

Parties:

This Agreement is executed on/...../202...

Customer: Flexati Hortum ve Bağlantı Parçaları San. Tic. A.Ş. (hereinafter referred to as “Flexati Hose”)

Address: Karamehmet Mahallesi, Avrupa Serbest Bölgesi, Adnan Arısoy Bulvarı No:4/1, 59930 Ergene / TEKİRDAĞ

Supplier: _____ (hereinafter referred to as “Supplier”)

Address: _____

The Parties agree that the addresses specified above are their legal domiciles for all notifications and that they will notify each other in writing in case of any change; otherwise, the addresses above shall be deemed legally valid.

1. Introduction

This Agreement defines the quality requirements applicable to the Supplier and demanded by Flexati Hose. This Agreement sets out the rules and behaviors governing the quality requirements of the supply relationship and their consequences for the Supplier.

Flexati Hose aims to work with a supply model that has the capacity to manage, continually develop and improve its processes, technologies and technical knowledge (know-how) in order to ensure the highest level of quality.

Flexati Hose suppliers must operate ethically, in full respect of human rights and the environment, and with established Ethical Conduct Rules.

Compliance with laws and regulations and the possession of management system certifications are minimum requirements that are insufficient by themselves to demonstrate excellence in supply. Suppliers are also responsible for the safety and regulatory compliance of every product they supply. Both Flexati Hose and the Supplier agree to cooperate in good faith to ensure proper performance of this Supplier Quality Agreement.

Due to Supplier responsibility, the Supplier shall always ensure the high-level quality of the components, raw materials, materials, processes, services and similar items it will supply, and shall make every effort to prevent any issues related to Flexati Hose and to protect Flexati Hose from liabilities, debts and damages that may arise due to improper performance of this Supplier Quality Agreement.

2. General System Requirements

2.1. Quality Management System

The Supplier must confirm in writing that it holds a third-party approved certification in accordance with the current version of ISO 9001 and must provide objective evidence proving such certification. This requirement is not mandatory only for suppliers that have been formally granted exemption approval by Flexati Hose.

The Supplier is responsible for ensuring the conformity of supplied materials with the conditions defined in technical documents and specified standards. This responsibility also includes compliance with packaging and shipment specifications. During material supply, the Supplier must send materials compliant with technical specifications and aesthetic criteria.

Flexati Hose reserves the right to conduct audits and request details regarding the organization and Supplier processes for analysis of the provided documents. The Supplier shall provide access for Flexati Hose to all its departments and, when requested, to its sub-suppliers.

2.2. Environment, Occupational Health and Safety, and Social Compliance

The Supplier is obliged to implement integrated management systems in its facilities in accordance with ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) standards.

Suppliers that do not yet hold certifications for either of these standards must have an implementation plan (action plan) prepared to ensure compliance with the requirements of both standards and must present it to Flexati Hose for review upon request.

Flexati Hose reserves the right to perform on-site audits to verify the compliance of these suppliers' systems with the requirements of the relevant standard.

If any nonconformity is detected as a result of the audit, the Supplier is obliged to implement necessary corrective actions within the specified time frame. The Supplier must send an MSDS form for all materials supplied.

The Supplier is obliged to comply with Social Compliance and Conduct Rules. These rules may also be audited during Supplier audits.

2.2.1. Special Condition for Chemicals Subject to Prohibition and/or Restricted Use

The Supplier is responsible for supplying materials produced in compliance with National and International Environmental Legislation and customer requirements. The Supplier undertakes that the materials used in raw materials, semi-finished goods and/or components it manufactures and/or procures from third parties do not contain substances prohibited by national and/or international legislation, and that substances with restricted use are used within the specified limits. The Supplier shall provide to Flexati Hose a declaration confirming that the specified materials are not used or are restricted in accordance with the applicable legislation.

In addition to the declaration of conformity to the directive, Flexati Hose may request compliance test results prepared by an accredited laboratory to ensure compliance.

