shall be observed.

The CONTRACTOR must inform the CLIENT NDT without being asked and in good time if persons employed by him who are responsible for QA (e.g. VT inspectors, NDT inspectors - Level 2 and 3) are leaving the company or certifications are revoked or not renewed will. The resulting consequences will be coordinated between the contractor and the client.

17. Duration of the Agreement

This agreement shall come into force upon the complete signing of same by both partners to the contract and shall be concluded for an unspecified period of time.

It shall be possible to terminate the agreement at the end of a month subject to compliance with a notice period of six months. The right to terminate the contract without notice for an important reason shall remain unaffected.

The conditions listed above shall apply to all projects already underway at the time of termination which were concluded on the basis of this agreement up to the time of completed delivery of the service specified in the contract.

18. Liability, insurance

This agreement shall not release The CONTRACTOR from his liability for claims arising from any dereliction of his obligations and / or Product liability because of defects in deliveries on the part of The CLIENT and his clients. Alongside the points established in this agreement, liability shall also be determined by the agreements which underlie delivery.

The CONTRACTOR is also liable to the CLIENT for material defects if defects in the product delivered by him are only discovered during or after processing. After discovering a defect, The CONTRACTOR will immediately receive a corresponding notification. If the agreed measures from this QA agreement are not fulfilled and The CONTRACTOR therefore delivers defective products, resulting in additional production costs, production downtime costs or additional logistics costs for the CLIENT, the CLIENT reserves the right to assert corresponding claims for compensation.

The CONTRACTOR undertakes to take out product liability insurance. This must include recall cost insurance for at least 2 claims per year. The minimum coverage/damage is €5 million; this does not limit the contractor's liability.

19. Other Conditions

Any amendments or amplifications to this contract shall be required to be in writing and countersigned by both Parties to the contract.



Should any conditions to this contract, either in whole or in part, be void or not feasible or become void or not feasible, then the validity of the remaining conditions to this contract shall remain unaffected by this.

An appropriate regulation shall apply in place of the void or not feasible condition, one which – in so far as is possible within the law – shall most closely reflect that which the Parties would have wanted, had they considered this point at the time of concluding this contract.

German substantive law shall apply to all legal relationships in connection with this agreement.

Rheine shall be agreed as place of jurisdiction.

20. Digest of other Applicable Documents and Regulations: For Each One the Version Prevailing at the Time of Placing the Order Shall Apply

- DIN 55350-11:2008 Concepts for Quality Management – Part 11: Supplement to DIN EN ISO 9000:2005
[*Begriffe zum Qualitätsmanagement - Teil 11: Ergänzung zu DIN EN ISO 9000:2005*]
- DIN EN ISO 9000 Quality Management: Concepts
[*Qualitätsmanagement, Begriffe*]
- DIN EN ISO 9001:2015 Quality Management Systems: Requirements
[*Qualitätsmanagementsysteme, Anforderungen*]
- DIN EN 10204:2005 Metallic Products: Types of inspection documents
[*Metallische Erzeugnisse, Arten von Prüfbescheinigungen*]
- DIN EN ISO 14001:2015 Environmental Management Systems: Requirements with guidance for application
[*Umweltmanagementsysteme - Anforderungen mit Anleitung zur Anwendung*]
- 1907/2006/EG REACH Directive EC 2006/1907
[*REACH-Verordnung der EG*]
- RL 2006/42/EG Machinery Directive EC 2006/42
[*EG – Maschinenrichtlinie*]
- 2014/35/EU Low voltage Directive (LVD) EU 2014 /35
[*Niederspannungsrichtlinie*]
- 2014/68/EU Pressure Equipment Directive (PED) EU 2014/68
[*Richtlinie über Druckgeräte*]
- SCC: 2011 Safety Certificate Contractors (SCC) Regulations
[*Regelwerk Safety Certificate Contractors SCC*]



Appendix 1

Quality Requirements Specific to Product Groups

1 Products for which Suppliers are Responsible (Blackbox-Products)

A CONTRACTOR for technical developments and Software (so-called Blackbox-Products) shall have to guarantee autonomously the quality of the agreed product and Software, as well as be able to provide on request complete evidential documentation about the product and the software. When the article is to be discontinued The CONTRACTOR shall have to inform The CLIENT in good time of the announcement of discontinuation.
(Obsolescence management).

