Zipfluid Quality Manual

Revision 04 – January 2024

Our Commitment to Quality

Foreword

As a leader in the Transfer Fluid market Zipfluid is committed to the highest ethical and quality standards. These standards are documented in our Quality Management System.

Zipfluid places the needs of our customers at centre stage to drive business, excellence in quality, leadership and accountability.

We are committed to designing, manufacturing and supplying safe, efficient and effective products which set a benchmark in the industry.

By defining tailored procedures and instructions the Zipfluid Quality Management System has been established not only to ensure the ongoing quality of our products and processes, but also to guarantee continuous improvement.

Roberto Iseppi

President

Francesco Paolini

Chief Executive Officer

Summary

1 Zipfluid – A Leader in the Fluid Transfer market

1.1 The Story of Zipfluid

Zipfluid has been founded in 2013 by a group of friends, with proven track records in different industrial fields; their strategic objective was to create a dynamic company, capable of innovating products and processes and generating tangible value for the customers.

Today the Management Team is composed of professionals and senior technicians with a long experience in the industrial business.

Thanks to their unique know-how, Zipfluid is being acknowledged as one of the most proficient companies on the Fluid Transfer Systems market.

1.2 Our Values and Operating Principles

Customer Focus

We always strive to exceed customer expectations and keep patient safety and quality as a key priority.

Accountability

As a company, and as individuals, we hold ourselves accountable to our customers, team members and partners by delivering on our commitments.

Team Work

People are the biggest asset of the company and teamwork is the key to our success.

Integrity

We conduct business in an ethical manner with courage to do the right thing.

Results

We are continuously challenging ourselves and seeking ways to improve our business.

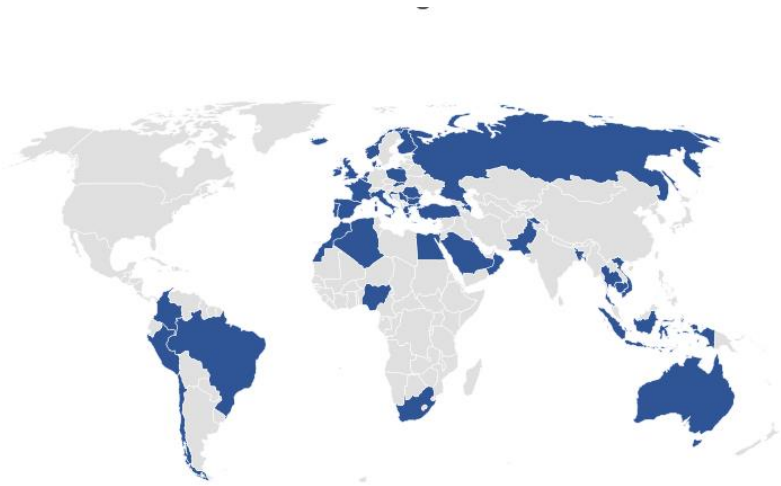
1.3 Zipfluid: a global company

Today our products are installed in more than 50 Countries in 5 Continents.

Our global fleet counts more than 500 systems, ranging from simple volumetric pump groups to fully automated metering and loading systems.

We provide comprehensive packaged solutions across a wide range of industries, such as Oil&Gas, Chemicals, Pharmaceuticals, Agriculture, Food & Beverage.

Worldwide, we have measured and transferred a wide variety of fluids such as fuels, acids and bases, bitumen, paints, distillates, oil, wine, milk, juices and water.



1.4 Zipfluid Products

Our portfolio covers a broad range of products. By providing the complete product chain for the Fluid Transfer business, Zipfluid sets industry standards in quality and innovation.

Our PED and ATEX-certified Loading Arms range from manual 3'' for Truck operations to hydraulically actioned 16" for Marine operations.

Our MID-certified Metering Skids can be equipped with volumetric or massic flowmeters, depending on the operating and environmental conditions.

Multi-modal Platforms and Folding Stairs provide the operators with a high level of safety during their access to Trucks and Trains manholes.

Our Volumetric, self-priming Pumping Groups are suitable for fuels and solvents. They can be installed on trucks, plants, marine or aviation groups, coupled with electrical, hydraulic or diesel motor.

2 The Zipfluid Quality Policy

Zipfluid has implemented a Quality Policy which sets customer focus as a primary goal.

The Quality Policy is used to set and cascade goals and objectives down to each level of the organization. The fulfilment of these objectives is measured on a regular basis with appropriate performance indicators.

