

Quality Assurance Agreement

Between

Alfred Kärcher SE & Co. KG,
Alfred Kärcher-Str. 28-40, 71364 Winnenden, Germany

acting in its own name and in the name and on behalf of the companies of the Kärcher Group designated as "**Plants**" at the following internet address:

<https://www.kaercher.com/int/inside-kaercher/company/supplier-area/download-area/qualification-documents.html>

- hereinafter referred to as "**Kärcher**" -
and

Supplier	
Street	
Country	
ZIP + Town	

including the corresponding production sites

- hereinafter referred to as the "**Supplier**"

Kärcher and the Supplier are jointly referred to as the "**Parties**" and individually as the "**Party**".

Preliminary remarks:

Either Kärcher and the Supplier already have a permanent supply relationship for devices, assemblies and/or components (hereinafter referred to as "Goods"), or Kärcher is in contractual negotiations with the Supplier for such a supply relationship.

If a supply relationship already exists, the Supplier must ensure the quality of the contract goods to be delivered to Kärcher by means of suitable quality management measures (hereinafter "QM measures"). Upon Kärcher's request, the Supplier will also deliver Goods ordered by Kärcher directly to Kärcher customers named by Kärcher.

If this is not yet the case, Kärcher will be able to assess the quality capability of the potential Supplier through this Quality Assurance Agreement (hereinafter "QAA"). The conclusion of this QAA will not entitle the Supplier to receive orders from Kärcher or create an obligation to order Goods for Kärcher.

In order to ensure a uniform quality standard within the Kärcher Group, Alfred Kärcher SE & Co. KG is concluding this QAA in its own name, as well as in the name and on behalf of the Kärcher companies listed in Annex 1, so that it will apply to each and all deliveries of Goods of the Supplier to all these Kärcher companies.

In consideration of the above, the Parties agree as follows:

1. Quality Management System**1.1 QM system of the Supplier**

To ensure the quality of all Goods to be delivered by the Supplier to Kärcher, the Supplier undertakes to maintain a quality management system (hereinafter "QM system"). This QM system must at least comply with the requirements of DIN EN ISO 9001, as amended, or comparable requirements. The fulfilment of the requirements for such a QM system must be proven by the Supplier through certification by an accredited certification company. If proof of an implemented QM system cannot be provided in this form, the responsible purchaser of Kärcher must be informed immediately.

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On expiry of the validity of the certification, The Supplier will submit a certificate of re-certification to Kärcher unsolicited or the Supplier will inform the responsible purchaser of Kärcher of the expiration of validity. If no divergent agreement exists then the Supplier will upload the certificates into the system which is provided from Kärcher side (e.g. SAP Ariba SLP).

In any case, Kärcher reserves the right to perform an inspection of the QM system, based on its effectiveness, at the Supplier's premises or to send an accredited partner to perform the inspection.

1.2 Compliance with quality requirements

The quality characteristics, associated target values and tolerances to be respected by the Supplier for Goods, are given in the order-specific and generally applicable Kärcher order documents (e.g. technical specifications, drawings, Kärcher standards, reference to Supplier catalogue article numbers, information in the form of fact sheets or newsletters etc.). The Supplier will comply with the requirements of generally applicable statutory provisions, regulations (e.g. bans on substances, emission limit values, labelling regulations) and standards applicable to the Goods ordered and related to the destination countries and the countries of the EU, China and NAFTA even when not specifically mentioned in Kärcher's order documents.

The Goods to be delivered are generally intended for worldwide distribution. Where the Goods to be delivered are to the Supplier's knowledge not suitable for specific countries (for example due to substance bans, emission limit values or labelling regulations), the Supplier is obliged to inform Kärcher's central quality management immediately in writing.

1.3 Feasibility

With respect to the quality characteristics specified by Kärcher for Goods with the tolerances to be adhered to, it will be the responsibility of the Supplier to check whether they are consistent and plausible and whether they can be reliably adhered to with the Supplier's existing and available production options. Should it not be possible to establish the above beyond doubt, the Supplier is required to inform the responsible purchaser and quality contact of Kärcher immediately and make appropriate suggestions as to the conditions under which safe manufacturing of the Goods is possible.

The Supplier is required to check the production processes and production facilities used for the manufacture of the Goods to be supplied to Kärcher with respect to their quality capability and to ensure this in the long term. For serial products, the Supplier will provide proof of the process capability of quality-relevant production processes and production facilities used to manufacture the Goods to be supplied to Kärcher and present this to Kärcher on request.

