STADLER

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QUALITY, ENVIRONMENT AND SAFETY AGREEMENT

The **XYZ AG, Strasse Nr., PLZ Ort, Land**
(hereinafter known as "**Supplier**") undertakes by means of the following signature and with regard to the companies:

- **Stadler Bussnang AG**, Ernst-Stadler-Strasse 4, 9565 Bussnang, Switzerland,
- **Stadler Rheintal AG**, Neudorfstrasse 8, 9430 St. Margrethen SG, Switzerland,
- **Stadler Winterthur AG**, Sulzerallee 11, 8404 Winterthur, Switzerland,
- **Stadler Signalling AG**, Alte Winterthurerstrasse 14b, 8304 Wallisellen, Switzerland,
- **Stadler Polska Sp. Z o.o.,** Targowa 50, 08-110 Siedlce, Poland

(hereinafter known individually and/or together as "**Stadler**" or "**Purchaser**")

to apply the conditions below for all business relations following the signature.

Index	Change	Date	Created	Checked	Released
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G	Requirements from TSI and safety-relevant comp. section 5.10, 5.17, 5.18	30.07.13	D. Löffel	03.08.2013/U. Sturzenegger	05.08.2013 / U. Sturzenegger
H	Fundamental adjustments to contract and resulting rights and obligations	20.01.21	D. Löffel	21.01.2021/G. Oberfranz	24.03.2021 / G. Oberfranz
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K	Amendments to sections 4.3 and 5.17	13.06.22	A. Bogk / M. Erhardt	27.06.2022 / C. Roth	25.08.2022 / J. Vouillamoz

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1 Objective and purpose

This agreement names and regulates the quality-specific, environmental-specific and safety-specific actions to be taken agreed between the contracting parties. It describes the minimum requirements of the supplier management system.

2 Scope

This quality, environment and safety agreement applies to all deliveries and services provided by the supplier for Stadler. Any deviating provisions can be regulated by the contracting partners in the related order if this is specifically necessary due to mandatory statutory provisions or owing to Stadler's project business.

3 Fundamental prerequisites and measures

3.1 General requirements/reminder

The supplier guarantees compliant and fault-free performance of the contract. The supplier shall notify the purchaser in writing of any circumstances that jeopardise proper and particularly punctual fulfilment. Furthermore, the supplier shall report to the purchaser in writing, with due care, discrepancies in the contract, incl. its appendices or technical specification (TS).

4 QEHS system requirements

4.1 Management system of the supplier

For the fulfilment of their responsibilities and duties, the supplier shall, as a minimum, set up and implement an effective management system in accordance with ISO 9001 as is related to the structure and size of the enterprise.
Stadler accepts the result of a certification audit by a recognised certification company as evidence that a management system has been introduced and applied at the supplier's company in compliance with these requirements.

It is the supplier's own responsibility to submit, without a special request from Stadler, this evidence to the Stadler purchasing department, and report also without special request the update in accordance with the certificate, after the respective period has expired.
An uncertified management system can be released by Stadler by means of a system audit at the supplier site.

The supplier is further obligated to comply with the provisions according to ISO 14001, to ISO 27001 and ISO 45001 (each in the current version), even without a certified system. In addition, the supplier is obligated to comply with all applicable environmental protection and occupational safety laws.

4.2 Management system of sub-suppliers

The supplier is equally responsible for products and services of sub-suppliers and assisting persons as they are for their own.

When an FAI has been carried out, no work or documents must be subcontracted or passed on without written consent from Stadler.

4.3 Information security

If the supplier accesses, processes, stores, communicates information of Stadler, provides or runs IT infrastructure for the processing, storage or transmission of data at Stadler, the supplier must comply to the Stadler directive information security policy (directive 304) and the Stadler directive use of IT resources (directive 302) as well as to its implementation rules in its current version.
The supplier must assure that all the employees involved in the supplier relationship with Stadler adhere to this regulations. This also includes external employees and sub-suppliers.
The above mentioned directives and related implementation rules as well as their updates are provided to the supplier by the Stadler contact person. The supplier is responsible for transmitting the directives to all his external employees and sub-suppliers.
Upon request by Stadler, employees of the supplier and of its sub-suppliers have to undergo a Stadler security awareness program. The employees concerned are invited to take part by the Stadler contact person or automated.