Furthermore, we train our employees on the Quality Policy and the Quality Manual:

- Our Quality Policy is displayed in each Zipfluid office.
- It is regularly reviewed for suitability during our Management Review process.

ZIPFLUID QUALITY POLICY

*In ZIPFLUID we want to become the preferred **partner** of our customers for the design and production of the best fluid transfer systems, in all the industrial fields in which we operate.*

*In ZIPFLUID we collaborate with our customers for a thorough understanding of their needs and the **tailoring** of our systems that satisfies them at best; we commit ourselves to strictly respect project timing and delivery deadlines; we ensure a qualified assistance during installation and maintenance of our systems.*

*In ZIPFLUID we are all constantly focused on the development, production and delivery of **safe**, **innovative** and efficient systems, which comply with all legal and regulatory requirements at global level, through a continuous evaluation and mitigation of all types of risks that may derive from their use.*

*In ZIPFLUID we are all committed to the **continuous improvement** of the quality of products and processes of the whole company, through the periodic verification of the adequacy of the Company Quality System, the definition of clear objectives, representative of all stakeholders and of the safeguard of the environment where our systems are manufactured and used, followed by the timely measurement of key performance indicators and the planning of corrective and preventive actions.*

3 The Zipfluid Quality Management System

3.1 Field of application

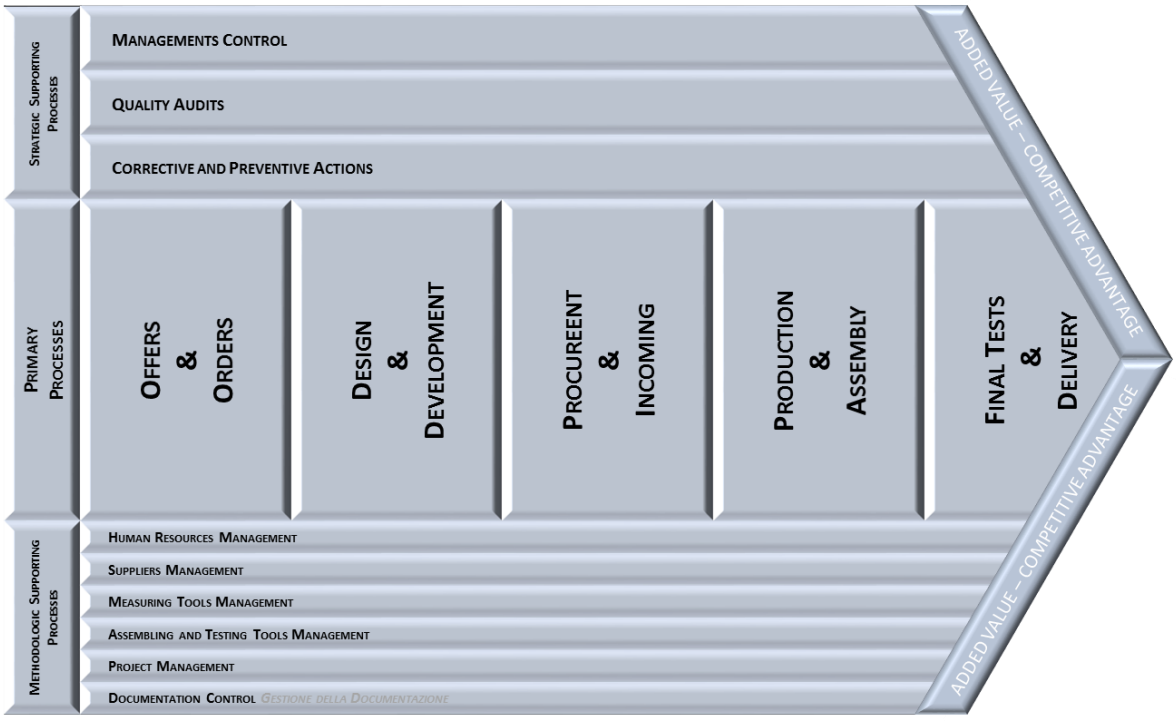
The Zipfluid Quality Management System has been developed to govern our business activities in the field of *"Design and manufacturing of fluid transfer and metering systems"*.