In case of Supplier-originated nonconformity, the Supplier shall assume all legal liabilities arising from the use of limited or prohibited substances in materials supplied to Flexati Hose under the directive: All materials (located in stock areas) that have not yet entered Flexati Hose production and are identified as nonconforming shall be replaced by the Supplier with compliant ones at no cost to Flexati Hose.

All correction costs required to ensure compliance of products processed in Flexati Hose production facilities shall be covered by the Supplier (process and labor costs, costs of other unusable materials, transportation and packaging costs).

In case of material-related nonconformities in Flexati Hose final products, all costs arising from blocking or reworking the products shall be covered by the Supplier.

The Supplier is responsible for all customer returns and legal penalties arising from Supplier-related nonconformities. This includes all penalty clauses, including shipment delay penalties, under agreements Flexati Hose has with its customers.

2.2.2. Special Condition for Wooden Materials

Wooden pallets and wooden products used by the Supplier for materials supplied to Flexati Hose must comply with the ISPM 15 standard (International Standards for Phytosanitary Measures 15), established in Rome in 2002 by the Secretariat of the International Plant Protection Convention (IPPC), a sub-organization of the Food and Agriculture Organization (FAO) of the United Nations.

2.2.3. Child Labor

Child labor must not be used. Unless a higher age limit is defined in local laws, no one who has not completed compulsory education and is under 15 years of age (except as specified in ILO Convention No.138) may be employed. Employees under the age of 18 must not work in hazardous jobs or night shifts where training needs to be met.

2.3. Contingency Plan

The Supplier, including but not limited to the situations listed below;

- Major equipment failures, interruptions in the supply chain of contracted products, processes, or services,
- Recurring natural disasters, fire, labor shortages, infrastructure failures, or cyber-attacks targeting IT systems,
- Situations requiring uninterrupted supply to Flexati Hose,

is obliged to prepare contingency plans to ensure uninterrupted supply to Flexati Hose.

The Supplier must create a separate contingency plan for each production and shipment location. These plans must include risk assessment, potential impacts on Flexati Hose, and the notification

process to Flexati Hose. The plans must be reviewed and tested periodically (at least once per year) to verify their effectiveness. Changes to these contingency plans are subject to change management procedures.

3. Sample and Approval Process

The Supplier must send the samples requested by Flexati Hose for material and process validation. Before sending the samples, the Supplier must validate them with appropriate measurements and inspections. The Supplier must send validation records together with the samples to Flexati Hose. During sample request, Flexati Hose may request detailed records in writing regarding materials, processes and controls.

The Supplier must ship the samples marked with the definition "SAMPLE". Where production is carried out with multiple molds or mold cavities, the Supplier must send an equal number of samples from each mold or cavity and must indicate the corresponding mold or cavity on the sample.

Flexati Hose will inform the Supplier of the "APPROVAL" or "REJECTION" decision after the sample approval process.

Mass production approval is granted after the "initial sample acceptance process". Flexati Hose may request a trial batch before mass production approval.

PPAP: The Production Part Approval Process is a list of documents issued by Flexati Hose for each new approval. It must be prepared by the Supplier and submitted to Flexati Hose for approval along with the pre-production batch.

This list may include several or all of the following elements, provided here for explanatory purposes only:

- Technical Specification
- Measurement and Test Parameters List
- Process Flow Chart
- Process Control Plan
- FMEA
- MSA
- SPC (for critical characteristics)
- Sample Measurement Results
- Test Images
- Reach–RoHS–FDA Declarations
- Packaging Instruction

Only after final Supplier product validation and internal process validation, the Supplier shall send a pre-production batch in the quantity agreed for the designated Flexati Hose Area. All necessary

documents listed in the official Flexati Hose Part Approval (PPAP) list must be sent together with the parts.

Based on the delivered parts and data, and Flexati Hose's internal validation tests, Flexati Hose will grant approval for continuous orders and Supplier production.

If the samples sent by the Supplier are rejected by Flexati Hose after inspection, the Supplier is responsible for carrying out the necessary activities as quickly as possible to eliminate the rejection reasons.

