Quality Guidelines for Suppliers

Geringhoff Manufacturing LLC

Last updated: November 2014

Edition: Rev. 01

Foreword

High customer expectations and global competition demand continual improvement to all our products and also to all processes and company operations. Customer satisfaction based on quality in all aspects is one of the decisive factors for Geringhoff's success.

Quality is not achieved only at the end of a value-creation process but rather during that process itself. A suitably designed quality management system, employees that are aware of quality issues, the quality of the processes and procedures and the adherence to schedules together determine the capability of a company to ensure the quality of its products.

For this reason we expect the requirements described in this Code of Conduct to be met by the quality management systems of our suppliers. We regard our suppliers as partners. These guidelines are intended to help prevent quality issues from arising and to ensure problem-free dealings between Geringhoff and our suppliers while minimizing quality-related costs.

It must be the objective of all our efforts to ensure problem-free supply in accordance with the contractually
specified conditions, irrespective of whether these supplies are delivered by the Supplier or by its subcontractor.

Beginning with our supplier selection process, Geringhoff considers not only the commercial and qualitative aspects but also the possibilities of a long-term and process-orientated partnership.

In addition to high quality, flexibility, creativity, openness and reliability, Geringhoff expects an approach to value creation that goes beyond mere price setting.

Achieving the zero-defects objective for all deliveries is therefore a compulsory condition; this can be achieved and secured, however, only through the joint efforts of Geringhoff and its suppliers.

St. Cloud, MN mm/dd/yyyy

Head of Purchasing Geringhoff

Head of Quality Geringhoff

Supplier

Contents:

1 General Requirements

1.1 Scope of validity

These Quality Guidelines for Suppliers from Geringhoff describes the requirements we make of our suppliers, the way we select and assess our suppliers, and the contractual framework conditions. In addition to these Quality Guidelines for Suppliers, the framework agreement agreed between the parties and the conditions of each specific order also apply.

These Quality Guidelines for Suppliers is an integral part of our order placed with the supplier, i.e. they are deemed to be accepted by the Supplier on accepting the order. Deviations or additional conditions, in particular the Supplier's terms of delivery, shall apply only where this has been expressly agreed in writing. External service providers and outsourced processes (extended workbench) are also considered to be Suppliers.

1.2 Quality management

The Supplier is wholly responsible for the products and services it supplies.

To fulfill this responsibility the Supplier must maintain a quality management system in accordance with ISO 9001, as amended.

As evidence of this the Supplier must provide Geringhoff with a valid certificate from an accredited certification body before concluding the contract, or agree to a Quality Audit by Geringhoff, and agree to a timely accredited certification. The Supplier is further required, on expiry of the certificate, to submit a certificate of re-certification, in good time and unprompted.

If the Supplier obtains from an upstream supplier production or inspection equipment, software, services, materials or other advance supplies for the manufacture or quality assurance of the supplied goods, the Supplier must integrate these contractually into its quality management system or ensure the quality of the advance supplies itself.

1.3 Environment

Geringhoff is committed to minimizing its impact on the environment. The processes used for manufacturing the parts and the materials used in them must comply with the current state of the art and the relevant regulations. We therefore also expect our suppliers to be committed to protecting the environment.

1.4 Project management

To ensure that the project is executed on time and to the required quality, project planning must be carried out. The scheduling must be in agreement with the dates specified by Geringhoff. In the event of changes or scheduling deviations, the modified project plans must be presented to Geringhoff without delay and are subject to approval.

1.5 Business language

The business language used by Geringhoff Manufacturing LLC is English.

1.6 Quality objective

To ensure that we jointly achieve the ‘zero-defects principle’, the Supplier’s most important task in respect of its quality planning is to implement a ‘zero defects strategy’ and to take all actions that are necessary for this goal to be reached.

In this respect the acceptable quality level (AQL) is zero. This also applies to standard parts and sundries. Any deviation from this requires the written agreement of Geringhoff.

1.7 Process and product approval

The approval of products and processes is based on VDA Volume 2 or AIAG (production process and product approval (PPF) procedure), unless another is specified. The approval specification shall be submitted in writing by the Geringhoff quality assurance department.

1.8 Product and/or process changes

Changes to the product and/or process must be communicated promptly in writing to the Geringhoff quality assurance department and are subject to approval (see section 1.7). These must be documented in the appropriate process and product history.

1.9 Special characteristics

Special characteristics are defined by Geringhoff as follows:

- Characteristics of importance to function/product features
- Characteristics of importance to process

These defined characteristics require a special level of attention since any variation from them may affect product safety, lifetime, assembly or mounting, the function and the quality of subsequent manufacturing processes, and also statutory regulations. The special characteristics are defined and specified by Geringhoff in appropriate documents such as drawings.