5 QEHS system requirements

5.1 Development, planning

If Stadler assigns development work to the supplier, the purchaser can request the agreement of a correct functional specification, e.g. in the form of a requirements specification.

For the development phase, the supplier uses suitable preventive methods of quality planning. These could be, for example:

- Manufacturing ability analysis
- Capacity plan
- FMEA
- Control plan
- Work instructions
- Test equipment capability

5.2 Examination of the management system, the process and/or product quality by Stadler

Stadler can check by means of audits that the quality assurance and environmental measures of the supplier and/or their sub-suppliers obey compliance with the contractual or customer requirements. Audits can be performed based on the system, processes or product(s) and shall be agreed to in a timely manner prior to their planned execution.

The supplier ensures the assertion of Stadler's rights mentioned in this section by their sub-suppliers to the same extent. The supplier and their sub-suppliers can demand that their production and trade secrets be kept confidential by the related recipient.

The aforementioned obligations of the supplier and any monitoring activities by authorised persons do not in any way release the supplier from their obligations.

5.3 Technical Requirements

The supplier must make sure that production and testing are carried out in accordance with the most recently valid contractual documentation.

5.4 Assessment of the producibility

With the offer or the order confirmation, the supplier confirms the requirement-compliant feasibility/production possibility of the product and/or service.

5.5 Features with enhanced importance

Features with enhanced importance – quality characteristics of functional importance and critical for processes, as well as characteristics with special confirmation analysis, such as welding or adhesive bonding – require special consideration in light of the fact that deviations with respect to these characteristics can affect to a considerable extent the installation capability, the function or the quality of subsequent production operations as well as adherence to legislation.
It is the supplier's own responsibility to define the features with enhanced importance for the parts manufacturing process in a traceable manner, and they will prepare the proof documents required by the purchaser and government agencies.

5.6 Product measurement

The supplier alone is responsible for the product measurement.

5.7 Critical processes and technologies

The supplier must identify critical processes and technologies in his production. Suitable actions shall be implemented for this in order to achieve process capability (detailed planning, process analyses, identification and establishment of characteristics with enhanced importance for the process and important process parameters, process monitoring and regulation, etc.).

5.8 Prohibition of silicone

Surfaces contaminated with silicone could lead to serious adhesion issues during painting and bonding work. The supplier must therefore make sure that their products do not contain any components that release silicone in any form onto the product surface or into the environment, even as very small traces. Silicone oils and greases are not permitted. The supplier must also make sure that their products are not contaminated with silicone during their production and logistics processes. This also applies to packaging materials.

5.9 Analysis of possibilities for error

Risk estimates and analyses (including FMEA, Failure Mode and Effect Analysis) shall be carried out for assemblies or parts which are considered to be of critical/safety-critical importance. This is done to prevent quality failures from occurring during series production and to limit the supplier's necessary amount of testing to an acceptable dimension.
The supplier must permit Stadler to inspect the risk analysis upon request at any time following scheduling consultation. The performance of the risk analysis shall be confirmed in the initial sample inspection report.

5.10 First article inspection (FAI)

The supplier commits to carry out FAIs subject to approval upon Stadler's request. FAIs subject to approval with Stadler are specially arranged. Unless otherwise agreed, these FAIs subject to approval are done on site at the supplier's premises and in the presence of a Stadler representative. Stadler reserves the right to do the FAI in a reduced form following consultation with the supplier, for which the following variants serve, as an example:

- The initial sample is checked and released at Stadler's incoming goods, or
- the initial sample is checked and released based on the documents submitted by the supplier.

Which evidence needs to be submitted by the supplier to Stadler is agreed upon (refer to the related technical specification in particular). Delivering parts before release by Stadler is only permitted after Stadlers written approval.

5.11 Reasons for FAIs

For example, Stadler's FAIs must be done upon request; the following circumstances in particular can be a reason for this:

- TSI-relevant components (TSI = Technical Specification for Interoperability)
- Safety-relevant components (as given in the specification)
- New parts
- Changes to the construction, specifications or materials
- Use of alternative materials or constructions
- Use of new, modified tools or replacement tools
- Following conversion and/or maintenance of tools, if appropriate
- When manufacturing methods or production processes are changed
- Production relocation or utilisation of new production facilities
- Changes to the suppliers of products, materials or services
- After or during delivery stops caused by quality considerations
- If production facilities have been shut down for 12 months or longer (products for the spare parts market are excluded from this stipulation, if necessary)
- During rework

5.12 Measures to be taken by the supplier when faults arise

If non-conforming products are discovered during the random sampling that is part of series monitoring, the production process must be interrupted at once and be rectified. 100% of the products produced since the last OK random sampling must be separated out.
The Stadler point of contact for the order must be informed at once if it is discovered during efforts to limit the amount of damage that non-conforming products can already have reached the delivery stage. The supplier must inform the purchaser in writing (in the form of an 8D report or action plan) about the initiated actions. Without exception, both defective and non-defective parts are to be marked as such, in a manner both legible and readily visible.

