

Quality Assurance Agreement

In order to cooperate with mutual satisfaction we send to your attention this Quality Agreement defined as follows, and we ask you to sign it and send us back copy as evidence of acceptance of the content.

1. Objectives

The purpose of this document is to provide guidelines for the quality aspects management about the supplied materials, with the aim to achieve a partnership between BATS and its suppliers, in order to define a management agreement of all the aspects related to Quality products and services and pursue to achieve zero defects.

2. Quality management system

BATS asks to his supplier to implement a quality management system complying, at least, international standard ISO 9001 (complying international standard AS EN9100 is more advisable).

3. Traceability

To facilitate any analysis and verification in case of nonconformity on the supplied products, BATS expect that the supplier carries out a traceability management on all the delivered products. The term traceability means:

- The possibility to trace the day of manufacture/treatment indicated on the product, on single and master packaging
- The clear identification of the batches

4. Products conformity

The supplier commits and guarantees that the products/treatments have the same technical and structural characteristics reported on the documentation (test certificates, test reports, etc.) previously approved during the negotiation.

If any inconsistencies with what documented are found, BATS reserves the right to refuse the products/treatments. If a special process has to be performed on the purchased product, this process (or the sub-contractor who perform this process) has to be preventively approved by BATS. If this process, or this sub-contractor, has to be replaced, the supplier must advise BATS and the new process (or the new sub-contractor) has to be approved by BATS.

5. Supply technical conditions

In order to summarize in a single document the following information:

- The main technical information,
- The drawing (or at least a reference to it),
- The packaging system,
- The tests required to the supplier,
- The controls in acceptance that will be performed by BATS.

The area of the BATS Quality Assurance draws up documents called Supply Technical Conditions. In these documents are usually reported the information above-listed and any other notes regarding the inspection methods.

The documents "Supply technical conditions" can refer to a single product or a products family.

Quality Assurance Agreement

Whenever BATS issues a new document “Supply technical conditions” (or an upgrade of an existing one), must send a copy to the supplier who will approve (by stamp and signature of a representative) as evidence of acceptance of it.

6. Controls

The supplier commits to carry out all checks specified in the documents “Supply technical conditions” (while meeting also any acceptability criteria reported on the documents).

BATS reserves the right to carry out, at its own charge, additional checks during the incoming of the parts delivered by the supplier. However, these additional checks will not exonerate the supplier in the event of nonconformity of the delivered material. This responsibility still remains attributed to the supplier even after the use of the products and / or after the final sale of the products.

In the event that the incoming checks carried out by BATS bring out nonconformity of the purchased products, and BATS (for reasons of urgency) should proceed with a selection of 100% of the purchased products, BATS reserves the right to charge the costs for the control of the supplier, upon notice to the supplier.

7. Nonconformity classification

Following the different items of classification about possible defects of the products are reported:

- **Safety defect:** nonconformity that compromises the user's safety.
- **Critical defect:** nonconformity that compromises the functionality of the product or requiring the return from the user.
- **Major defect:** generic nonconformity without compromising the proper functioning of the product over time or not slight aesthetic nonconformity. In any case, a nonconformity that does not imply the return of the product from the user.
- **Minor defect:** negligible aesthetical nonconformity or minor nonconformity.

8. Nonconformity management

If the supplier finds any nonconforming products or treatments must promptly notify it to BATS and agree about how to manage the nonconformity.

The supplier is responsible for nonconformity on purchased products, even if the nonconformity has been found by the end user.

BATS has the responsibility to promptly notify the supplier about the defects found, providing also all the data available to carry out an in-depth and prompt analysis of the problem.

For this purpose (except in cases where it is explicitly stated otherwise) it is required to use the 8D methodology to provide a complete response to BATS by respecting the timing as follows:

- containment immediate action within 24 hours.
- eventual intervention for adjustment, selection, etc within 48 hours.
- Analysis of the causes of the nonconformity and identification of corrective actions within 5 working days.
- Closure of the nonconformity within 12 weeks, unless otherwise agreed with the supplier. In case it is necessary carry out any selections and/or any checks at BATS factory or at the customer plant, BATS undertakes to promptly inform the supplier to agree with him the way of intervention. All the costs will be charged to the supplier.

If the supplier is responsible of a not conform product/treatment, BATS reserves the right to charge the supplier the cost about:

- Scrapping of the defective finished products.

Quality Assurance Agreement

- Repair of the defective finished products.
- Selection of the defective finished products.
- Replacement or reinstatement of the defective parts.
- Shipping delays the cause the payment of penalties imposed by the final recipient of the products.

BATS undertake to keep constantly updated the supplier about the amount of costs incurred for the management of nonconformity related to the purchased product.

9. Requirements for commissioning sub-contractors

Consent from BATS is required in such case as the supplier intends to commission an order partially or completely or to have it carried out by a sub-contractor. Any changes in the supply chain are to be approved by BATS prior to being made. Furthermore, the supplier is obliged to pass on all of the requirements of this QAA to their sub-contractors, in the case of subcontracting. The supplier has to ensure that their sub-contractors only use sources of supply that have been approved by the customer for special processes.

10. Prevention of counterfeit parts and suspected unapproved parts

BATS supplier agrees to prevent the use of suspected unapproved, unapproved and counterfeit parts. In case of these parts the supplier takes actions to ensure that they are not delivered to BATS.

11. Storage of records

If the records established to provide evidence of conformity to requirements of product/treatment is not part of delivered product documents, the supplier must store these records legible, readily, identifiable and retrievable, until written statement by BATS authorizing their removal.

12. Right of Access

The supplier must guarantee the access by BATS, BATS's customers and regulatory to the applicable areas of all facilities, at any level of the supply chain involved in the order and to all the applicable records, in order to verify, by audit, the adequacy of supplier's own Quality Management system and to check the conformity of commissioned product.

13. Persons awareness

Staff carrying out work that affects product quality has to have the appropriate skills and experience. Relevant information regarding training, skills and experience is to be kept on record.

Technical facilities are to be kept in good condition by qualified personnel and adjusted as needed. Those responsible for such special processes have to have proof of their qualifications (i.e. for NDT positions in accordance with EN 4179).

The supplier must ensure that persons involved in products or treatments for BATS are aware of their contribution to products or treatments conformity, their contribution to product safety, and of the importance of ethical behavior.

BATS operates in branches where products safety is of particular importance. Therefore the supplier must consider this aspect in its deliveries.

14. Miscellaneous

If one or several clauses established in this Quality Assurance Agreement are deemed to be invalid or unenforceable, the remaining provisions will continue to remain in full force and effect. BATS and the supplier oblige to act in accordance with the targets agreed upon in this agreement and to amend this agreement to

Quality Assurance Agreement



give effect to the invalid or unenforceable clause to the maximum extent possible. The same applies to any non-consideration of any of the clauses of this agreement.

No verbal arrangements have been met. Changes and amendments to this agreement – including any declaration of renunciation with respect to the necessity of the written form – require signing a written agreement in order for them to enter into force.

The validity and the structure of this quality assurance agreement, as well as of any of the ongoing and future business relationships between BATS and the supplier are subject to the fundamental laws of the Republic of Austria, whereby any conflict-of-law rules are not taken into consideration here.

Place, Date

Vienna, June 2026

Partner: company's stamp

authorized signature (name printed)

General Manager

Philipp Pototschnik