These characteristics must be considered and monitored in all relevant planning stages and must always be maintained in the latest product versions.

As a general principle, all product and process characteristics are important and must be maintained and documented.

1.10 Subcontractors and changes to subcontractors

The Supplier is responsible for choosing its subcontractors and in doing so must conform to the regulations in these Guidelines.

Any change of subcontractor must be communicated to Geringhoff immediately in writing and is subject to approval by the quality assurance department. A production process and product approval (PPF), which the Supplier must undertake itself, is required. The outcomes of the approval must be documented and archived and made available to Geringhoff on request.

1.11 Defective products

Defective products must be specially labeled and stored separately from other products. Batches that have been reworked must be labeled accordingly. In exceptional cases, products that do not meet the specification may be supplied exclusively by prior written special approval that is limited in time or quantity. In all cases, however, the Supplier shall undertake immediately actions, in accordance with the arrangements made, to ensure the products once again conform to the specification. The Principal reserves the right to insist on 100% inspections of goods until the original process quality is restored.

1.12 Reworking

The Supplier must ensure that any reworking of its products causes no detrimental effects (on dimensions, function, strength, working life etc.).
Any reworking that causes a change in the characteristics of the product or design deviations from the specification must be approved in writing by Geringhoff. The Supplier must apply for such approval from Geringhoff in good time. Reworked products must be appropriately labeled, stating the reworked characteristics and the type of reworking carried out.

1.13 Delivery quality/receipt of goods

Products supplied by the Supplier must show no faults in design, materials or workmanship and must conform to the contractually agreed specification and properties. The Supplier must provide evidence of the composition of the materials used and their individual components, as well as evidence of the associated environmental considerations.

The Supplier will be notified of deliveries that are not unreservedly approved in the form of a complaint. The costs incurred to Geringhoff as a result of this will be borne entirely by the Supplier.

Geringhoff shall restrict its incoming goods inspections to an examination for outwardly discernible transport or packaging damage and volume and identification checks against the delivery documents.

The revision suffix of the Geringhoff drawing must be clearly marked on the delivery note and the packaging.

Any defects in the delivery will be notified by Geringhoff immediately after they are discovered, in writing or by electronic communication Provided that Geringhoff fulfills the aforementioned obligation, the Supplier waives any claim that the notice of defects is late.

1.14 Supplier evaluation

A supplier evaluation is held annually in respect of product quality, which includes packaging, delivery reliability, correctness of quantity supplied and soft factors (price to performance ratio, service). The outcome is classified by quality into one of three categories (A, B or C).

If the agreed target values are not achieved or if significant problems are discovered, the supplier escalation process is initiated; see section 1.15–

Explanation of the supplier quality categories:

Status A: The Supplier satisfies all requirements completely.

Status B: The Supplier does not satisfy the requirements. To remedy this situation we request that you submit a plan of action by DD.MM.YYYY.

Status C: The Supplier does not satisfy the requirements of our company.
Geringhoff currently sees no reason for continuing our partnership with regard to future business.
To remedy this situation we request that you contact us for a discussion on our premises. Please arrange an appointment with your responsible contact by DD.MM.YYYY.

1.15 Supplier escalation process

If quality or logistics problems arise repeatedly, Geringhoff's quality assurance department will initiate the supplier escalation process. The objective of this process is to enable the Supplier to implement measures that will ensure that the products and materials supplied in future will again meet the demands set by Geringhoff.

Depending on the duration and severity of the problems, the ranking will be categorized in one of three escalation categories, as described below.

The categorization into one or another category is made as follows:
- Analysis of cause of escalation
- An action plan to eliminate the cause of escalation and to bring quality back into line with the agreed objectives is drawn up.
- Action plan is put into practice
- Monitoring/tracking of agreed action plan
- Depending on the effectiveness of the measures in the action plan, the next stage is either further escalation or de-escalation.

Definition of the individual escalation categories:

Escalation category 1:

Where the Supplier is at fault for problems arising in respect of quality deviations, deviations from objectives, repeated complaints or delays in supply, it will be confronted with these problems. This quality discussion will take place at the St. Cloud site.

During the complaints process the Supplier must initiate an effective/target-aimed solution to the problem and must document this as an 8D report (including 5 Why's or Ishikawa) and/or an action plan.

