



Quality Guidelines for Suppliers to Westfalia Separator and her Subsidiaries

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1. Preface

In order to remain competitive in the future, the quality of products and services merits particular attention under consideration of cost aspects.

Our common goal is continuous improvement of quality standards, while at the same time keeping costs arising through defects to a minimum.

This is realizable by applying tried and tested methods for quality assurance and process control. Consequently, the quality does not depend on the size of the operation but only on the application of these methods designed to assure high standards of quality. The following rules have been compiled to make quality aspects calculable for both sides for deliveries from suppliers. This guideline constitutes the basis for our business relations and is therefore an

integral part of our supply contracts and purchasing conditions.

Oelde, January 2005
GEA Westfalia Separator AG



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2.0 Responsibilities of the supplier for the quality of his products and services

The supplier shall assume full responsibility for the qualitative aspects of his products.

To this end, every supplier must establish and maintain an efficient quality system that does full justice to the structure and size of the operation.

2.1 Tests

Every supplier undertakes to fully comply with the specifications issued by Westfalia Separator. The supplier shall conduct appropriate tests to verify that a product meets the required specifications on delivery to Westfalia Separator and is shipped in a correct and proper fashion (packing and shipping procedures must be observed). The necessary documents (e.g. test reports) must be made immediately available to Westfalia Separator on demand. Inspection certificates 3.1B (DIN EN 10204) must always accompany the delivery.

Westfalia Separator is not obligated to check the delivered parts for functionality and dimensional accuracy beyond the scope of random spot checks.

2.1.1 Test reports

All products mechanically manufactured must (in an appropriate scope) be spot checked by the supplier (using a spot check plan to be drafted in detail in cooperation with Westfalia Separator) and documented in a test report that contains as a minimum all quality features with tolerances.

2.1.2 Test plans

In as far as the performance specification requires special product properties to be met in special cases (e.g. safety-relevant components), which are based on Westfalia Separator standards stipulated in the contract, we reserve the right to issue special test instructions in individual cases. After prior consultation with the supplier, these instructions will be formulated and forwarded by the Quality Management Dept. or specialist departments.

3.0 Basic pre-conditions and measures for early fault detection

In order to be able to identify potential sources of errors at an early stage, targeted preventive measures must be implemented before commencing production (e.g. checking measuring instruments, tools and programs). The occurrence of faults in production must also be identified in good time so as to be able to take immediate action to eliminate them.

3.1 Assessment of the producibility of a product

Prior to submitting an offer/accepting a contract, the supplier must obtain precise information on the necessary product characteristics and the producibility of the parts supplied by him based on the specifications and technical documents supplied by us.

The supplier must notify us of the results of this review. If, under consideration of the production facilities at the disposal of the supplier, it cannot be demonstrated with certainty that the supplier is capable of manufacturing to the required specifications, an audit of the supplier shall take place in coordination with our Design Dept. or responsible technical departments as a result of which more detailed agreements may be made with the supplier concerning quality assurance.

4.0 Quality management system of the supplier

On account of our own certification, Westfalia Separator aims to work as far as possible with suppliers who are certified to DIN EN ISO 9000 ff. standard or who have established and practise a quality management system on this basis. We therefore call upon all suppliers to send their DIN EN ISO 9000 ff. certificates to Westfalia Separator together with the most recent audit result of the quality management system. In individual cases, Westfalia Separator is prepared to provide consulting/modification services to set up a quality management system.

4.1 Assessment of the quality management system by authorised representatives of our quality department

Before entering into business relations, a representative from our Quality Management Department together with staff from the purchasing and engineering departments are entitled to carry out an analysis of the quality management system at the supplier. The results will be used as the basis for deciding whether, from a qualitative point of view, a business connection can be recommended. If weak points are discovered that prove unacceptable, they must have been rectified, at the latest, before producing a first sample.

5.0 First samples

5.1 Submitting first samples

Before the first series production, Westfalia Separator can demand first samples in the following cases:

- Cooperation with a new supplier
- Changing a supplier
- Introduction of a new part
- Revised specifications
- Radical modification of production conditions
(e.g. switching from forged work to castings)

In the case of products that are manufactured using tools, forging dies, patterns etc. (e.g. forged and centrifugally cast parts, parts manufactured using the HIP process, cast parts) a first sample is essential.

5.2 Preparation of a first sample test report by the supplier

Prior to delivering the first sample, the supplier must satisfy himself that all specified features match our specifications. This must be demonstrated by the first sample test reports. Features that cannot be tested by the supplier must be verified by test certificates from testing institutes. The test reports must be enclosed with the first samples. If the costs of the test certificates from the test institute are disproportionate to the order volume in individual cases, the supplier is not obliged to commission the testing institute to conduct the tests and to carry the total costs without the need for prior consultation with Westfalia Separator. If, however, the supplier does not consult Westfalia Separator before commissioning the institute, he is liable to bear all costs incurred.

5.3 Keeping to the agreed sample presentation dates

The dates are considered not to have been kept to when the parts still reveal defects that cannot be accepted. For this reason, we expect the parts to be supplied on the agreed date in conformity with the drawings provided and other agreements. In exceptional cases, the supplier must seek a postponement of the presentation date from our Purchasing Dept. or obtain a deviation permit by following the agreed procedures.

5.4 Assessment and release of the first sample for series manufacture

The first sample test reports and first samples are checked by us with regard to dimension, material and /or function. If the results conform to the specifications, a release for series delivery will normally be granted. If, however, defects are present in the quality system or in other processes influencing the product quality, the measures agreed with our representatives must have been implemented and verified before the series release. In this case, also in case of non-compliance with the agreed presentation dates, Westfalia Separator is not obliged to accept the submission of further first samples nor to introduce further quality assurance measures at the supplier, as per sub-item 5.2. Westfalia Separator is indeed entitled to refuse to accept further samples and to give notice to terminate an existing supply contract.

When first samples are rejected, the supplier must, at the request of the Purchasing Dept., notify us of a new completion date for corrected first samples. Deviations from specifications which went unnoticed during the first sample tests can nevertheless be rejected at a later date.

5.5 Shipment of first samples

The first samples must be sent to the quality management department for release testing as agreed with the Purchasing Dept. First sample parts for series release must be separately packed, marked and sent separately from other deliveries. The first sample test reports must be enclosed with the first sample parts. The number of first samples must be stated on the delivery note.

5.6 Costs for first samples

If not otherwise contractually agreed, Westfalia Separator shall bear the costs for flawless first samples conforming to the specifications. The supplier shall carry the costs for justifiably rejected or non-useable first samples.

6.0 Series deliveries

Prior to shipping the first series deliveries, a release for the parts must have been issued by our Quality Management Department. The requirements imposed in the first sample test report must likewise have been satisfied. Furthermore, the measures agreed with the representative of the Quality Management Department to eliminate system weak points must have been carried out.