5.13 Special approval

In special cases and at the request of the supplier, Stadler can grant a special approval. Products with approved deviations shall be delivered separately. Delivery note and packing units must have a corresponding and readily visible note concerning the kind of deviation involved. A copy of the special release shall accompany the shipping documents.

5.14 Repairing batches

Remedial work is always subject to mandatory authorisation and must be traceably documented. The supplier must make sure and provide proof that the remedial work carried out will not have a negative impact on contract products.

5.15 Supplier measures when faults are detected after delivery

If non-conforming products are detected only after delivery to Stadler, Stadler informs the supplier by means of a complaint report or operational report.
How to deal with non-conforming products which have already been delivered is defined over the course of processing the complaint report with the supplier. The supplier must promptly provide a contract-compliant replacement to continue production by Stadler and end customer operations without interruption or breakdown.

5.16 Complaint analysis

The supplier shall receive information concerning each complaint in the form of a complaint report ("CR") or operational report ("OR").
The supplier is obligated to issue, within two business days, an opinion with the initial determination regarding the effects on damage potential, obeying delivery dates and the time required to remedy the defects.
It can be necessary to take immediate action within a very short deadline. In urgent cases, the related shortened response time is communicated to the supplier together with the complaint report.

To prevent misunderstandings, it must be pointed out here that the periods for the remedying of defects, as given in the warranty regulation of the related individual agreement, are not extended by the above regulation.

5.17 Faults and resulting costs

For every complaint report verifiably caused by the supplier, the supplier will be invoiced an administration fee of CHF 200.00 / EUR 192.-. Further, any costs resulting from faults will be invoiced after notification. We reserve the right to make price adjustments to the administration fee or the hourly fee.

5.18 Change Management

Changes can only be carried out with advance release from Stadler. Traceability must be ensured at all times. If products incl. software are delivered in accordance with a new change status, these must not be mixed by the supplier with products which were manufactured in accordance with an earlier status. TSI-relevant components must not be changed. However, if a change is necessary despite this, the change must be reviewed and released by the Technical Project Manager at Stadler with the notified body. Changes in the delivery of services by suppliers must include the maintenance of information security policies, procedures and controls.

5.19 Packaging and conservation

Unless agreed otherwise, the supplier is responsible for the protection of their products through the use of correct packaging and by applying sufficient preservation. The current location-specific supplier instructions are available at www.stadlerrail.com. Environmentally-friendly packaging and transportation is mandatory for every Stadler supplier. The objective is to use reusable containers.
Furthermore, deliveries to Stadler should be done in accordance with the first-in-first-out principle (FIFO). If special storage and handling regulations apply to the delivered products, these must be included in hard copy with every delivery.

5.20 Labelling the shipments

Delivered products and accompanying documents must be provided in accordance with the location-specific supplier instructions listed in Chapter 5.19.

5.21 Testing and fire protection certificates

Required testing and fire protection evidence is agreed upon between the contracting parties, for example as separate order itemsor indicated in the order text for the corresponding article.

5.22 Retention periods for quality-relevant documents and records

Corresponding retention periods for quality-relevant documents and records shall be established and adhered to by the supplier.
The following minimum requirements must be complied with:

30 years for:
- Documents and records for specified components, assemblies or systems
- Records of special testing

At least 10 years for:
- Records concerning quality measures without special documentation requirements
- Records concerning QM or environmental management evaluations, internal audits, etc.

The retention periods are valid as of the delivery date of the last product in the respective series. These specifications do not replace legal or otherwise agreed individual contractual requirements. In special cases, deviating retention periods can apply at customer request. The supplier must provide Stadler, upon request (while not infringing on the production and trade secrets of the supplier), insight in the documents mentioned here (including during audits by Stadler).

