

Quality Assurance Agreement (QAA)

between

PROMINENT GMBH
Im Schumachergewann 5-11. 69123 Heidelberg, DE

hereinafter referred to as "PROMINENT GMBH"

and

Supplier name
Supplier address, DE

hereinafter referred to as "SUPPLIER NAME"

Recitals

PROMINENT GMBH is a leading international developer and manufacturer of products for dosing liquids and solutions for water treatment and disinfection. SUPPLIER NAME is a supplier to PROMINENT GMBH.

The perfect condition and reliability of the products supplied by SUPPLIER NAME have a decisive influence on the quality of the products manufactured from them.

To meet these requirements in the medium and long term, it is essential to be able to cooperate with competent, reliable and quality-conscious partners in the procurement of products and services.

The contracting partners agree as follows:

1. Scope of application

1.1. This agreement applies to all Products (materials, products and services) supplied by SUPPLIER NAME on the basis of orders received and accepted by PROMINENT GMBH. It forms part of all existing and future contracts between the parties. Furthermore, this QAA applies to all products, regardless of whether they are manufactured or processed by SUPPLIER NAME or purchased from or finished by a supplier commissioned by them.

2. Quality assurance

2.1. Key criteria for our quality awareness are:

- **Quality planning:**

in other words, systematic risk analysis prior to series production for products and processes (error prevention instead of testing)

- **Statistical process control:**

in other words, continuous monitoring of the quality level and implementation of immediate corrective actions

- **Continuous improvement process:**

in other words, quality and productivity must be continually improved to maintain profitability and market position

Therefore, the quality of the products and services provided, the quality capability and the reliability of our suppliers are decisive factors in PROMINENT GMBH's purchasing decisions.

2.2. To ensure consistency of quality, it is hereby agreed that SUPPLIER NAME and any sub-suppliers will apply a quality management system at all times that either conforms to the DIN EN ISO standards in their current form or meets all the essential requirements of the aforementioned standards.

SUPPLIER NAME has implemented a quality management system ("QM System"). The QM system is based on (e.g. ISO 9001). SUPPLIER NAME shall demonstrate and verify the effectiveness of the QM system. SUPPLIER NAME will inform PROMINENT GMBH immediately of any change to the QM status and any warning or restriction issued by a regulatory authority or notified body.

2.3. SUPPLIER NAME shall plan and implement its processes and quality assurance so that the Products always meet the defined quality criteria and the environmental and safety requirements. The quality management system must include appropriate process approval and the retention of the approval reports.

2.4. SUPPLIER NAME shall ensure that the facilities used to manufacture the Products are properly designed, constructed, installed, maintained and documented.

2.5. SUPPLIER NAME shall ensure that all monitoring and measuring equipment used in the manufacturing processes for the Products is suitable for its intended purpose and provides valid results. SUPPLIER NAME shall fully integrate the production and test equipment provided by PROMINENT GMBH into the quality management system.

2.6. If SUPPLIER NAME uses computers, software or other automated methods in the processes whose effects on the Product cannot be verified, SUPPLIER NAME shall approve them with respect to their intended purpose.

2.7. SUPPLIER NAME shall notify PROMINENT GMBH without delay of any change in the Product's certification status (e.g. UL).

2.8. SUPPLIER NAME will be responsible for the quality of the Products supplied, regardless of whether they are manufactured by SUPPLIER NAME or purchased from a sub-supplier. SUPPLIER NAME will carry out in-process and/or final inspections of the Products during the manufacturing process to ensure that they comply with the Product specifications.

2.9. Information about the changes must be provided in good time and sufficient detail to enable the scope of the changes to be verified and any objections to be raised prior to applying the relevant change to the objects of this agreement. The supplier will remain

responsible for the Product quality even after approved changes. The initial sample inspection required as a result of the change must be carried out in accordance with Clause 3.

The first delivery after implementing the approved changes/special approvals will be marked on the relevant delivery note and on the Products (each container in the delivery) as follows:

1. Delivery in accordance with change approval or special approval must be clearly marked. The labelling will be agreed upon separately where necessary.

2.10. In the event of changes to the Product specification, SUPPLIER NAME PROMINENT GMBH shall submit an initial sample report, including samples produced under final operating conditions. These initial samples must be clearly marked as such.

2.11. SUPPLIER NAME shall notify PROMINENT GMBH in a timely manner, at least twelve months in advance, of any planned product discontinuations and changes in the form, function or materials of a Product. It must also report any relocation of manufacturing sites, changes to manufacturing processes or other documents that may affect the agreed specifications.