The Supplier will receive continuous supply orders only after Flexati Hose approval. Flexati Hose approval and all internal process and product controls do not limit the Supplier's responsibility for the quality of all parts supplied during mass production.

Some parts or products may additionally require a special "Reference Sample" (final sample sent before mass production) to be kept by the Supplier as a reference for the initially approved part.

4. Control Plans

The Supplier must establish process and final control plans as a guarantee that all shipped materials meet quality requirements, must perform the necessary and appropriate tests and inspections in accordance with the control plan, and must create records of these verifications.

The Supplier must develop and implement control plans at product, semi-product, component and/or material level. The control plan must list the controls used for production process control, must include methods for monitoring controls performed on special characteristics defined by both the customer and the organization, must include customer-required information when applicable, and must trigger the defined reaction plan when the process becomes unstable or statistically incapable. Records related to the implementation of control plans must be retained. Control plans must be revised based on Flexati Hose feedback, process audits, etc.

5. Quality Records

The Supplier must store quality records kept to ensure product quality in an easily accessible and undamaged manner for at least five (5) years from the shipment date unless Flexati Hose specifies a different retention period.

The Supplier is obliged to send quality records to Flexati Hose upon request.

6. Product Identification and Traceability

The Supplier must identify the material through appropriate means during product realization. The Supplier must determine the material status according to monitoring and measurement requirements. Where it is clearly evident, identification of product location within the automated production transfer process will be considered sufficient. Changes in material and production conditions must be recorded.

7. Quality (Analysis) Certificate

The Supplier must perform final inspections and tests on materials that have passed final inspection, must conduct final customer-oriented inspections, and must grant quality approval for shipment. These inspections must be appropriate in quality and quantity according to the characteristics of the material and its function on the product.

The Supplier is responsible for sharing the quality certificate report with Flexati Hose in every shipment. If this report is not sent within three days, Flexati Hose reserves the right to reject the materials during incoming quality control.

The quality certificate must include at minimum the following control items:

- Dimensional Control
- Test Results
- Visual Inspection (including material and packaging)

8. Measuring Devices, Calibration and Measurement System Analysis

The Supplier must have measuring devices calibrated in accordance with international measurement standards and must use these devices at appropriate control points. The measuring devices and systems used must be capable of measuring the relevant measurement magnitude with appropriate precision. The Supplier must estimate measurement uncertainties for the measurement ranges used. The Supplier must evaluate the adequacy of measurement and test equipment used in mass production. The evaluation must be carried out within the scope of Measurement System Analysis (MSA-GR&R).

MSA studies must focus on critical or special product or process characteristics. MSA requirements must be ensured by the Supplier throughout the entire life cycle of the contracted product. This includes contracted product changes, process changes, measurement system changes, measurement system repairs, or other changes that may affect measurement system performance.

9. Process Capability and Control (SPC)

The Supplier must demonstrate process capability for special characteristics.

For this purpose, the Supplier must monitor and control these characteristics using appropriate methods (Statistical Process Control – SPC, mistake-proofing methods, etc.) and must document these requirements in the relevant control plan.

Long-term process capability acceptance criteria:

- For automotive products: Cpk or Ppk \geq 1.67
- For non-automotive products: Cpk or Ppk \geq 1.3

If the required capability cannot be achieved, 100% inspection or testing is mandatory for the Supplier. In this case, an approved deviation must be obtained from Flexati Hose.

On-site audit may be conducted when necessary. The Supplier is responsible for providing measurement and traceability data belonging to special characteristics.

10. FMEA (Failure Mode and Effects Analysis)

The Supplier must perform FMEA for its processes and products. Thus, identified risks and measures can be incorporated into the Supplier's planning process and required product/process documentation. Special characteristics must be defined during FMEA.

The Supplier must use FMEA throughout the entire life cycle of the contracted product.

The Supplier must use FMEA as a risk assessment, lessons-learned and continuous improvement tool and must update FMEA regularly as new information or experience is obtained. It must also be performed after a complaint from Flexati Hose.

FMEA results must be retained as documented information and shared with Flexati Hose upon request.