If required, Kärcher will inform the Supplier about the requirements for demonstrating compliance with the required quality characteristics for Goods that are not standardized serial products (such as sample parts, special parts, small batches; etc.), with the order. The Supplier will comply with these requirements.

1.4 Specification changes

In the event of changes to drawings or other specifications, Kärcher will make these available to the Supplier in good time. Notifications of change will be made in writing. Oral communications are for informational purposes only and must be confirmed in writing.

The Supplier will immediately confirm to the responsible purchaser of Kärcher the receipt of a change notification and indicate the planned change date. The Supplier will use a suitable system to ensure that all affected employees know and apply the current version of the change. The Supplier will keep records of the distribution of the documents and the implementation of the changes. Should new initial samples be required for changed products, this will be indicated by Kärcher in the change notification. The Supplier will inform Kärcher about the exact time of the modification to the Goods, in particular about the date and if applicable batch or serial numbers.

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Should the Supplier deem the implementation of the changes a threat to manufacturability, it will inform the responsible purchaser of Kärcher accordingly immediately. In this case, the procedure described in section 1.3 will be followed.

1.5 Subcontractors

The Supplier is required to inform the responsible purchaser of Kärcher, if it is buying the Goods to be supplied to Kärcher from one or more fixed subcontractors or from frequently changing subcontractors. If fixed subcontractors are used for Goods to be delivered to Kärcher, the Supplier must inform the responsible purchaser and quality contact of Kärcher in the event of a permanent change of its subcontractors in due time and before implementation of the change. Kärcher will then decide whether, and to what extent, measures for the validation of conformity are required (for example, re-sampling, conformity testing, test certificates etc.). The Supplier will be responsible for conducting the validation of conformity. The Supplier will always be responsible for its subcontractors, irrespective of any validation measures of Kärcher.

Where the Supplier procures Goods to be supplied to Kärcher by subcontractors, the subcontractors must demonstrate a certified QM system that at least meets the requirements of DIN EN ISO 9001 in its currently valid version or of a comparable standard. If this is not possible, the Supplier will inform the responsible purchaser of Kärcher about this in writing. Kärcher reserves the right of approval in this case.

Should the Supplier purchase Goods to be supplied to Kärcher from subcontractors, the Supplier will take appropriate measures to ensure the complete conformity of the delivered finished Goods with the quality requirements demanded by Kärcher. The same principles for proof of conformity will apply here as for manufactured Goods from in-house production of the Supplier.

If subcontractors are directed by Kärcher in writing when ordering Goods, Kärcher will also assume responsibility for ensuring the quality capability of the subcontractors directed. (e.g. audits, supplier development). However, the Supplier remains fully responsible for the quality and the compliance with all specifications of the Goods delivered by the directed subcontractors.

The Supplier will organize and control the supply quality during operation with the directed subcontractor. If there are any unacceptable quality problems in the supply chain as a result, the responsible purchaser and quality contact of Kärcher must be informed immediately by the Supplier of the nature and form of the problems that have arisen.

The Supplier is obliged to communicate the relevant requirements of the Kärcher Standard 050.032 to the subcontractors in its supply chain and the Supplier will take all necessary measures to ensure that conformity to this standard is ensured at all times. For this purpose, the Supplier will provide appropriate evidence, which it will also submit to Kärcher on request.

1.6 Labelling and packaging

The Supplier will deliver the Goods in suitable means of transport and - if agreed - exclusively those approved by Kärcher in order to avoid damage and quality reductions (for example, contamination, corrosion, chemical reactions etc.).

The containers and packaged Goods must be labelled in accordance with the specifications set in the order from Kärcher so far as agreed.

According to the requirements of product liability, the Supplier is required to ensure appropriate consistent traceability for the Goods delivered to Kärcher. This means that, for delivered Goods, the production process of these Goods can be reproduced and, if applicable, affected batches and production orders can be limited in the event of damage. For traceability, the principles of documentation requirements are applicable.

