**Quality assurance agreement (QSV)**

**between**

**WINDHOFF Bahn- und Anlagentechnik GmbH**

Hovestr. 10

D-48431 Rheine, Germany

from hereon **"WINDHOFF"**

**and**

xxxxxxxxxxxx

xxxxxxxxxxxx

xxxxxxxxxxxx

from hereon **"Supplier"**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Table contents

[**1.** **Preamble** 3](#_Toc440898416)

[**2.** **Subject matter and scope of application** 4](#_Toc440898417)

[**3.** **Supplier's quality management system** 4](#_Toc440898418)

[**4.** **Supplier' quality assurance** 4](#_Toc440898419)

[**5.** **Quality audits / Supplier evaluation** 5](#_Toc440898420)

[**6.** **Applicable laws, directives, state-of-the-art** 5](#_Toc440898421)

[**7.** **Health, environment and work safety** 6](#_Toc440898422)

[**8.** **Quality assurance and test planning** 6](#_Toc440898423)

[**9.** **Supplier's quality verification** 6](#_Toc440898424)

[**10.** **Order documents / Technical features** 7](#_Toc440898425)

[**11.** **Production and inspections, test status** 7](#_Toc440898426)

[**12.** **Monitoring of measuring and test instruments and media** 7](#_Toc440898427)

[**13.** **Designation / marking of products and documents** 7](#_Toc440898428)

[**14.** **Measures in case of faults / quality deviation / cost settlement / KVP** 8](#_Toc440898429)

[**15.** **Storage, packaging, transport** 8](#_Toc440898430)

[**16.** **Archiving of documents / information / updating** 9](#_Toc440898431)

[**17.** **Duration of the agreement** 9](#_Toc440898432)

[**18.** **Other** 9](#_Toc440898433)

[**19.** **Other applicable documents and directives (excerpt)** 10](#_Toc440898434)

1. **Preamble**

The high expectations and demands from WINDHOFF customers require maximum integration of suppliers into the WINDHOFF quality assurance scheme.

We strive for long-term partnerships with our suppliers and for an interaction of WINDHOFF's and the supplier's quality management systems to realise an effective quality control loop.

This Quality Assurance Agreement (from hereon 'QSV’) designates and monitors all proposed quality assuring measures between the two partners regarding future deliveries, focusing on the prime objective to ensure the quality standard of 'Products and Services'. QSV describes and defines minimum demands for the supplier's quality management system and governs the rights and obligations with regards to quality of the supplied products or services.

In the QSV we have specified pertinent requirements for the production process and for product acceptance as well as details governing the design, test and shipment regarding the quality standards for the delivered products.

The QSV shall be considered complimentary to other contractual documents, such as general agreements, individual contractual agreements, technical specifications, general terms for purchase as well as pertinent legal directives.

1. **Subject matter and scope of application**

The QSV governs contractual requirements and modalities for any future orders for products and services which are to be delivered to or on behalf of WINDHOFF, subject to any deviating and/or complementing agreements between the two parties.

This general agreement does not imply a legal obligation for WINDHOFF to place orders with the supplier.

Every supplement or amendment shall be in writing and shall be included as annex to this QSV.

This agreement shall not substitute the provisions of DIN EN 9001 in its valid form nor shall it replace customer standards, it merely defines and describes the minimum demands set forth by WINDHOFF.

The partners shall prepare special agreements regarding the rights and obligations resulting from purchase, service and supply activities, particularly regarding the technical design and realisation, standards and directives plus specific quality criteria, if applicable (specifications by way of drawings, list of components, test plans, etc.), as well as delivery dates and prices:

1. **Supplier's quality management system**

The supplier undertakes herewith to permanently apply a quality management system to DIN EN ISO 9001 in the valid version.

The supplier shall demonstrate the implementation and function of the quality management system by presenting a valid certificate to DIN EN ISO 9001, issued by a accredited institute.

The supplier shall also undertake to demonstrate the functionality of the quality and environmental management system by way of internal audits on the system as such and on processes, products, data security and environmental control. Product / process audits shall be event-oriented and/or they shall be executed at least once every year.

1. **Supplier' quality assurance**

As given in the purchase contract, the supplier accepts the obligation towards WINDHOFF, to take all appropriate measures acc. to the state-of-the-art to ensure that the products to be delivered are free from any faults. The supplier shall strive to achieve 'zero defects' as the foremost goal and shall continuously optimise his performance in the pursuit of this goal.

The supplier shall be responsible for full compliance with this agreement and for the quality of the products and services supplied for WINDHOFF with reference to the technical details given in the relevant purchase contract or with specific features and performance criteria as given by WINDHOFF.