11. Change Management

Product changes—including labeling and packaging, processes, subcomponents, sub-suppliers and relocation—must be reported in advance to Flexati Hose Supply Chain and Quality Departments. The Supplier must not initiate any of the above without written approval from Flexati Hose. In case of changes, all processes described in Section 2 will restart. In all such cases, the Supplier must agree with Flexati Hose Quality Department for new part and process approval. These changes will not affect regular supply.

The following changes must be validated before implementation:

- Change in production methods and parameters (change in production and control cycle times),
- Design change,
- Material change,
- Change of supplier,
- Change in test equipment and methods,
- Relocation of production equipment within the same facility,
- Recommissioning of equipment and lines not used for more than one year,
- Technical specification change.

The Supplier is obliged to retain records related to changes. If the Supplier relocates production facilities, it must notify Flexati Hose in writing and obtain written approval from Flexati Hose. Flexati Hose reserves the right to perform Supplier audits and evaluations to confirm that the new production location meets the conditions required for product realization. In case of changes, obtaining initial sample and mass production approval for materials is the responsibility of the Supplier. After Flexati Hose grants written "feasibility (initial sample)" approval for initial samples, Flexati Hose may request machine/process capability analyses to measure the "repeatability (mass production)" performance of the part. Flexati Hose reserves the right to conduct these analyses on site together with the Supplier.

12. Shelf Life

The Supplier and its supply chain are responsible for monitoring the shelf life of contracted products.

Flexati Hose expects delivered products to have sufficient remaining shelf life until their expiration date.

If products with less than 6 months remaining shelf life are to be shipped, the Supplier must notify Flexati Hose in writing before shipment (unless otherwise agreed by the Parties). Transit times are excluded.

If the shelf life of products is approaching expiry, requalification may be requested from the Supplier before shipment.

The details of this application must be agreed in writing between the Supplier and Flexati Hose.

13. Incoming Quality Control

The Supplier is responsible for establishing a system that ensures material quality in a manner that eliminates the need for repeated inspection. Flexati Hose may apply incoming quality control to purchased materials when deemed necessary. Flexati Hose's incoming inspection does not relieve the Supplier of its control responsibility.

14. Nonconformity Management

Nonconforming Product: Products that do not meet Flexati Hose specifications and have functional or aesthetic defects.

Nonconformity: Any event resulting in cost or damage at Flexati Hose due to the supplied nonconforming product.

Defective Batch: The quantity of product delivered by the Supplier that does not conform to technical specifications. It may be detected during Flexati Hose incoming inspection or internal processes.

It is in the interest of both Flexati Hose and the Supplier to identify nonconforming products as quickly as possible.

Flexati Hose may intervene in nonconforming supplied products at different stages of the process and also during the use of the final product by the end customer. In case of nonconformity, Flexati Hose must send a "written notification" to the Supplier to initiate an effective nonconformity and corrective action management process.

From the notification date, the Supplier has the right to visit the Flexati Hose site to verify the nature of the nonconformity and its own actual responsibility, or may request that significant defective products be shipped to its facility for further evaluation at the Supplier's own cost.

Controlled Shipment Level 1: A supply requirement mandating that the Supplier perform 100% or increased-frequency additional controls on all deliveries where nonconforming materials have been detected, in accordance with a control plan agreed with Flexati Hose, until Controlled Shipment Level 1 status is lifted. These controls are performed by the Supplier at its own facility.

All control results must be sent to Flexati Hose and must be identified before the relevant products are shipped to Flexati Hose facilities.

Controlled Shipment Level 2: A supply requirement mandating that the Supplier perform 100% or increased-frequency additional controls on all deliveries where nonconformities exist, in accordance with a control plan agreed with Flexati Hose, until Controlled Shipment Level 2 status is lifted. These controls are performed by an independent third party representing the interests of Flexati Hose. The independent third party may be selected by the Supplier but must be approved by Flexati Hose. If necessary, Flexati Hose may request that the third party perform the control at locations other than the Supplier's site. Depending on the severity of the detected nonconformity, Flexati Hose may decide to apply Controlled Shipment Level 2 directly at its own facilities. In all cases, Flexati Hose will notify the estimated costs in advance, and these costs shall be covered by the Supplier. All control results must be sent to Flexati Hose and must be identified before the relevant products are shipped to Flexati Hose facilities.