3.2 Process Structure

The Zipfluid Quality Management System is customer and process-oriented and organized around our value creating processes. We develop, manufacture and supply our products to our customers. Our business is executed by means of 5 primary processes, is controlled by 3 strategic supporting processes and assisted by 6 methodological supporting processes. Risk Management is incorporated throughout the Quality Management System:

- **Primary Processes:** operative processes that enter directly into the value chain (WHAT)
- **Methodologic Supporting Processes:** processes relating to methods and techniques that allow for implementing the primary processes in an effective manner (HOW)
- **Strategic Supporting Processes:** processes that sustain the company in their journey towards an organic development in the medium and long term (WHY)

Criteria and methods have been established to ensure that both the operation and control of these processes are effective. These processes, including any outsourced processes, are monitored, measured, analysed and audited at applicable levels in an appropriate and effective way. The results of these process controls are communicated throughout the organization.



While all supporting processes are executed within the company, some of the sub-processes related to Manufacturing are out-sourced. Zipfluid keep these processes under control by sending drawings and specifications, approving quality procedures and receiving reports that testify the conformity of the product to the established requirements.

These activities are described in detail in the relating Quality Procedures.

3.3 Management Control

PS03 - Direzione, valutazione e miglioramento delle prestazioni

3.3.1 Introduction

Zipfluid operates in a highly regulated world. Compliance with legal and regulatory requirements worldwide is one of our primary objectives. We cooperate on a continuous basis with Notified Bodies to assure that all regulatory requirements are always met.

The Zipfluid Management is committed to the establishment and maintenance of an effective Quality Management System. Evidence of this commitment is provided by:

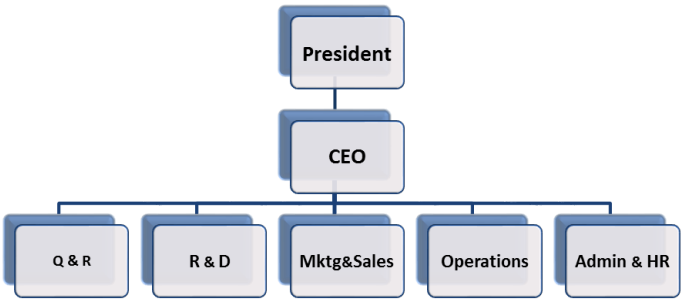
- Communicating the importance of meeting legal, regulatory and customers' requirements throughout the organization
- Publishing the Zipfluid Quality and Regulatory Policy
- Establishing measurable objectives derived from the Quality Policy throughout the organization
- Conducting regular Management Reviews
- Ensuring availability of necessary resources

3.3.2 Organization

Zipfluid is a Limited Liability Company; our legal Headquarter is established in Modena (MO) - Italy, while the Operational Headquarter and Production Facility is in Calderara di Reno (BO) - Italy.

According to the Italian Civil Law, Shareholders have appointed a *Board of Directors*, a President and a Chief Operating Officer (CEO). The CEO appoints a *Senior Management Team* (SMT) to run the operational aspects of the business.

This organizational structure ensures that the company can sustain an organic growth and - at the same time - that products are designed and produced to meet regulatory and customer requirements.



3.3.3 Management Representative

The CEO of Zipfluid has designated the Quality and Regulatory Manager as Zipfluid Management Representative. In this function he has the authority and responsibility for:

- Ensuring that Quality Management System requirements are effectively established and maintained;
- Reporting on the performance of the Quality Management System to the Chief Executive Officer and Senior Management Team for review and improvement;
- Promoting and maintaining a high level of awareness of regulatory and customer requirements throughout the organization;
- assuring liaison with customers, suppliers, regulatory authorities and other external parties on matters relating to product quality;
- ensuring that regular reviews of the Quality Management System are provided to the Senior Management Team for continual improvement.

3.3.4 Management Reviews

Management Reviews are held at defined intervals to address quality and business concerns and identify opportunities for improvement.

Management Reviews are conducted both at Plenary and Sectorial level, as prescribed by the specific procedure. Plenary Reviews, where the Entire Board and SMT participate, are held at least once per year.

Quality Management System metrics are reviewed and continuous improvement objectives are set.

Records of Management Reviews are maintained by the Management Representative.

3.3.5 Context Analysis and Risk Analysis

During the Plenary Management Reviews, a thorough Global and Local Context Analysis to identify all possible risks and opportunities is conducted and the effective implementation of the corrective and preventive actions is verified.

We will take into account, among other factors:

- Government regulations and changes in the law
- Economic shifts in any of our markets
- Business Competition
- Events that may affect our company image
- Changes in technology

Identified risks and opportunities are analysed and documented to indicate which initiatives will be conducted to mitigate the risks at the lowest reasonable level and to maximize the value the opportunities. These initiatives will be follow up during the Management Reviews.