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1.7 Information requirements

The Supplier has an obligation to Kärcher to inform the responsible purchaser and quality contact of Kärcher in writing in advance of the implementation of any quality-relevant changes. This will affect in particular the following types of changes:

- Changes in the design and conception of the QM system, as well as pertaining to the certification status, e.g. significant changes affecting the entire QM system.
- Changes in the method of manufacturing the Goods (procedural changes)
- significant parameter changes in the production processes compared to the production conditions formerly valid and approved.
- Changes to the machinery and equipment used for production. This will also include technological changes and the modification of existing machines and plants.
- Changes to the tools used, e.g. new, modified or replacement tools.
- Change of production methods or production processes.
- Changes to materials, material modifications and, where applicable, changes of suppliers for materials and primary products that are quality-critical concerning legal, safety or functional aspects.
- Changes of production location. This will also include relocation of production within the company premises.
- Deviations to requirements according KN 050.032.

With regard to the implementation of such changes, the Supplier will ensure adequate assurance of the conformity of the Goods with the applicable specifications. In the event of changes made in the context of a change implemented by the Supplier in accordance with the above, the Supplier will take the following measures to ensure conformity:

- Risk analysis (FMEA or equivalent)
- Proof of quality based on critical and primary characteristics
- Sample part test, pre-series or similar
- An initial supply agreed with Kärcher and clearly marked as such

The supporting documents must be documented by the Supplier and presented to Kärcher on request.

Depending on the nature and scope of the change, Kärcher reserves the right to provide further measures for the Supplier to ensure conformity or to formulate further requirements for risk protection during the change. Similarly, Kärcher reserves the right to decide whether a re-sampling, in whole or in part, is required in order to approve the change.

In order to protect Kärcher's customers, the Supplier will forward immediately all information about unsafe products and known risks (of personal or material damages) to the responsible purchaser of Kärcher.

An unsafe product is a product that poses a danger during intended or predictable use. As danger is seen every potential reason for serious injury up to death or every actual loss to property during use or possession of the product.

1.8 Kärcher Plants

The Supplier is obliged to retrieve the companies of the Kärcher-Group designated as "Plants" at the following internet address at least on the first working day of each calendar quarter. <https://www.kaercher.com/int/inside-kaercher/company/supplier-area/download-area/qualification-documents.html>

2. Constituent Substances

2.1 KN050.032

The Supplier is required to comply with KN 050.032 - Constituent Substances and with all other statutory requirements which apply to the Goods. In any event, this applies to all statutory

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requirements in the EU, China and NAFTA, and for all other countries to the extent agreed by the Parties.

The Supplier will take all necessary measures to ensure that they are complied with, e.g. by obligating of subcontractors, audits of subcontractors and / or conducting periodic quality spot checks.

2.2 Legal requirements

If and insofar as the statutory requirements are more stringent than the requirements of the Kärcher standard, the statutory requirements of the destination country and the countries of the EU, China and NAFTA will always apply. If it is unclear to the Supplier which guidelines, standards and laws are applicable, the Supplier is required to contact Kärcher and obtain clarification.

3. Quality Planning, Quality Testing, Quality Control and Quality Documentation

3.1 Quality and test planning

Within the scope of quality and test planning, the Supplier will establish the following:

- Which test characteristics are suitable for performing an appropriate test and verification of the quality level.
- The measuring methods to be used and the suitability of the measuring methods for the intended measuring task.
- The place and time of the quality checks to be performed.
- The type and form of data collection and documentation. This includes the statistical procedure designated for quality control, such as SPC.
- Response plans and responsibilities in the case of identified deviations in the quality checks.

The Supplier will implement the overall concept of test planning to avoiding quality risks and to early fault detection. Test concepts designed exclusively for the detection of defective products at the end of the process do not meet Kärcher's quality requirements.

The Supplier will justify the meaningfulness and expediency of the test planning to Kärcher upon request.

Kärcher reserves the right to demand additional tests in the event of recognized quality risks for Kärcher.

3.2. Quality testing and quality control

The test equipment, test measures and frequency of testing of the Supplier must be such that all relevant quality features are monitored to the extent required. The Supplier will check regularly the test equipment capability for error-free operation and will document its regular calibration.

Chemical analyses (for example, to determine the content of specific constituent substances) of the Supplier must comply with applicable national and international standards. International standards take precedence over European ones, and European standards over national ones.

The Supplier undertakes to conscientiously and completely perform the tests specified in the test planning when producing the Goods. This will apply to the in-production tests, as well as to tests for product approval at the end of the product approval value chain. The Supplier will document the performance of the tests, the resulting test results and test decisions appropriately. Upon request, the Supplier will submit the documentation to Kärcher.

Should inspections not be possible for the Supplier because of missing and/or defective test equipment, the Supplier will bear the costs for any external test that may be required on a case-by-case basis. The Parties will agree on the choice of the external inspector.

