

QUALITY ASSURANCE AGREEMENT*

for commercial transactions between businesses



recommended by the Zentralverband Elektrotechnik- und Elektronikindustrie (ZVEI) e.V.

– April 2003 –

between

(Purchaser)

(plant, division or other business unit of the Purchaser to which this Agreement shall apply exclusively)

and

(Supplier)

(plant, division or other business unit of the Supplier to which this Agreement shall apply exclusively)

I. SCOPE OF APPLICATION

1. This Agreement shall apply exclusively to the products listed in Annex 1 to this Agreement, which are delivered by the Supplier on the basis of the orders he receives and accepts from the Purchaser during the term of this Agreement.
2. The products shall be in compliance with the agreed quality (e. g. description, specifications, data sheets, drawings, product samples). Unless otherwise agreed, such a description and product samples do not rank as guaranteed product features. In each and every case, the Supplier shall check without delay whether a description provided by the Purchaser is in any way obviously incorrect, unclear, incomplete or not in compliance with the product sample. If the Supplier realizes that this is the case, he shall forthwith give notice in writing to the Purchaser.

II. QUALITY ASSURANCE

1. The Supplier shall maintain a quality management system which meets the requirements stipulated in Annex 2 to this Agreement and shall manufacture and test the products in accordance with the stipulations of such quality management system. Any additional requirements are specified in Annex 2 to this Agreement. The Supplier shall make sure without delay that these requirements are in conformity with his quality management system.
2. If the Supplier receives production or test equipment, software, services, materials or other supplies from third parties for the manufacture or quality assurance of his products, the Supplier shall ensure that these are in compliance with his quality management system, whether it be by contract with these parties or through carrying out himself such tests as are necessary to assure compliance with his quality management system.
3. The Supplier shall keep records of the aforementioned quality assurance procedures and especially those relating to measured values and test results. He shall keep these records as well as product samples, if any, in an appropriate manner. To the extent required, he shall allow the Purchaser to inspect the records and product samples and shall provide him with copies of such records and product samples, if any. The type and quantity of these records and product samples and the length of time for which they shall be kept by the Supplier are specified in Annex 2 to this Agreement.

III. SUPPLIER'S OBLIGATION TO PROVIDE PROOF AND INFORMATION TO THE PURCHASER

1. The Supplier shall at reasonable intervals allow the Purchaser to check the compliance with the quality assurance measures mentioned in Section II. The Supplier shall therefore, after prior agreement of the Parties on the date of such an inspection, grant the Purchaser reasonable access to his business premises and shall make available a duly qualified member of his staff for the duration of the inspection visit. The Purchaser may be denied access to and inspection of classified manufacturing methods and other industrial secrets.
2. The Supplier shall give the Purchaser advance notice of changes to his manufacturing processes, materials or parts incorporated in his products, of the relocation of production plants and of modifications made to the methods or facilities for the testing of the products or to other quality assurance measures. The Supplier shall give the Purchaser sufficient time to check whether such changes may have a detrimental effect on the products. The Supplier shall, however, not be under any obligation to notify the Purchaser if, after due consideration, he concludes that he may reasonably exclude such effects.
3. Should the Supplier note an increase in deviations in the real quality of the products from that specified (i. e. a reduction in quality), he shall immediately notify the Purchaser thereof and of the measures he plans to take to remedy such a problem.

* Translation of the original German text

4. The Supplier shall ensure, whether by identification of the products, or, if such is impossible or impractical, by other suitable means, that, in case defects are detected in a product, he can immediately establish which other products might be affected. Relevant details concerning such identification shall be specified in Annex 3 to this Agreement. The Supplier shall inform the Purchaser about his identification system or other measures which he has taken in order to enable the latter to carry out his own investigations, if necessary.

IV. RECEIVING INSPECTION BY THE PURCHASER *

1. Upon delivery of the products, the Purchaser shall check without delay whether they correspond to the ordered quantity and type and whether there is any apparent damage resulting from their transport or any other visible defect. If the Parties consider that at the time of delivery further tests by the Purchaser are advisable, these shall be specified in Annex 4 to this Agreement.
2. If, during such inspection, the Purchaser notes any apparent damage or defect, he shall notify the Supplier thereof without delay. If the Purchaser notes some damage or defect at a later date, he shall also report this without delay.
3. In so far as he has complied with the above, the Purchaser shall have no further obligations towards the Supplier concerning checking of the products at delivery and any notification resulting therefrom.

V. CONFIDENTIALITY

1. Each party shall use all documents and information which he receives in connection with this Agreement, solely for the purposes of this Agreement. He shall treat these with the same degree of confidentiality as he would apply to his own confidential documents or information. These obligations begin when the Party concerned first receives such confidential documents or information and shall end 36 months after the expiry of the Agreement.
2. The aforementioned obligations shall, however, not apply to such information or data as the receiving Party can show:
 - was at the time of disclosure in the public domain, or
 - was at the time of receipt already known to him provided that it was not previously obtained from the other Party under binder of secrecy, or
 - was obtained by a third party entitled to do so, or
 - was developed by him without using the other Party's confidential documents or information.

VI. QUALITY ASSURANCE REPRESENTATIVE

Each party shall notify to the other in writing the name of his quality assurance representative who shall represent him for the performance of this Agreement. This representative shall take any decisions relating to the subject matter hereof. Should any Party replace his quality assurance representative, he shall immediately notify the other party of such replacement in writing.

VII. LIABILITY

Liability is determined by agreements the delivery is based upon.

VIII. TERM OF THE AGREEMENT

The present Agreement may be terminated by either party giving three months' notice to the other. The period of notice shall start on the first day of the calendar month following receipt of the termination notice.

IX. APPLICABLE LAW

Legal relations existing in connection with this Agreement shall be governed by German substantive law.

(Purchaser)

Place, date

Signature

(Supplier)

Place, date

Signature

* If, for any type of product, it is conceivable that third party liability problems might arise from a defect, it is recommended that this Quality Assurance Agreement with completed Annexes should be submitted by the Supplier to the insurer covering such liability for the purpose of obtaining a cover note.