

Quality Assurance Agreement

KEMARO AG, Version 12/2024

between

KEMARO AG
Hilagstrasse 20
CH-8360 Eschlikon

hereinafter referred to as "KEMARO" or "Customer"

and

Hereinafter referred to as "Supplier"

Collectively referred to as "Partners."

Preamble

This Quality Assurance Agreement (QAA) is intended to ensure the quality and traceability of all products supplied by the Supplier and to define the procedure in the event of defective parts from the Supplier. It is a supplement to the General Terms and Conditions of Purchase of KEMARO AG. Insofar as this agreement contains more extensive provisions or conflicts with the General Terms and Conditions of Purchase (GTC), the GTC shall take precedence.

I. Scope of Application

1. This agreement exclusively applies to the materials, products, services, manufacturing processes, tests, controls, and management processes used by the Supplier to fulfill the technical and commercial specifications of the products supplied with the order.
2. This agreement applies to all purchase contracts concluded by the Customer with the Supplier.
3. Changes and additions to this QAA will be published by the Customer on its website at www.kemaro.ch. It is the Supplier's responsibility to independently and periodically monitor the Customer's website. The Customer will not provide specific notification about updates to the QAA or other applicable provisions visible on the Customer's website.
4. The Supplier shall obligate its subcontractors to comply with the obligations it has assumed under this contract and guarantees compliance with these obligations by its subcontractors.

II. Quality Assurance / Environmental Management

5. The Supplier commits to the goal of a zero-defect strategy and must continuously optimize its performance to achieve this objective.

6. The Supplier is obligated to establish, maintain, and apply a quality management system in accordance with the currently applicable version of ISO 9001 and to continuously improve its performance. Proof of the successful implementation and application of the system is provided by obtaining a certificate from an accredited certification body.

If the Supplier does not hold an ISO 9001 certification, the Supplier must at least demonstrate that manufacturing and testing processes are clearly defined and applied. This can be done, for example, through a quality manual that documents all critical processes within the value chain, including compliance and descriptions of testing steps.

The objective is to achieve certification under ISO 9001 at a minimum.

7. The Supplier is committed to implementing environmental principles and ensures the use of environmentally sustainable and compatible products, materials, and manufacturing processes. This also applies to the packaging and transportation of goods.

III. Technical Specifications

8. The technical and commercial requirements (e.g., delivery times, prices, packaging, and transport costs) for the products and services to be delivered must be communicated to the Supplier in writing by the Customer. These requirements form an integral part of the QAA.

9. The Supplier shall immediately verify whether the technical documents provided by the Customer are error-free, complete, and consistent. Any defects identified must be reported to the Customer in writing without delay.

IV. Confidentiality

10. The Supplier and the Customer agree to treat all non-obvious commercial and technical details that become known to them through the business relationship as trade secrets and to use them solely for the purposes of the mutual business relationship. The Customer reserves the right to conclude a separate Non-Disclosure Agreement (NDA) with the Supplier.

11. This obligation does not apply to documents and knowledge that are publicly known or were already known to the Partner at the time of receipt without being subject to a confidentiality obligation.

V. Adaptation to the State of the Art

12. The Supplier commits to the continuous improvement and further development of its methods and processes.

13. The Supplier further undertakes to ensure that the products it delivers are manufactured at least in accordance with the generally recognized rules of technology. These rules refer to the minimum requirements for products, services, and processes as specified in norms, standards, and regulations (e.g., ISO, DIN).

VI. Monitoring of Processes and Products

14. Before making changes to manufacturing processes, materials, or components supplied for products, relocating production sites, or altering procedures or facilities for testing parts or other quality assurance measures, the Supplier must inform the Customer in writing in a timely manner. This allows the Customer to evaluate whether the changes could adversely affect the final product or the further processing of delivered parts.

15. The Supplier independently establishes a testing concept that ensures compliance with the required specifications. Additionally, the Customer may work with the Supplier to define appropriate testing steps.