The supplier, in turn, shall obligate his subcontractors to fully comply with the provisions of this contract. In addition and on request, the supplier shall also advise WINDHOFF on the names of the subcontractors.

WINDHOFF shall be entitled to request the supplier to present documented proof that the supplier has confirmed the effectiveness of a subcontractor's quality management system. By the same token, WINDHOFF may request the supplier to present appropriate written test certificates and other proof of quality verification for a subcontractor's products or services.

The supplier shall undertake to document the tests which are performed acc. to in-house production control measures and based on valid legislation, standards and directives (refer to clause # 5).

1. **Quality audits / Supplier evaluation**

The supplier shall - following prior consultation - undertake to permit audits by WINDHOFF and by WINDHOFF customers on the quality system as such and on processes, products and data security.

Quality representatives from WINDHOFF, or WINDHOFF customers, as well as experts designated by WINDHOFF, or WINDHOFF customers, shall be permitted - following prior consultation - to access the supplier's production facilities. Upon their request, suppliers shall provide full access to all production and quality control documents for the relevant products. This does not release the supplier from is general responsibility for quality.

WINDHOFF shall inform the supplier on such visits in time, however, in case of faults or discrepancies, such visits may take place within a few hours notice.

WINDHOFF uses specific checklists for its audits. Results of the audits shall be documented by WINDHOFF and discussed with the supplier. Necessary measures shall be defined, initiated and verified in conjunction with the partner.

The supplier shall permit WINDHOFF to take pictures in support of the audit of production facilities and of the products themselves. Any other use of the photos is prohibited.

The supplier shall permit WINDHOFF to inspect subcontractors - following prior consultation and along with the supplier.

1. **Applicable laws, directives, state-of-the-art**

Compliance with the state-of-the-art is a minimum requirement for all products. Unless stated otherwise in individual contracts, Germany shall be the country of use for the products. As such, valid German and European laws, standards and directives applicable for the product shall apply.

The supplier shall undertake to acquire necessary information on the current state-of-art and to apply them as directed.

Where specific laws or directives shall be applied which deviate from the above rules, WINDHOFF shall enter relevant provisions or comments in the purchase contract. According to the EU directive for machinery in the valid version, all products classified in this document shall be delivered with an EU declaration of conformity or with instructions for their installation.

1. **Health, environment and work safety**

The supplier has implemented an environmental management system based on ISO 14001 and as a result, the company undertakes to preclude any activities, which could jeopardise the natural environment, and to ensure a careful use of natural resources.

Health and work safety for all personnel are focal points at WINDHOFF. Therefore, WINDHOFF accepts the responsibility to ensure a healthy and safe working environment to preclude accidents and personal injuries.

These standards constitute the basis for a long-term partnership cooperation with WINDHOFF. Analyses of pertinent protection measures for personnel and environment at a supplier's facilities are prominent issues for a supplier's audit.

1. **Quality assurance and test planning**

Where specific demands by the end customer regarding quality assurance and test planning exceed the criteria set forth in DIN EN ISO 9001, such demands shall be agreed upon in a separate contract.

1. **Supplier's quality verification**

Proof of quality for the ordered products shall be presented at the latest along with the delivery of said products. Exceptions must be defined in special agreements between the two partners.

The supplier shall document all tests in a clear and nambiguous form. The test status must be clearly shown.

The supplier undertakes to present the contractually defined quality certificates (e.g. acceptance test certificate (APZ) to DIN EN 10204-3.1*, first sample test* report, welding certificates, etc.) to WINDHOFF at the latest at the date of delivery of the goods.

1. **Order documents / Technical features**

Order documents from WINDHOFF hold all quality relevant demands and features – aside from the definitions from this contract. These documents are integral parts of the purchase contract.

The supplier shall prepare additional production drawings, production and test plans based on the contractual provisions between the two partners.

Before accepting an order, the supplier shall undertake to check and confirm that …

* …he is capable of complying with the provisions of the contract,
* …all order documents are completely, unambiguously and appropriately documented,
* …any uncertainties or possibly incomplete order documents are discussed and corrected with WINDHOFF.

1. **Production and inspections, test status**

The supplier produces, inspects and tests the products / services in compliance with his proven production and test processes. Where an order specifies particular production and test criteria, these shall be defined in the order documents from WINDHOFF.

The supplier shall document executed tests in a clear and unambiguous manner. The test status shall be clearly stated.

The supplier undertakes to obtain the approval by WINDHOFF before any change of production or test processes, use of different materials, relocation of the production to a different location or relocation of production facilities at a subcontractor.