2 Catalogue Parts

A CONTRACTOR of catalogue parts shall have to work closely with The CLIENT in relation to changes and further developments which may not be recognisable to The CLIENT from the order number, and shall inform him in good time of such changes and developments so as to make a timely agreement possible. Any and all changes to the type description, or, as the case may be, to the article description, shall be reported immediately. When the article is to be discontinued The CONTRACTOR shall have to inform The CLIENT in good time of the announcement of discontinuation.
(Obsolescence management).

3 Purchase Parts Subject to Mandatory Testing

Special testing is *required* for certain products specified in the order, for example, German Railways Quality testing [*DB Qualitätsprüfungen*].

4 Components with Weld Technology

The welding processes used shall have to fulfil the specifications in DIN EN ISO 3834-2 in addition to DIN EN ISO 9001. The welding processes used shall have to meet the qualifications according to ISO 15614. Any CONTRACTOR who manufactures welded parts shall have to have at their disposal correspondingly qualified welding staff in line with DIN EN ISO 9606 and welding coordination to DIN EN ISO 14731, and be able to provide evidence of this.

It may be that further weld technology approvals such as DIN EN 1090 (steel construction) could be required for specific projects.

Any CONTRACTOR who develops, designs, manufactures or buys in welded parts for rail vehicles shall have to fulfil the requirements according to the corresponding structural component classification as a welding business to DIN EN 15085-2 (Railway Applications – Welding of Railway Vehicles and Components) for the relevant area of application and be able to present a valid certificate to this effect at a recognised place.

All subcontracting of welding work shall be reported to The CLIENT in advance.

5 Cast Parts and Forged Parts

Special non-destructive tests are necessary for certain cast parts and forged parts specified in the order. The CONTRACTOR shall have to make available qualified persons for the completion and assessment of these tests, e.g. testing personnel in compliance with DIN EN ISO 9712 Stage 1, test coordination to DIN EN ISO 9712 Stage 1 or Stage 2, and be able to provide evidence of this.



Special manufacturing qualifications are necessary for products in rail vehicles, e.g. German Railways Manufacturer and production qualification [*DB Hersteller- und Produktqualifizierung (HPQ)*].

6 Glass Products

The corresponding standards for these shall be specified in the order. Special tests are required for products in rail vehicles, e.g. those according to UIC-standards.

7 Electronics, Electromechanics and Mechatronics

The corresponding standards for these shall be specified in the order.

8 Software

The corresponding standards for these applications shall be specified in the order, for example software development processes according to Software Process Improvement and Capability Evaluation (SPICE norms) (ISO/IEC IS 15504).

For A CONTRACTOR of software, or of products which contain software, the standards in DIN EN 61508 shall apply, and for software and products in rail vehicles, those in DIN EN 50657 too.

The prevailing version of the Software-Safety-Integrity-Level "SWSIL" requirement level "SSAS" or Safety Integrity Level "SIL" must be agreed with The CLIENT. In an individual case it shall be necessary for an independent expert to certify conformity to the above stated norms. The need for an independent opinion for SWSIL 1-4 shall have to be agreed with The CLIENT.

9 Surface Treatment Processing

The corresponding standards for this shall be specified in the order.

Treatment application processes for railway applications are subject to particular requirements. For these reasons only those application processes prescribed by us or approved by us shall be used exclusively for our products.

10. Products subject to quality testing for Deutsche Bahn

If the supplementary contractual conditions of DB AG and its affiliated companies for quality assurance during procurement (EVB Quality Assurance for Procurement of Rail Vehicles) are mandatory for the AG, The CONTRACTOR has these for the products for which an inspection obligation according to Annex 28.1 and/or Annex 28.3 of the DB AG is to be fulfilled.



for The CONTRACTOR:	for The CLIENT:
XYZ GmbH Exemplar Street Exemplar City	WINDHOFF Bahn & Anlagentechnik GmbH 48431 Rheine Hovestraße 10
Date and signature	Date and signature