16. The Supplier is obligated to monitor and document the manufacturing process using suitable statistical methods, ensuring that the process capability of critical and main features can be proven at all times during the entire production period. If this is not possible, a 100% inspection of the contractual products must be carried out. For all functionally relevant features, the Supplier must analyze and document the production equipment used. If the defined capability values are not achieved, the Supplier must either optimize its equipment accordingly or conduct suitable inspections of the manufactured products to prevent defective deliveries. If it becomes apparent that agreed-upon standards cannot be met, the Supplier must immediately notify the Customer in writing.

17. Upon request by the Customer, the Supplier commits to presenting the manufacturing FMEA (Failure Mode and Effects Analysis) or an equivalent document. This is to identify potential production risks and their likelihood of detection at an early stage, as well as to implement corrective actions.

VII. Labeling, Traceability, and Documentation

18. The Supplier and the Customer ensure, through appropriate product labeling measures, the traceability and complete quality verification of all materials, manufacturing processes, and products.

19. Traceability must be designed in such a way that, in the event of a defect, it is possible to identify and isolate the defective parts/products.

20. Quality-relevant data must be retained for a minimum of 10 years.

VIII. Quality Audits

21. The Supplier shall allow the Customer (either independently or together with the Customer's client) to verify at reasonable intervals through an audit whether the quality assurance measures comply with the specified requirements. For this purpose, the Supplier shall grant the Customer access to its facilities to a reasonable extent and upon prior agreement of a schedule. During such access, the Supplier shall provide a professionally qualified employee to assist.

IX. Defective Products

22. Upon receipt of products, the Customer shall promptly verify whether the products correspond to the ordered quantity and type and whether any externally visible transport damages or defects are apparent. The Customer is not obligated to perform further inspections upon delivery.

23. If the Customer discovers defects during the aforementioned inspections or in the course of further production processes, they shall promptly notify the Supplier in writing.

24. The Supplier shall immediately inform the Customer in writing of any defects discovered on the Supplier's side and take all necessary measures to minimize any damage caused by the defect.

25. Defective or failed parts must be made available to the Supplier by the Customer for analysis. The Supplier bears the return transportation costs. The Supplier shall analyze the defect at its own expense and inform the Customer within the specified deadlines below about the cause of the deviation, the corrective actions taken, and their effectiveness. The application of the so-called 8D report process is mandatory, with the following agreed response times:

D1 - D3: Within 3 working days

D4 - D5: Within 5 working days after initiating the 8D process (establishment of D1-D3)

D6 - D8: Within 15 working days after initiating the 8D process (establishment of D1-D3)

If the defect poses a risk to life or safety, shorter response times must be agreed upon between the parties on a case-by-case basis.

If the defective goods threaten to cause production stoppages for the Customer or their client, the Supplier is obligated to provide remedies (e.g., replacement deliveries, sorting, or reworking). The Supplier bears any costs incurred as a result. If defects occur outside regular business hours, the Customer is entitled to implement measures that cause the least damage and pass the costs on to the Supplier.

26. Complaints caused by the Supplier will be evaluated, and additional expenses will be charged accordingly.

X. Liability

27. Achieving the agreed quality targets and intervention limits does not exclude the Customer's warranty or damage claims for defective deliveries.

XI. Insurance

28. The Supplier is obligated to take out insurance with an internationally recognized insurance company that adequately covers liability risks.

XII. Duration of the Agreement

29. A prerequisite for a supply relationship is the acceptance of this QSV (Quality Assurance Agreement). The QSV can be terminated by either party with six months' notice at the end of a calendar year.

XIII. Applicable Law and Jurisdiction

30. This contract is governed by Swiss law. The place of jurisdiction for disputes arising from this agreement shall be the Customer's domicile.

In case of disagreements, the parties shall strive to reach a mutually acceptable solution in the spirit of good cooperation.

31. The wording of this QSV in German is authoritative.

Supplier: _____

KEMARO AG

Place, Date: _____

CH-Eschlikon, _____

Name: _____

Name: _____

Position: _____

Position: _____

Signature, Stamp

Signature