1. **Monitoring of measuring and test instruments and media**

Tests by the supplier shall be executed with calibrated suitable measuring instruments or media which are designed such as to fully test all contractually defined quality features. Test instruments and test media must be inspected at regular intervals to ensure their operational readiness. Pertinent calibration protocols shall be prepared and archived. On request, the supplier shall permit WINDHOFF access to these documents..

1. **Designation / marking of products and documents**

Where WINDHOFF provides documentations, products or parts for the supplier, they shall be clearly designated and marked.

The supplier undertakes to maintain records to ensure at any time the fully traceable allocation of production and test documents during and after the completion of production or services.

Delivery notes and designations / markings / labels at the product shall show identical information which allows for clear and unmistakable allocation to the information in the order documents. Designation / marking / labeling must be safely connected / attached (e.g. tags, labels, etc.), yet for easy removal. (Permanent signs or adhesive paper labels are not suitable).

1. **Measures in case of faults / quality deviation / cost settlement / KVP**

If the supplier should detect faults at the material and/or documents provided by WINDHOFF, he shall undertake to inform WINDHOFF on the subject matters before starting or continuing with the works.

Prior to the delivery of the products, the supplier shall inform WINDHOFF regarding any faults or quality deviations which originated at the supplier's facilities and which could affect WINDHOFF’s quality criteria. With small deviations, the supplier may request to use the deviating product by preparing a tolerance request FB QS-200. If the tolerance request is not accepted, the supplier shall undertake to replace the faulty products at his own cost or to correct the subject matter otherwise.

To mitigate extra efforts as a result of such deviations, the supplier shall take the following measures:

* The supplier nominates a contact person and deputies in the supplier's company who are competent and furnished with the appropriate authority for decision making as to the realisation of corrective and preventive processes and procedures.
* Where deviations are noted, the cause for such faults shall be identified with no delay, and appropriate corrective measures shall be implemented for the correction of such faults, considering the deadlines, time delays and the realisation as such.
* The supplier shall define suitable preventive measures to preclude repeated faults or deviations of this kind.
* WINDHOFF shall check the realisation of such preventive measures, e.g. in the course of audits, during acceptance checks or production checks by WINDHOFF's departments for quality management or purchase.

1. **Storage, packaging, transport**

The supplier undertakes to store, package and transport all products, components, special services or material in a suitable manner to positively preclude any damage.

The packaging of the delivered goods shall provide sufficient protection against damage, humidity and dirt. Where WINDHOFF should request special packaging, e.g. for sea or air cargo, the details shall be defined in the contract.

1. **Archiving of documents / information / updating**

On request, the supplier shall permit WINDHOFF to view product and process-related documents, data, records, etc. The supplier shall comply with the appropriate safekeeping obligation acc. to German law.

1. **Duration of the agreement**

The agreement shall be effective after both partners have placed their signatures, and it shall remain valid for an indefinite time.

The agreement may be terminated with six months notice to the end of a month. This does not affect either party's right for an immediate termination of the contract for a major reason. For projects, which are active at the time of termination and which were initiated on the basis of this agreement, the provision of this agreement shall apply and they shall continue until the contracted goods / performance will be delivered.

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1. **Other**

Changes or supplements to this agreement must be in writing and countersigned by both parties.

This agreement shall not relieve the supplier from his liability for a breach of other obligations, including product liability claims owing to deficient goods delivered to WINDHOFF or their customers.

If any one of the provisions of this agreement should not be legally effective or not technically practicable, this shall not affect the validity of the other provisions of this agreement.

The invalid or not practicable provision shall be replaced by another provision, the meaning of which shall – as far as possible – express the original intent of the two partners if they had considered the said clause when finalising this agreement.

Aside from this provision laid down in this agreement, any liability will be based on contractual agreements for the respective delivery.

Any litigation regarding the contents of this agreements shall be governed by German material law.

The agreed seat of the court is Rheine, Germany.

1. **Other applicable documents and directives (excerpt)**

* DIN 55350-11:2008 "Terms in quality management" - Part 11: Supplement to DIN EN ISO 9000:2005“
* DIN EN ISO 9000 "Quality management, terminolgoy"
* DIN EN ISO 9001:2015 "Quality management systems, requirements"
* DIN EN 10204:2005 "Metallic products, types of test certificates"
* DIN EN ISO 14001:2005 "Environmental control management – Requirements with guidance for applications"
* 1907/2006/EU EU REACH directive
* RL 2006/42/EU "EU directive for machinery"
* 2014/35/EUL “Low voltage directive"
* 2014/68/EU " Pressure Equipment Directive"
* SCC: 2011 "Standards for Safety Certificate Contractors SCC"