14.1. Defective Batch Management and Corrective Action Process

Defective batches detected during incoming inspection or in production lines will be rejected by Flexati Hose.

Flexati Hose will isolate the batch in appropriate segregation areas and will inform the Supplier. Flexati Hose will return the material (entire batch) at the Supplier's expense, and the Supplier will replace the entire batch for Flexati Hose.

The Supplier is responsible for sorting activities and/or new material shipment for rejected batches. If sorting is agreed upon, the Supplier is responsible for organizing the sorting activities within 1 day following the rejection notification, using third-party inspection companies approved by Flexati Hose, with all costs covered by the Supplier.

Flexati Hose will issue an 8D (Supplier Quality Complaint Form) request containing evidence of the defect.

From the 8D request date onward, the Supplier must communicate through the 8D form and must perform the following actions at the Supplier's site within the specified timeframes:

- Within 24 hours: containment actions/measures by the Supplier
- Within maximum 15 working days: root cause analysis and corrective and preventive actions implemented by the Supplier

If the Supplier does not provide any response within 15 calendar days from the date of Flexati Hose's nonconformity notification, or does not request return of defective parts, the request regarding the defective parts identified at the Flexati Hose site will be deemed accepted, and Flexati Hose will have the right to scrap the defective parts independently and proceed in the most appropriate manner without any compensation claim.

All costs arising from inspection and corrective actions performed at Flexati Hose facilities shall be borne by the Supplier.

If intervention is required during production at Flexati Hose facilities, the process shall be managed in the same way as incoming inspection.

The Supplier must ship replacement parts free of charge within the mutually agreed delivery time (allowed maximum time).

If the allowed maximum time does not guarantee production continuity at Flexati Hose, Flexati Hose will notify the Supplier to reach agreement on minimizing potential production stoppage, sales losses, and/or market failure costs, which are entirely under Supplier responsibility.

Flexati Hose will calculate downtime costs hourly on a machine basis depending on the conditions and will invoice the Supplier.

All downtime costs generated at Flexati Hose's customer sites arising from Supplier quality issues shall be charged to the Supplier.

The Supplier must immediately contact the Flexati Hose quality department and agree on an action: Material may be sorted using Supplier resources, the Supplier itself, or a third party. However, if sorting is performed by Flexati Hose, the cost of the work will be invoiced to the Supplier based on the hourly rate of Flexati Hose personnel. The Supplier is responsible for all direct and indirect costs of this process. Nonconforming materials will be returned to the Supplier at the Supplier's expense.

If, based on joint evaluation by Flexati Hose and the Supplier, a decision is made to take back the nonconforming material, the Supplier must collect the materials from Flexati Hose facilities within 10 (ten) working days. Materials not collected within this period may be returned by Flexati Hose, and all transportation costs shall be borne by the Supplier. The return process and cost allocation conditions shall be applied in accordance with the compensation provisions stated in the Purchasing Agreement.

14.2. Conditional Acceptance

Flexati Hose may conditionally accept material rejected during incoming quality control. However, such acceptance does not change the rejection status of the material and is considered during evaluation of the Supplier's quality performance. If the material is conditionally accepted under a sorting or repair decision, such activities will be performed by the Supplier at its own facility or, if suitable for Flexati Hose, within Flexati Hose facilities. If sorting or repair is performed by Flexati Hose, any costs incurred will be documented and invoiced to the Supplier. Nonconforming materials separated after sorting will be returned to the Supplier.

Flexati Hose undertakes to communicate with the Supplier and notify the estimated duration of the sorting operation (working hours) in advance. If the Supplier does not provide any proactive solution/measure notification to Flexati Hose within the required timeframe, Flexati Hose will be free to independently resolve the issue in the best manner and will charge all costs of the solution/measure to the Supplier, and the Supplier shall pay without delay.