Escalation category 2:

The action plan is examined and analyzed at the Supplier's premises on the basis of suitability and effectiveness. This examination may also take place as part of a quality or logistics audit. The resultant outcomes are documented in the form of an action plan. The Supplier is responsible for implementing the agreed measures and must report regularly on the relevant status to the appropriate positions at Geringhoff.

The costs incurred by Geringhoff as a result of additional expenditure will be charged to the Supplier.

Escalation category 3:

If the agreed quality requirements from escalation category 2 are not met, the Supplier is placed in escalation category 3. This will result in the Supplier being barred from new inquiries from Geringhoff.

In escalation category 3 the problems that have caused the escalation are analyzed by a Geringhoff team at the Supplier's premises. The Supplier agrees to support all the activities undertaken by the Geringhoff personnel. The Supplier's company management must ensure that the agreed measures will be adhered to.

To ensure the effectiveness of the agreed measures, their status is monitored and documented by periodic reviews. The interval of the reviews is defined and maintained by the parties affected.

If the agreed measures are not completed by the Supplier on time and do not achieve the intended aims, Geringhoff reserves the right to place a resident engineer at the Supplier's premises. The costs incurred for the resident engineer and the costs incurred internally by Geringhoff shall be charged to the Supplier.

1.16 Complaints processing

Where a complaint is raised by Geringhoff, fault remedying actions must be introduced immediately and documented and submitted by the agreed time in the structured form of an '8D report', see Appendix.

The 1-5-10 rule applies here:

1 = Within one (1) working day the immediate actions must be stated and described to
Geringhoff. This includes actions to be taken on our premises.
5 = Within five (5) working days the Supplier must notify Geringhoff of the cause of the defect and the planned remedial actions.
10 = Within ten (10) working days the planned remedial actions must be in place and the efficacy tests carried out. This must also be confirmed to Geringhoff in the 8D report.

1.17 Costs arising from complaints

In the event of a complaint Geringhoff will charge the Supplier for the costs incurred by the complaint processing a $100 USD fee.

In addition to the complaint costs, further costs may also be charged to the Supplier where the cause can be traced to the faulty product, e.g.

- internal costs such as modifications to Geringhoff products

- external costs such as corrective works direct on customers' premises

1.18 Continuous improvement process (CIP)

The Supplier has introduced into its company a structured continuous improvement process for all products, processes, operating procedures and services. It applies this demonstrably for all products supplied to Geringhoff and for all activities linked to the business relationship. The effectiveness of this is demonstrated by continual improvements to quality performance, price, delivery performance, flexibility and cooperation. The relevant programs and measures for continuous improvement must be made available to Geringhoff on request.

1.19 Quality agreements

For the operational implementation of the strategic objective of the 'zero defects principle', Geringhoff and the Supplier agree on measurable targets for delivery quality (ppm (parts per million) objectives).

The target value is specified as

(ppm = parts per million: the maximum number of defective parts per million parts supplied)

Where it is technically advantageous and practical, only one target value should generally be agreed upon per product family supplied by the Supplier, or, where possible, for all products supplied by it.

The ppm values are collected monthly by Geringhoff and go into the annual supplier evaluation. They are also the basis for specific actions for continuous quality improvement.

The ppm agreement does not relate to a quality level accepted by Geringhoff. No parts recognized as faulty are accepted in principle and their costs are borne by the Supplier.

2 Planning

2.1 Technical documents

The Supplier must ensure, by means of a distribution and modification system, that all relevant positions are supplied with the most current technical documents at all

times, and additionally, that at the time of any product change, all documentation rendered invalid by the modification is removed or marked as invalid.

For the purposes of this rule, technical documents are:

- Drawings
- Additions to these drawings
- Specifications and standards
- Framework agreements

The Supplier must always manufacture in accordance with the most up-to-date technical documentation.

Within the framework of its preliminary quality planning the Supplier must check its technical documentation for completeness and latest date in order to ensure that the manufacturing is in accordance with this guideline.

Technical discrepancies must be clarified immediately with Geringhoff's development department and any arrangements made must be documented.
Missing technical documents should be requested via Geringhoff's purchasing department.

The amendment service is governed by the Geringhoff purchasing department.

No technical documents provided by Geringhoff may be made available to third parties and must be treated as confidential.

2.2 Manufacturing feasibility analysis

Evaluation of the feasibility of manufacture of the requested product under production-line conditions must be successfully completed on placing of orders. This forms the basis for the procurement of production and operational equipment. Before serial production begins, quality performance must be determined by means of a test series. Manufacturing feasibility analyses and test series must be performed for all new products, product or process modifications and changes to batch quantities. Any necessary corrections to the product or process will be made in the relevant area of responsibility. The Supplier undertakes to implement and adhere to the operations necessary for defect-free production (feasibility of manufacture).