2.12. SUPPLIER NAME shall implement procedures to regulate Product storage areas and rooms to prevent mix-ups, damage, deterioration, contamination and other adverse effects.

SUPPLIER NAME shall ensure that all Product are stored in a manner that guarantees controlled stock turnover (e.g. on a first in, first out basis)

2.13. SUPPLIER NAME shall deliver the Products to PROMINENT GMBH using appropriate shipping methods to prevent damage or deterioration to them.

As regards the labelling of delivery documents and transport packaging by SUPPLIER NAME, it is hereby agreed that, in addition to the purchaser, PROMINENT GMBH's purchase order and item number, the current index, item name, the quantity delivered, the serial number and SUPPLIER NAME as supplier will be visible on each packaging unit.

SUPPLIER NAME will deliver the Products in recyclable packaging and by appropriate means of transport to avoid damage and quality deterioration such as contamination, corrosion and chemical reactions.

The labelling and any changes to the product must be clearly visible on the delivery documents and the product packaging (e.g. index, delivery code, production code).

2.14. SUPPLIER NAME shall keep records of quality assurance measures. These records must be kept (in an accessible form) for at least ten years after the last delivery to PROMINENT GMBH.

2.15. SUPPLIER NAME shall be required to maintain the zero-defect target through continuous improvement of its services and processes.

2.16. Environmental management. PROMINENT GMBH aims to ensure that its products and those purchased from third parties have no negative impact on people, animals or nature. SUPPLIER NAME undertakes to comply with the relevant applicable laws, directives and regulations.

The materials and equipment used by SUPPLIER NAME, and their components, must comply with the legal requirements regarding the environment, safety and recycling and, where applicable, with separately agreed customer standards or drawing specifications. An environmental management system certified to ISO 14001 is desirable and will be considered favourably in the supplier evaluation.

3. Initial samples

Initial samples are not necessary for:

- Standard and catalogue parts that do not require additional specification by PROMINENT GMBH

Initial samples are required for parts based on drawings and products with custom specifications:

- Always for new parts
- Re-qualification
- Relocation of production, new production plant concept
- Change of the production process
- Changes to suppliers of products or services
- Use of new, modified or replacement tools
- Changes to bought-in parts
- Extended suspension of production (> 2 years)
- After modification or change of tools

Initial sample test reports are free of charge.

Initial sampling must be carried out in accordance with the current PROMINENT “Initial Sampling Guidelines for Suppliers”.

If the supplier cannot perform the individual tests, it shall commission an accredited testing centre to do so. The responsibility will remain with the supplier in all scenarios.

The initial samples must be produced entirely with standard production equipment and under standard conditions.

3.1. PROMINENT’s incoming goods inspection will be limited to quantity, identity and transport damage where SUPPLIER NAME waives the objection of delayed notice of defects pursuant to Section 377 of the German Commercial Code (HGB). PROMINENT GMBH will conduct an additional inspection to determine whether the packaging has suffered easily identifiable transport damage. Despite the absence of additional inspection obligations being agreed upon, PROMINENT GMBH may carry out quality inspections in individual cases on the basis of statistical considerations.

4. Audits

4.1. SUPPLIER NAME shall grant PROMINENT GMBH the opportunity to conduct an on-site audit to evaluate the QM System and its implementation with regard to the Product. PROMINENT GMBH or a company commissioned by it will be granted reasonable access to SUPPLIER NAME’s production facilities and necessary documents.

4.2. If corrective measures are required following the audit, SUPPLIER NAME shall implement these on the basis of an agreed action plan within a time frame set by the contracting partners.

5. Supplier evaluation

5.1. The PROMINENT GMBH purchasing department will evaluate the quality of the incoming deliveries and products at least once a year in accordance with standardised criteria. Transparency will be ensured through communication of the results and the provision of a comprehensive review of the criteria catalogue.