5.23 Test material

The supplier must have suitable inspection and test equipment so that all of the contractual quality characteristics can be reliably tested. The test equipment can be monitored regularly, traceable back to national or international measuring standards, and kept ready for use. An inspection and testing equipment management system must be implemented in such a way that the next calibration date is visible. The test equipment capability can be documented by the supplier at the time of the First Article Inspection or upon request by the purchaser. In special cases and upon request by Stadler, the inspection and test equipment and test methods at the supplier's premises and at Stadler will be calibrated to one another.

5.24 Ecology, recycling, hazardous substances

Stadler wishes to minimise the negative effects of its products on people and the environment, taking into account technical-economic aspects in accordance with ecological criteria. Compliance with all relevant laws and regulations is a minimum requirement for all suppliers. The materials used and their constituents must meet the latest statutory requirements in regard to the environment, safety and recycling. The supplier is obligated to comply with the respective current statutory, country-specific and industry-specific regulations with respect to environmental protection and recycling as a minimum requirement.
The supplier is obligated to inform Stadler if the product they delivered contains a material >0.1% (weight) which is listed on the candidate list of the currently applicable REACH regulation. Furthermore – if applicable – the RoHS regulations must be observed and adhered to.

With regards to ecology, points to be obeyed include the following:
- Investigation of the environmental compatibility of supplier substances, product and manufacturing processes
- Minimisation of the consumption of resources
- Use environmentally compatible packaging, transport and logistics concepts
- Use of recycled material
- Ensure the proper disposal of various types of waste, in accordance with the law
- Ensure the proper handling and transport of dangerous substances and avoidance of problematic substances (REACH and local or national laws)
- Labelling of the basic materials for the purpose of effective recycling
- Reprocess production means and accessories (e.g. coolants, lubricants and detergents)
- Provision of a logistics for returns, etc.

5.25 Employee training

The supplier must ensure that their employees receive training related to their tasks, and keep related documented evidence of conformity with this requirement. This must be submitted upon request by Stadler.

5.26 Inspection of the contract products delivered

For incoming deliveries, a delivery inspection is carried out to check the quantity (if possible), identity and any evident transport, packaging or corrosion damage. Identified defects will be indicated to the supplier (e.g. in the form of a complaint report).

6 Reference documents for the product or service

For critical processes or characteristics, product-specific documents are requested for the purpose of securing and obeying provisions.
These include:

- 3.1 or 3.2 certificates
- Declarations of conformity
- Fire protection certificates
- Measurement reports
- Production-supporting documents such as inspection and testing planning and their documented evidence of conformity
- Safety data sheets
- etc.

The documents should be provided to Stadler as given in the order.

7 Emergency and risk management/business continuity plan

The supplier must be at all times in a position of guaranteeing the production of the agreed-upon scope of supply, no matter what sort of breakdown may transpire. In essence, an emergency plan and/or a risk management plan must be submitted and presented upon request, which proves that production is guaranteed under all possible disruptive influences. Furthermore, continuous documented evidence of conformity shall be generated for the purpose of minimising product risks and presented upon request.

8 Statutory requirements

8.1 Manufacturer obligations, proofs of conformity and technical documentation

Manufacturer obligations, declarations of conformity and technical documentation are based on country-specific laws relating to product safety and product liability together with all the other pertinent regulations contained in the legal principles. These laws, directives and regulations must be complied with by the supplier at all times to their full extent. Especially for systems and devices implemented in Switzerland and EU countries, the CE marking and associated EG conformity assessment must be completed and documented.

8.2 Environmental protection/occupational safety

The supplier commits to complying with the relevant national legal provisions with regard to the environmental protection and occupational safety.

9 Property of the customer

Property of Stadler (tools, systems, etc.) must be marked accordingly.

10 Confidentiality

The supplier may receive direct or indirect access to information about Stadler, its associated companies, customers or other business partners ("confidential information"). The supplier commits to keeping absolute secrecy with regard to this confidential information and to protect it against access by third parties. In addition, they shall only give access to the confidential information to the employees and/or associated companies that absolutely require it to prepare and process the related order.

11 Liability

The agreement concerning quality, environmental and safety objectives and, generally speaking, all of the provisions of this agreement have no effect on the warranty, liability or other obligations of the supplier to Stadler.

12 Termination

Orders completed under this agreement are not affected by the cancellation or termination of this agreement.

_____

Location/Date

_____ _____

Name/Signature Name/Signature