2.3 Process failure mode and effects analysis (Process FMEA)

The Supplier must perform risk (FMEA) analyses for all processes used to produce products supplied to Geringhoff and update the FMEAs in the event of any deviation of the product or process quality or of changes to the process. All parameters related to product safety must be integrated into the analysis. Points assessed as critical must be immediately and effectively improved by means of suitable corrective actions and preventive measures to ensure that the specification, properties and product safety, together with feasible manufacturing, can be guaranteed. To implement the defined actions, schedules and responsible persons must be specified so that the actions are taken and completed before commencement of serial production.

All phases of the product production sequence such as

- Development
- Production
- Packaging
- Transport
- Recycling/disposal, where relevant

must be included and evaluated in the FMEA.

A FMEA must be created / revised under the following circumstances:

- Development of new parts
- Production of new parts
- Changes to drawings
- Relocation of premises
- Changes to processes
- Faults occur/complaints are raised

All process steps required for the manufacture of a product should be documented and evaluated in a process FMEA.

2.4 Production control plans

The production control plans should take account of the outcomes of the FMEA process, experience from similar processes and products and the use of improvement methods, etc. Based on the production control plan the Supplier must ensure adherence to all series inspections, taking into account the specified measurement/ test equipment and the sampling plans. The production control plan and all documents associated with it (drawings for the part and process authorizations plus test results) must be made available to Geringhoff on request.

2.5 Test/Inspection planning

A test plan must be created on the basis of the production control plan. All the characteristics to be tested/inspected, along with the associated test/inspection equipment for each work and test/inspection step, must follow from the testing/ inspection plan. The frequency of testing and the form of documentation of the results must be specified in the testing plan.

For the special characteristics, machine and process capability investigations must be carried out.

2.6 Series monitoring

To ensure the quality of testing and measurement the Supplier must regularly inspect its test/inspection equipment and document the results. The fitness of the equipment for measurement/testing must be verified before it is used.
The Supplier must ensure by means of systematic quality assurance steps that all products satisfy the requirements of the drawing and specifications. The following should be regarded as quality assurance actions:

- Incoming goods inspections
- Monitoring of process parameters
- Statistical process monitoring
- 100% testing where process are unfit
- Materials testing/Lifetime testing

The selection of the actions required is determined by the particular manufacturing conditions and product requirements that are necessary.

The Supplier must ensure by means of preventive maintenance that the tools and machines used are always fit for purpose and available for use.
The Supplier must provide test plans for the incoming goods inspection, parts manufacture, assembly, outgoing inspection and materials testing. For the test plan, all important and critical characteristics of the parts should be taken from the drawing and technical documents. When submitting tenders the Supplier must indicate which measurement/test equipment is necessary for the parts in question.
The test plan must in all cases be agreed with Geringhoff.

2.7 Systems and equipment

The Supplier must plan, create and procure all the plant and equipment necessary for manufacturing the part. The capacity and suitability of such plant and equipment should be verified and documented by suitable methods. If multiple pieces of equipment or multiple-cavity dies are used, the suitability of each must be verified and documented. The plant and equipment must be present in sufficient quantity no later than for the production of serial parts for the initial sampling date. This also includes all internal and external equipment and means of transportation.

2.8 Test equipment

The Supplier must maintain a system that labels the apparatus and test/inspection equipment used for evaluating characteristic values and that authorizes them for use. This test apparatus and equipment must be periodically monitored, calibrated, maintained and, where necessary, replaced. It must be ensured that only measuring equipment that is sufficiently fit for purpose is used. The requirements described here also apply to production equipment used for testing purposes.

2.9 Capability certification

The machine and process capability tests must be carried out in accordance with VDA vol. 4 or similar series SPC.

By using suitable statistical processes the Supplier must ensure that the machines, tools, measurement and testing equipment, together with the processes in which these are used, are suitable for and capable of the production of the products to be supplied to Geringhoff.

The characteristics to be applied in the capability tests are defined by Geringhoff and agreed with the Supplier before the start of the project.

The minimum requirements are:

- Machine capability $cmk \geq 1.67$
- Provisional process capability $ppk \geq 1.67$
- Process capability $cpk \geq 1.33$

The machine capability tests must be conducted no later than the initial sample date. An evaluation of the provisional process capability should first be submitted once a minimum of 25 samples with five measured values from different production batches or lots are present. Regular evaluation must be carried out no later than from the start of serial production.