6. Defective products

- 6.1. If PROMINENT GMBH detects a product defect, a defect report (test report, defect notification) will be sent to SUPPLIER NAME.
- 6.2. If SUPPLIER NAME receives a complaint about the Product from a party other than PROMINENT GMBH, SUPPLIER NAME shall inform PROMINENT GMBH without delay.
- 6.3. If the Products delivered by SUPPLIER NAME do not comply with the agreed product specifications, the contracting partners must immediately (within 72 hours after SUPPLIER NAME receives the complaint at the latest) agree whether
 - the entire batch containing the defective Product should be returned to SUPPLIER NAME and replaced by SUPPLIER NAME free of charge with a batch that meets the Product specifications, or whether
 - the entire quantity delivered should be inspected by PROMINENT GMBH at SUPPLIER NAME's expense or by SUPPLIER NAME, or whether
 - the defective Product is to be repaired by PROMINENT GMBH at SUPPLIER NAME's expense.
- 6.4. If the contracting partners fail to reach an agreement within five (5) working days following receipt of the written notice of defect, PROMINENT GMBH shall decide which of the methods above (6.1, 6.2 or 6.3) will apply.
- 6.5. Deliveries repaired by SUPPLIER NAME must be marked by SUPPLIER NAME as such.
- 6.6. Other claims by PROMINENT GMBH due to or in connection with defects, such as claims for damages, will remain unaffected.
- 6.7. For each complaint, SUPPLIER NAME shall inform PROMINENT GMBH of the cause of the defect and the steps taken to remedy it within a reasonable time frame agreed upon in the complaint protocol. PROMINENT GMBH reserves the right to request an 8D report in certain cases. PROMINENT GMBH reserves the right to take appropriate/necessary action in the event of failure on the part of SUPPLIER NAME to provide a timely response. In general, the costs-by-cause principle will be applied to all costs arising from the complaints.

7. Specification parameters & approval of deviations

- 7.1. It is assumed that all relevant legal regulations, standards, agreed drawings, data sheets, requirement documents, technical and quality specifications, test criteria, and the quality requirements outlined in the delivery specifications have been taken into account.
 - In the event of ambiguity arising due to the detection of incorrect or incomplete specifications by SUPPLIER NAME, PROMINENT GMBH will be consulted again to agree upon suggested improvements.
 - Suggestions from SUPPLIER NAME to improve manufacturability and quality are welcome but require PROMINENT GMBH's express approval before implementation.

- 7.2. In exceptional cases, SUPPLIER NAME may request a deviation approval for products that do not meet all specifications. The request must specify the nature and cause of the deviation, the number of products affected and the corrective actions taken by SUPPLIER NAME. This must be done before delivery.
- 7.3. Production and delivery of the affected Products may only be resumed by SUPPLIER NAME once PROMINENT GMBH has granted the deviation approval.
- 7.4. Deliveries for which a deviation approval has been granted must be clearly marked as such.
- 7.5. It is important to note that deviation approvals are one-time measures and do not affect future deliveries.

8. RoHS and REACH requirements

SUPPLIER NAME undertakes to comply with current EU Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH) regulations. At present, EU Directive 2011/65/EU (RoHS) and Regulation (EC) No 1907/2006 (REACH) are in force. SUPPLIER NAME shall inform PROMINENT GMBH immediately if changes to the above EU regulations affect the materials supplied. If there is an exception to the requirements, this must be communicated to PROMINENT GMBH in writing.

9. Liability

The agreement on quality assurance measures does not affect SUPPLIER NAME's liability in relation to complaints by PROMINENT GMBH about product defects that could potentially harm customers.

10. Contacts

- 10.1. Each contracting party shall designate in writing a contact person for the other party. The contact persons will coordinate the implementation of this agreement by making or organising decisions in respect of the same.
- 10.2. Any changes to the contact person must be communicated in writing without delay.
- 10.3. QM officer: The following QM officer will be authorised to receive all declarations as part of the necessary coordination to monitor the implementation of this QAA. Any change in the QM officer must be reported to the other party in writing.

PROMINENT GMBH:

Name: Fabian Wienert

Tel.: +49 6221 842 252

Email: wienert.fabian@prominent.com

SUPPLIER NAME:

Name:

Tel.:

Email:

11. Period of validity & final provisions

- 11.1. This QAA will enter into force upon its signature by both contracting partners, and will be valid for an indefinite period. Amendments to this agreement will only be valid if made in writing. There are no verbal ancillary agreements and any such agreements are ineffective.

11.2. All obligations assumed during the term of this agreement will remain in force for both parties for ten years after the termination of this agreement.

11.3. In the event of individual provisions of this agreement being or becoming invalid or unenforceable for legal reasons, this will not affect the validity of the remainder of the agreement. In this scenario, the contracting partners shall agree upon a provision that replaces the invalid provision with one that most closely reflects the economic purpose of the original clause.

11.4. The place of jurisdiction for all disputes arising from this QAA will be Heidelberg, Germany.

Heidelberg, on

Supplier name/Position

ProMinent GmbH / Global Director Purchasing

ProMinent GmbH / Global Director Quality