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In the case of an upstream quality test commissioned by Kärcher, the Supplier will provide the contracting organization with appropriate test certificates and/or parts intended for testing, as well as with the necessary test equipment.

This will include the documentation of quality assurance measures taken in the event of deviations in the quality checks.

Kärcher reserves the right to provide the Supplier with an IT tool (such as iQ-AUTARK) by means of which Kärcher test orders are transmitted to the Supplier. The Supplier must then record the corresponding test results via this system and return them to Kärcher.

3.3. Initial sampling

Initial sample inspections are required in particular for Goods with Kärcher part numbers beginning with 1., 2., 3., 4., 5. or 8., and for those for which a corresponding note is included in the drawing or the external parts order form. Deviations from this will require agreement between the Supplier and the responsible purchaser of Kärcher.

For series products, the Supplier is required to send Kärcher initial samples before the first series delivery of the relevant Goods and to submit an initial sample test report to Kärcher. Unless otherwise agreed or described in the order documents, the scope will comprise at least 30 sample parts for series products.

The sample parts must come from a process that represents future series production in terms of manufacturing processes and manufacturing conditions. For the specific characteristics identified in the specifications, the Supplier will demonstrate the preliminary process capability with a sample size $N \geq 30$. Unless otherwise specified, the target values for $cp \geq 1.33$ and $cpk \geq 1.00$ must be met (see also "Information sheet on initial sampling").

In the case of Goods which the Supplier purchases fully manufactured from subcontractors, the initial sample test report and samples may, in consultation between the Parties, also be submitted directly by the subcontractor. For repeat orders from Kärcher, a resubmission of production samples is generally not required. However, the Supplier must perform a new sampling if changes have occurred at the Supplier's premises as described in section 1.7 "Information requirements" of this QAA.

See https://www.kaercher.com/int/inside-kaercher/company/supplier-area/download-area/company-standards/ahp_initial_sampling.html

3.4 Retention Period

The Supplier will retain documents which are relevant for the quality of the Goods for a period of 10 years after production of the respective Goods; the Supplier will grant access to Kärcher upon request.

4. Quality Audit

At Kärcher's request, the Supplier will provide Kärcher with the test and/or production documents necessary for checking compliance with the regulations contained in this QAA by the Supplier for inspection.

Kärcher is entitled, with prior notice and within a reasonable period of time, either itself or by external service providers, to examine the effectiveness of the Supplier's QM system and compliance with the quality characteristics and to check the products by participating in the Supplier's inspections, by inspecting the test results and/or by performing a system or process test.

For this purpose, Kärcher, or the external service provider appointed by Kärcher for this purpose, may, after prior agreement of an appointment, enter the testing and (if applicable) manufacturing facilities of the Supplier and inspect the relevant documents. If necessary, the Supplier will provide the test equipment and/or production equipment required for testing, as well as the Goods to be tested.

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Restrictions on the submission of documents or the granting of access to manufacturing or testing sites, e.g. for the protection of trade secrets, for special manufacturing processes or other special reasons, must be justified by the Supplier to Kärcher.

5. Defective Goods

If the Supplier becomes aware of defects in Goods already produced or delivered (in particular deviations from agreed quality criteria, substance bans, emission limit values or labelling regulations), it must immediately inform the relevant plant QA department of Kärcher.

The affected Plant QA department will decide how and in what form to deal with this defect regarding the identified deviation. Delivery will only be permitted if there is written deviation approval from the Plant QA department.

The written deviation approval will regulate exactly how this delivery is to be handled and which special markings and quality certificates may be required. Any deviation approval given in writing by Kärcher will only be valid for the delivery it mentions and will in no way be transferable to further deliveries.

The Supplier must ensure that the reasons and causes leading to this deviation are adequately investigated with regard to their causes. Subsequently, the Supplier will take effective, root-cause corrective measures to avoid these deviations in the future.

The resulting findings on the cause of the deviation and the measures for the future avoidance of these deviations must be reported by the Supplier to Kärcher.

Should additional tests, possibly up to a 100% test, be required, the Supplier must inform Kärcher of the type, extent and duration of these additional tests. This will apply mutatis mutandis should Kärcher inform the Supplier of defects in the Goods.

6. Acceptance of Goods and Incoming Goods Inspection

On the basis of the QM system established and certified by the Supplier, Kärcher is entitled to assume the complete conformity of the delivered Goods by reference to the documents on which the order is based.