If the minimum requirements are temporarily not achieved, 100% testing must be carried out until the proposed corrective measures take effect and the specified capabilities are achieved.

Regular evaluation must be carried out no later than from the start of serial production. Geringhoff reserves the right to access the documentation after giving prior notice.

Definition:
Machine: A single component within the production sequence
Process: A controlled, value-creating and repeatable sequence with measurable input and output, e.g. interaction of personnel, machines, materials, methods, equipment and working environment in a group of applied tasks.

2.10 Maintenance

The Supplier maintains a formalized system with appropriate documentation on the regular maintenance of its equipment. It must verify that quality capability is being maintained and must take prompt actions to remedy equipment wear. Suitable emergency plans must be in place for all critical processes to ensure that delivery capability is retained even in emergencies.

2.11 Audit

The Supplier must satisfy itself by means of regular product and process audits (both as per audit plan and incident-driven) that all product-related specifications (production, testing, labeling, preservation, cleanliness, packaging, delivery documents, etc.) are adhered to.

The outcomes, including the cause analysis (reason for deviation) and the corrective measures introduced, must be documented. The effectiveness of the measures must be demonstrated.

Geringhoff is further entitled at any time, by appointment, to check by means of a process, product or system audit whether the Supplier's quality assurance measures satisfy the requirements of Geringhoff Manufacturing LLC.

If quality problems arise that are caused by services and/or goods from the Supplier's subcontractors, the Supplier must perform a suitable audit at Geringhoff's request, if necessary with the participation of Geringhoff, at the subcontractor's premises and make the outcome available to Geringhoff. Regular audits must also be carried out on the subcontractors.

2.12 Subcontractors

The Supplier is wholly responsible for all goods and services provided by subcontractors. The Supplier must ensure that the requirements of these Quality Guidelines are also met by his subcontractors. This means that the Supplier must ensure the quality capability of his subcontractors.

2.13 Approval for series production

Approval for series production will only be given once all the activities planned in the project are successfully completed.

2.14 Shipping (labeling and packaging)

The goods must be packed by the Supplier in such a way that they are permanently protected from moisture and damage. Each packing container and every packaging

unit must be clearly labeled. Every packaging unit must be provided with a label or barcode label.

Goods labels conforming to VDA Standard 4902 or AIAG should be used. Review the Geringhoff Logistics Handbook for details.

Similarly, when handling the packing units, the goods labels must always be passed on with the goods to ensure their traceability. To avoid any mixing of batches and to ensure traceability, raw parts, parts purchased from subcontractors and parts from the Supplier's production facility must be verifiably safeguarded based on the 'First In – First Out' principle.

All packaging units of first series deliveries of new/modified parts/materials must be appropriately labeled. Similarly, following a complaint, all packaging units of the next three deliveries must be labeled '100% inspected parts'.

2.15 Productive capacity

The Supplier must demonstrate by means of a production test run that the required output can be achieved. This production test run must be documented.

3 Process and product approval

3.1 Initial sample

Initial samples are products manufactured and tested under series production conditions (machines, plant, operational and test equipment, machining conditions). The test results of all characteristics must be documented in an initial sample test report as per VDA Volume 2 or AIAG.

The number of parts to be documented is to be agreed with the Geringhoff quality assurance department.

The samples must be clearly labeled as initial samples. To identify the characteristics, the same numbers must be used in the initial sample test report and on the accompanying approved up-to-date drawing to be supplied by Geringhoff.

Assemblies that must be sampled due to Geringhoff's design department must be presented and submitted in full, including their constituent parts, to an initial sampling.

For products designed by the Supplier, the Supplier must sample and present the assembly. Initial sampling must be conducted for individual parts and sub-assemblies. Where necessary, Geringhoff should be allowed to inspect.

A serial delivery may be made only following written authorization of the initial samples by Geringhoff's quality assurance department. In exceptional cases approval may be given with special conditions; in such cases the Supplier must then present new initial samples by agreement with Geringhoff.

1. Causes for initial sample

Possible causes for new initial sample reports include:

- New part/new sampling
- Following a change of subcontractor
- Following a delivery block
- Following prolonged suspension of production (over 12 months)

- Relocation of production, e.g. to a new site
- Changes to production process insofar as this affects product characteristics
- Change of tools
- Use of alternative materials

Exceptions are permitted only by agreement with the Geringhoff quality assurance department.

2. Initial sample documentation

The documentation for the initial samples should be taken as per VDA 2 or AIAG. It should be delivered at the same time as the initial samples. Where initial sample documentation is missing, incomplete or defective, this will result in a negative supplier evaluation. Initial samples supplied without documentation cannot be processed and may lead to additional costs that will be charged to the Supplier.