14.3. Field Scrap

Where Supplier responsibility is proven (nonconforming products or reliability defects above historical levels), Flexati Hose undertakes to notify the Supplier immediately with sufficient evidence, and the Supplier undertakes to enhance corrective actions or improvements and inform Flexati Hose.

The Supplier has the right to receive returned materials or request additional materials, and all associated reverse logistics costs shall be borne by the Supplier.

If deterioration tendencies increase and widespread defects are anticipated, Flexati Hose undertakes to notify the Supplier and initiate data collection, part retrieval and analysis for additional defect evidence.

Other costs include but are not limited to:

- Facility or service containment actions and associated logistics costs
- Root cause investigation cost including internal and third-party laboratory costs
- Reverse logistics of parts requested by the Supplier

Flexati Hose undertakes to provide the Supplier with a non-binding estimate of these costs in advance, once sufficient elements for estimation are available.

15. Product Liability

Flexati Hose undertakes to notify the Supplier immediately upon suspicion of product liability.

Flexati Hose reserves the right to claim compensation for all direct and indirect costs Flexati Hose must incur to address Supplier-related safety issues or legal nonconformities.

After notifying the Supplier, Flexati Hose reserves the right to independently recall the product from the market to protect end-user safety or minimize damages and economic losses.

16. Evaluation of Supplier Performance

16.1 Annual Supplier Performance Evaluation

Supplier performance is continuously monitored by Flexati Hose Supply Chain and Quality Departments.

An annual performance report is shared with the Supplier once per year. If the Annual Supplier Performance Score is below 80 out of 100, the Supplier is obliged to submit an action plan to Flexati Hose.

If the Supplier's performance is below 70 for two consecutive years, Flexati Hose reserves the right to discontinue supply from that Supplier.

16.2. Supplier Process Audit

Flexati Hose may evaluate the Supplier's compliance with expected process, environmental and quality management system standards through on-site "system and process" audits. The Supplier will also support short-notice audit requests. The Supplier shall provide access to all production areas, test sections, warehouses and quality-related documents for Flexati Hose and, when necessary, its customers. Flexati Hose will respect reasonable confidentiality and occupational safety expectations

defined by the Supplier. Flexati Hose will communicate audit results to the Supplier. If corrective actions are required, the Supplier will promptly inform Flexati Hose of plans and progress. If the Supplier receives a score below 70 out of 100 in the audit, the Supplier must notify Flexati Hose with an action plan. Flexati Hose may conduct a follow-up audit if deemed necessary. If the Supplier's audit score is below 40, Flexati Hose reserves the right to discontinue supply from the relevant Supplier.

17. Commitments

Flexati Hose undertakes the following:

- I. To notify the Supplier immediately upon becoming aware of:
 - a. Any defective batch detected during incoming inspection or production.
 - b. Any defective batch detected at the final customer.
- II. To direct requests to the Supplier only when supported by evidence relating to the nonconformity of supplied materials and resulting Supplier responsibility. Such evidence shall be included in the information described in item I.
- III. To notify and clearly document the cost calculation of incurred damages and to reach consensus with the Supplier.
- IV. Not to issue a debit note or cost charge to the Supplier prior to items I, II and III.

The Supplier undertakes the following:

- I. Upon receiving a notification from Flexati Hose, to immediately agree with Flexati Hose on how the nonconformity will be managed and how costs will be minimized.
- II. To compensate Flexati Hose for losses arising from defective Supplier batches and materials segregated on the production line.
- III. To compensate Flexati Hose for losses arising from Supplier-responsible parts in the market.

18. Conclusion

This Supplier Quality Agreement shall enter into force on the date of signature and shall remain in effect indefinitely until a new written agreement on the same subject is executed between the Parties.

Flexati Hortum ve Bağlantı Parçaları San. Tic. A.Ş.		Supplier	
By:		By:	
Title:		Title:	
Signature:		Signature:	

ATTACHMENTS:

- 1.
- 2.
- 3.