The conformity of the delivered Goods must be confirmed by the Supplier if agreed with a test certificate 3.1 according to EN 10204 or equivalent.

7. Incoming Goods Inspection by Kärcher

On the basis of the QM system established and certified by the Supplier, Kärcher is entitled to limit the quality inspection of the incoming Goods in the following form:

- Visual test of the delivery condition
- Check of the delivery quantity
- Check of the product identity against the order
- Check of the content of the information in the test records

However, Kärcher reserves the right to subject random Goods to a measured conformity test in order to verify the certified information.

Kärcher will report any defects found hereby immediately. Kärcher will report any defects not detected hereby to the Supplier as soon as they are determined in the ordinary course of business. The Supplier waives the objection of the delayed or incomplete notification of defects in this respect.

The Supplier will align its QM system and QM measures to this form of limited incoming Goods test performed by Kärcher.

In the event of a complaint, the Supplier will analyse the causes of the identified defects and take suitable measures to prevent a recurrence of such effectively.

Kärcher must be informed accordingly.

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Unless Kärcher requires a different format, the Supplier will provide a 4-D report, or higher, as a statement.

Kärcher prevails the right to request an 8D report with:
Statement on D-3 within 2 working days
Statement on D-7 within 4 weeks or as agreed.

8. Product Liability Insurance

To cover claims for damages (including consequential damages) due to defects, the Supplier has concluded:

a product liability insurance with coverage of at least
2 million Euro (€)
(two million)

an extended product liability insurance with coverage of at least
2 million Euro (€)
(two million)

9. Duration of the QAA

This QAA is concluded for an indefinite period of time and may be terminated by either Party in writing subject to a notice period of three (3) months with effect from the end of any quarter of a calendar year.

10. Applicable Law, Place of Jurisdiction

10.1 This QAA, the individual sale contracts and other contracts concluded by the Parties in connection with this QAA, are governed by the laws of the Federal Republic of Germany. Where the registered address of the Supplier is not located in Germany, the validity of the United Nations Convention on Contracts for the International Sale of Goods (CISG) will apply to this QAA, the individual sale contracts and other contracts concluded by the Parties in connection with this QAA. In this case, the terms of the German legal system used in this QAA must be understood in accordance with the terminology used in the CISG.

10.2 Disagreements arising out of or in connection with this QAA will, wherever possible, be settled amicably. Should this not be feasible, the territorial and international exclusive competence of the courts in Stuttgart ("Stuttgart-Central") is hereby agreed for all contractual and non-contractual disputes arising from this QAA, the individual sale contracts and other contracts concluded by the Parties in connection with this QAA. Kärcher is also entitled in individual cases to bring proceedings at the registered address of the Supplier or before other competent courts.

11. Final Provisions

11.1 Amendments, additions and other supplements, including the termination of this Agreement will be made in writing to be valid (including simple electronic signature, Adobe Sign or DocuSign which is also adequate). This will also apply to any waiver of this written form requirement.

11.2 Kärcher's Terms and Conditions of Purchase (available at:

<https://www.kaercher.com/int/inside-kaercher/company/supplier-area/purchasing-terms-conditions.html>)

shall be, in their respective current version, an integral part of and apply to the QAA as Annex 4. Kärcher's Terms and Conditions of Purchase shall apply exclusively. Kärcher does not accept the Supplier's terms and conditions of sale or any other standard terms and conditions of the Supplier (even if reference is made thereto in the Supplier's order confirmations) unless Kärcher has expressly approved their validity and applicability in writing. Kärcher's Terms and Conditions of Purchase apply even if Kärcher accepts deliveries from the Supplier without reserving its rights and even when knowing about the conflicting or deviating terms and conditions of sale or any other standard terms and conditions of the Supplier.

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In the event of any discrepancy or inconsistency between Kärcher's Terms and Conditions of Purchase and the QAA, the QAA shall prevail.

11.3 Should individual provisions of this QAA be or become invalid or void, in whole or in part, this will not affect the validity of the remaining provisions of this QAA. The Parties undertake to agree on a provision which comes closest to the intentions of the Parties and the economic purpose of the invalid or void provision in a legally permissible manner to replace the invalid or void provision. The same will apply should the QAA be incomplete. In order to fill the loophole, the Parties undertake to work on agreeing reasonable provision that most closely reflects what the Parties would have intended given the sense and purpose of this QAA had they previously considered this point.

Town

Date

Signature Supplier

Name	Function in Company	Email address