3.1.3 Deviations in initial samples

Where there are deviations from specification, written approval is required from the Geringhoff development department and is to be submitted together with the initial sample report. If initial samples that do not conform to the relevant specifications are submitted and no approval has been given by Geringhoff for the deviation, Geringhoff reserves the right not to process the sampling and/or to pass the resultant extra costs to the Supplier.

3.1.4 Special approval

In the following situations the Supplier must notify Geringhoff and obtain authorization from us before delivery:

a. When using different designs or materials to those that were previously authorized for this part

b. If new or modified tools (molds, models, dies etc.) are used, including additional or replacement tools (excluding fast-wearing tools)

c. If current tools are given a general overhaul or converted

d. If production processes or consumables are changed (including those of subcontractors)

e. If tools or production facilities are relocated to another site or are brought from another site

f. In case of a change of subcontractor and materials (e.g. heat treatment, coating)

g. Where approval is given again after tools for the production have been out of use for 12 months or longer

h. After the customer has requested suspension of deliveries due to a quality issue.

The objective of this requirement is to identify changes that may affect the direct customer or the end user of the part.

3.1.5 Storage of reference samples

The Supplier must archive reference samples from initial sampling for the duration of the appropriate retention period. Deviations from this must be agreed by Geringhoff in writing.

3.2 Requalification test

The content, scope and interval of this should be agreed between Geringhoff and the Supplier and documented in the production control plan before series production begins. If no agreement is made, a full requalification test must be carried out at least once a year. If the test result is negative, the cause of the fault must be determined, remedial measures introduced and the Geringhoff quality assurance department informed of the situation immediately. All products must be subjected to dimension and function testing as per the production control plan. The Supplier must make the documentation available to Geringhoff on request within three working days.

3.3 Labeling and traceability

All products and/or containers must be so labeled that they can be uniquely identified and confusion and mix-ups avoided.

The Supplier undertakes in respect of Geringhoff to ensure the traceability of the products it supplies in compliance with a risk assessment. If a defect is discovered, the traceability must be such that the quantities of defective parts/products/batches, etc., can be effectively restricted.

4 Additional Requirements

4.1 Retention periods

The Supplier undertakes to retain all documents and drawings that provide traceability of the provided services for a minimum of 10 years in such a way that they can be accessed at short notice (see also VDA Volume 1 or AIAG standard).

4.2 Appointment of responsible persons

The Supplier must specify in writing the responsible contacts and their deputies for the following departments:
- Scheduling
- Production
- Quality management
- Directors

4.3 Supplementary law

These Quality Guidelines may be supplemented exclusively by the General Terms of Purchase of Geringhoff.

4.4 Non-disclosure

The confidential affairs, procedures and financial circumstances of the respective other business partner must be treated in confidence. This obligation to non-disclose applies also in particular to commercial and trade secrets, financial information, prices and customers. The Partners shall also oblige all relevant employees and suppliers to conform to this non-disclosure. The non-disclosure obligation continues after the

business partnership has ended. The non-disclosure declaration shall remain in force until the respective partner releases the other from the non-disclosure obligation. A signed Non-Disclosure Agreement has been required by Geringhoff purchasing department and is kept there.

4.5 Term of this Agreement

This Agreement comes into force when it is fully signed by both contractual parties and shall remain in force for an indefinite period.

It may be terminated by giving a notice of six months to the end of a month. This shall be without prejudice to the right to termination without notice for significant cause. Notice of termination must be made in writing.

5 Product Liability

If damage occurs due to a product supplied by the Supplier, the Supplier shall be liable within the framework of legal provisions to the extent to which the product it supplied is the original cause of this damage. To this extent the Supplier shall release Geringhoff expressly from its liability for products supplied by the Supplier.

The Supplier must arrange product liability insurance with an appropriate level of cover that includes not only the extended product risk, including damages abroad, but also the risk arising from the waiving of the objection of late submission of complaint. The Supplier must provide Geringhoff on request with evidence of the arrangement and existence of such insurance. Any change or cancellation of insurance must be communicated by the Supplier to Geringhoff without delay.

6 Final Provisions

Should provisions of these Quality Guidelines for Suppliers be or become ineffective, the validity of the remainder of the contract shall remain hereby unaffected.
Geringhoff and its Supplier will then be obliged to replace the ineffective provision with another regulation that approaches the spirit of the earlier provision as closely as possible in legal and commercial terms.

