

Quality Assurance Agreement of Blomberger Holzindustrie GmbH

(hereinafter referred to as BHI)

1.1 Scope of application, subject-matter of the contract

This agreement forms part of the supply contract / order with BHI.

1.2 The Supplier's quality management system

The Supplier undertakes to implement a quality management system based on the international standard ISO 9000 ff with the aim of continually improving its performance and achieving the zero defect target.

1.3 Audit

Supplier visit Through audits or visits the Supplier shall enable BHI to determine whether its quality assurance measures fulfil BHI's requirements as regards its services or products. Audits or certificates from other organisations may be recognised where applicable.

1.4 Information and documentation

If it comes to the Supplier's attention that it is not possible to meet the stipulations agreed on, e.g. quality characteristics, deadlines, delivery quantities, it shall inform BHI thereof without delay. Even deviations noted following delivery shall be reported to BHI forthwith. Prior to –

- changing the manufacturing process / materials
- changing the testing procedures / facilities
- relocating manufacturing sites or manufacturing facilities

the Supplier undertakes to obtain consent from BHI and provide the proof of quality agreed in this regard. All changes to the product and in the process chain shall be documented by the Supplier and provided to BHI when requested. The Supplier shall set out the arrangements for managing all documents and data in procedural instructions and implement these effectively. There is duty to keep records for 15 years. The Supplier shall grant BHI access to the records when requested. The Supplier undertakes to ensure the traceability of its services or products by way of clear identification. If an error is ascertained the containment of the faulty parts / products / batches, etc. shall be ensured.

2.0 Delivery, incoming goods inspection

The Supplier shall supply the contract products in suitable means of transport approved by BHI, so as to avoid damage and reductions in quality, BHI shall only carry out a limited incoming goods inspection. Should BHI notice faulty parts / products / batches the Supplier will be notified without delay. The latter is to check the faulty deliverable forthwith.

BLOMBERGER HOLZINDUSTRIE GMBH

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2.1 Complaints, measures

An inspection of the delivered products shall be carried out in the ordinary course of business. Shortcomings ascertained in this process shall be reported to the Supplier. In this case, the Supplier shall waive its right to object to late notification of defect. The Supplier shall take back the rejected products or these will be reworked without delay. It undertakes to analyse each incidence of reworking and inform BHI of the cause of the discrepancy, the defect rectification and prevention measures undertaken as well as their effectiveness. Should there be impending production stoppages with respect to BHI or its customers due to the delivery of parts not in conformity with the specification, the Supplier shall see to corrective actions by way of suitable urgent measures to be undertaken thereby (delivery of a replacement, sorting, reworking, extra shifts, etc.).

3.0 Quality targets

The Supplier is bound by the zero defect target with regard to BHI in the same way as BHI is with respect to its customers. If there is not a prospect of the zero defect target being met in the short-term, BHI (where appropriate together with the Supplier) shall set time-limited upper thresholds for error rates as intermediate targets (ppm-agreements). Should the Supplier realise that the set targets will not be met it is obliged to put forward a concrete action plan to BHI. Undershooting the agreed upper thresholds does not release the Supplier from carrying on with continuous improvement. The Supplier's liability stemming from warranties and compensation claims due to faulty delivery remain unaffected thereby.

4.0 Confidentiality

Both Parties undertake to keep all the information received from the other Party confidential, including the content of this agreement and to use it solely in the interests of the contract terms existing between the Parties. This does not apply to information

-which verifiably was known to the public at the point of disclosure by one Party or then became known to the public without the assistance of the other Party.

-is already known to the recipient Party prior to the disclosure or is then disclosed thereto by third parties without being obliged by the latter to observe confidentiality.

- has been developed or is being developed by the recipient Party irrespective of the disclosure.

Supplier stamp

Customer stamp

Place, date

Place, date

Signature

Signature