7 Change history of this Code of Conduct

Revision 1: First edition, November 2014

8 Appendices

1: Labeling of Initial Sample
2: Labeling of Test Part
3 : 8D report / 5W method
4: Goods Label

Appendix 1: Labeling of Initial Sample

GERINGHOFF Einfach besser ernten.		
Lieferant / Supplier:		**Tel.:** **Fax:** **E-Mail:**
CG Bestell-Nr. / CG order No.:		
ERSTMUSTER / INITIAL SAMPLE		**EMPB Nr. / I.S.I.R. No.**
ACHTUNG **Bitte umgehend an die Abteilung Qualitätsabteilung weiterleiten.** **ATTENTION** **Urgent Goods. Please forward immediately to the Department for Quality.**	**Material Nr. / Item No.:**	**Anmerkungen Lieferant / Remarks of supplier**
	Zeichnungs-Nr. / Drawing No.:	
	Änderungsindex / Modification index:	
	Bezeichnung / Description:	
	Datum / Date:	

Appendix 2: Labeling of Test Part

<table>
<tr><td colspan="3">  </td></tr>
<tr><td colspan="2">Lieferant / Supplier:</td><td rowspan="2">Tel.:
Fax:
E-Mail:</td></tr>
<tr><td colspan="2">CG Bestell-Nr. / CG order No.:</td></tr>
<tr><td colspan="2"></td><td>EMPB Nr. / I.S.I.R. No.</td></tr>
<tr><td rowspan="5"><u>ACHTUNG</u>
Bitte umgehend an die Abteilung Qualitätsabteilung weiterleiten.

<u>ATTENTION</u>
Urgent Goods. Please forward immediately to the Department for Quality.</td><td>Material Nr. / Item No.:</td><td rowspan="5">Anmerkungen Lieferant / Remarks of supplier</td></tr>
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<tr><td>Änderungsindex / Modification index:</td></tr>
<tr><td>Bezeichnung / Description:</td></tr>
<tr><td>Datum / Date:</td></tr>
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Appendix 3: 8D- Report / 5 W – Method

GERINGHOFF Mfg - 8D Response Report

WHO IS AFFECTED BY THE PROBLEM?		Date Open:		8D No.:	
Company:		Initial Response:		Customer Complaint No.:	
Address:		Target Close Date:			
Location:		Revision Date(s):			
Part No./Code		8D Initiator:			
Product Name:		8D Initiator's Spvr:			
☐ INTERNAL or ☐ EXTERNAL		Actual Close Date:			

D1 TEAM MEMBER NAMES/TITLES:		D2 PROBLEM STATEMENT/DESCRIPTION (quantify) (one defect per 8D)
Champion:		
Team Leader:		
Team Members:		

D3 CHOOSE AND VERIFY INTERIM CONTAINMENT ACTION(S) (ICA):	% Effective:	Target Date:	Actual Date:
HOW DID YOU VERIFY THE EFFECTIVENESS OF THE ICA?			

D4 DEFINE AND VERIFY ROOT CAUSE(S):	% Contribution:
HOW DID YOU VERIFY THE ROOT CAUSE(S)?	

D5 CHOOSE AND VERIFY PERMANENT CORRECTIVE ACTION(S) (PCA):	% Effective:
HOW DID YOU VERIFY THE EFFECTIVENESS OF THE PCA?:	

D6 IMPLEMENT AND VALIDATE PERMANENT CORRECTIVE ACTION(S) (PCA):	Target Date:	Actual Date:
HOW WILL YOU VALIDATE THE PCA?		

D7 SYSTEM PREVENTION ACTIONS TO PREVENT RECURRENCE: **Mistake Proofing:** How are you going to ensure it can't happen again?	Target Date:	Actual Date:

HAS CORRECTIVE ACTION/IMPLEMENTATION BEEN REVIEWED AGAINST DOCUMENTS?:

Check boxes that apply: ☐ Control Plan ☐ FMEA ☐ Flowchart ☐ Proc./Work Instr. ☐ Add to Internal Audit

D8 TEAM AND INDIVIDUAL RECOGNITION: Recognize the collective efforts of the team.

Original: To the dept. Sprv/Mgr. Copy: All initial 8D's and revisions must be sent to appropriate personnel at the location.

GERINGHOFF
The perfect way to harvest.

5-WHY ANALYSIS SHEET

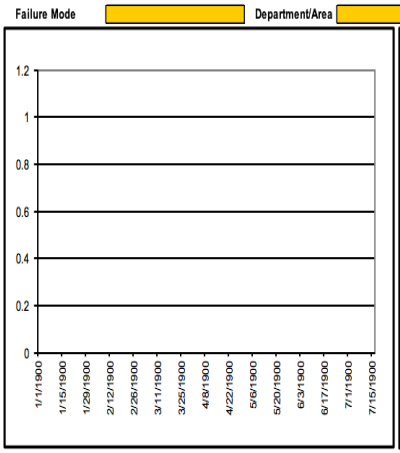
Instructions:
1) FILL IN ALL AREAS HIGHLIGHTED IN YELLOW - THE CHARTS WILL UPDATE

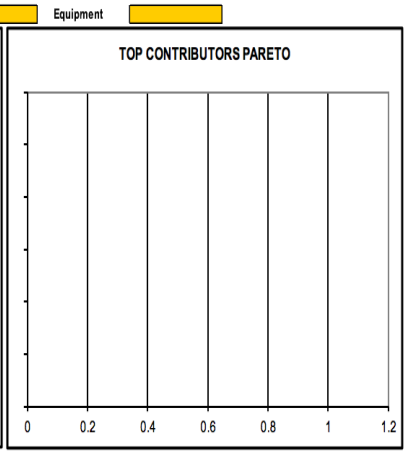
PERIOD/ DATE	METRIC
1-Jan	
2-Jan	
3-Jan	
4-Jan	
5-Jan	
6-Jan	
7-Jan	
8-Jan	
9-Jan	
10-Jan	
11-Jan	
12-Jan	
13-Jan	
14-Jan	
15-Jan	
16-Jan	
17-Jan	
18-Jan	
16-Jul	
20-Jan	
21-Jan	
22-Jan	
23-Jan	
24-Jan	
25-Jan	

TOP CONTRIBUTORS PARETO	
Category	Frequency/Value

FOR PARETO RANKING, ENTER LOWEST FREQUENCY PROBLEMS AT TOP, THEN WORK DOWN IN ORDER

Failure Mode _____ Department/Area _____ Equipment _____





WHY #1:

WHY #2:

WHY #3:

WHY #4:

WHY #5

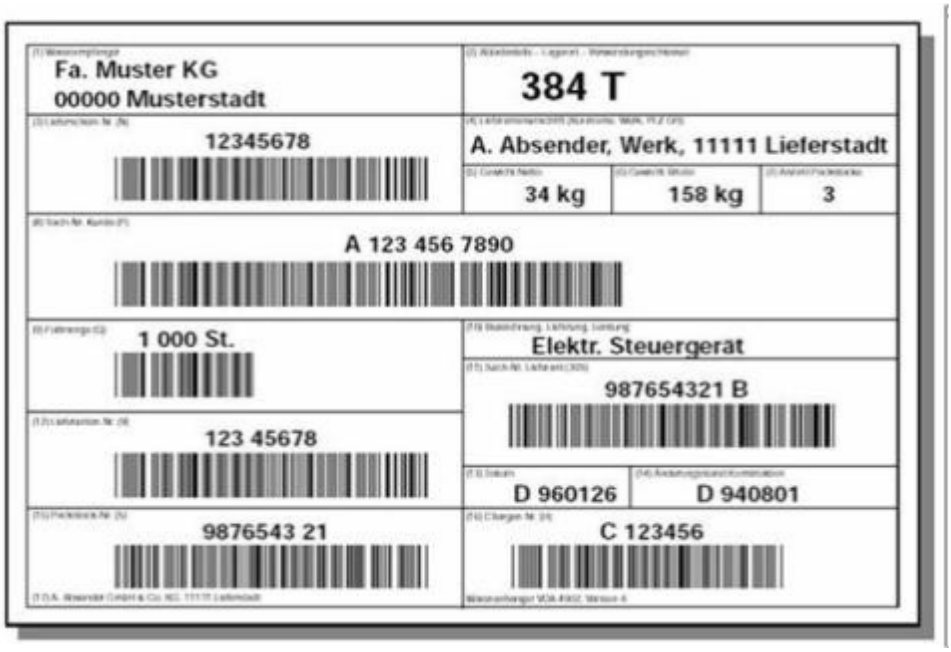
TEMPORARY COUNTERMEASURES Date _____

FINAL COUNTERMEASURE - PERMANENT CORRECTIVE ACTION Name _____ Date _____

VERIFICATION:
No Recurrence in Three Months? __TBD*____ Date _____
Single-Point Lesson? _____ Date _____
DO THE 5 WHY'S MAKE SENSE WHEN READ BACKWARD?

Note: Continue on separate page if 5-Whys are not enough to determine root cause. *TBD = To Be Determined

Appendix 4: Goods Label



Sample Single Label 4902

Sample AIAG Label