3.3.6 Stakeholders

During the Plenary Management Reviews, the Context Analysis will be complemented by the Stakeholder Analisis, where we address concerns and expectations of our different stakeholders, i.e. parties who are interested - at different level and for different reasons - on our conduct. Among others:

Customers: our customers are very diversified, from End Users to Engineering Companies and Distributors. For all of them, the primary expectation is for a high reliability and the rigorous respect of the delivery dates.

Employees: it's our main asset, they deserve working in a healthy, comfortable and stimulating environment.

Investors: as we are a totally privately owned company, we are not looking for aggressive ROI's and EBITDA; our goal is a rewarding and sustainable growth.

Suppliers: with most of them we have established a long-lasting partnership, they count on us as we count on them to run a fair business and also to jointly develop skills that can get us a competitive advantage.

Creditors: Banks are important for us, to optimize our financial leverage and cash flow; we want to maintain their trust on us, and so we want to show loyalty, transparency, accountability.

Community: we think about the future and have a great care for environment; we are fully committed to respect all the legal requirements for ensuring an healthy and prosperous life of the local community.

3.4 Quality Audits

PS02 - Gestione degli Audit

Internal quality audits are planned at defined intervals and are performed by specifically trained and independent auditors.

These audits cover the whole Quality Management System and organization. The intent is to review compliance effectiveness of the Quality Management System. The audit programs take into consideration results of previous audits

and inspections. Audits cover all elements of the Quality Management System and all activities executed over a twelve-month period.

Selection of auditors and the conduct of audits ensure objectivity and impartiality of the audit process; auditors do not audit their own work.

Audit findings are documented and reported to the responsible management, who ensure that actions are taken without undue delay to eliminate detected nonconformities and their causes. Reports of corrective actions, their review and other follow-up activities are also documented and filed.

3.5 Corrective and Preventive Actions

PS01 - Gestione dei reclami, delle non conformità, delle azioni preventive e correttive e delle azioni di miglioramento

3.5.1 Non-conforming Products

Any product or material that does not meet specification is considered nonconforming.

Nonconforming product or material is controlled by specific identification or segregation as appropriate. Unintended use is prevented until the nonconforming conditions have been evaluated and a determination can be made regarding the disposition of the material or product.

Responsibilities for investigation of nonconforming product or material, review and final decision are defined in documented procedures. Before final decisions are taken, the risk arising from the nature of nonconformity must be determined. Investigation, review, risk analysis and final decision are documented accordingly.

When a nonconforming product is reworked to re-establish its conformity, it must undergo the same inspections and tests specified in appropriate procedures.

The rework process to remove the nonconformity is documented in a work instruction that has undergone the same authorization and approval as the original work instruction. Prior to authorization and approval of the work instruction, a determination of any adverse effect of the rework upon product specification is made and documented.

3.5.2 Customer Complaints

Customer complaints are documented and reviewed for product safety and performance through an established system that complies with applicable regulatory and legal requirements.

Early warnings of quality problems become an input for the corrective and preventive action processes. Records of customer complaints and resulting investigations are maintained.

If a customer complaint is not followed by corrective or preventive action, the reason is authorized and recorded.

Decisions are made based on risk analysis and health hazard evaluation as applicable.

3.5.3 Corrective Actions

Whenever nonconformities are discovered for products and processes, they are evaluated for severity and risk. In accordance with the evaluation results they are investigated for root cause, with resulting corrective actions identified and prioritized as appropriate.

Depending on the impact on the Quality Management System or product, changes to processes or procedures resulting from corrective actions are made as appropriate.

3.5.4 Preventive Actions

One of our principal objectives and an important driver for continual improvement is to anticipate and prevent problems from initially occurring. Therefore we have established processes and routines to examine and trend information and data from internal and external audits, supplier quality audits, customer complaints, scrapped and reworked product and statistical process control.

Depending on the impact on the Quality Management System or product, changes to processes or procedures resulting from preventive actions are made as appropriate.

3.6 Provision of Resources

PM06 - Gestione delle Risorse Umane

We rely on our human resources to assure the effectiveness of the quality system and to meet the quality objectives and all regulatory and customer requirements.

Through regular budget planning and extraordinary budgeting in case of urgent need, the Zipfluid Management assures that adequate resources, including trained and qualified personnel, are determined and allocated at all levels of the organization.

Employees, full-time, part-time, temporary or contract, are qualified to perform their tasks based on their education, training, background and experience. General requirements are established based on job responsibilities and are identified in position descriptions. Employees are provided general training on the Quality Management System and on health, environment and safety as applicable. In-depth training needs for work performed are systematically identified and documented. Training effectiveness is verified.

To ensure product quality and worker safety, requirements for the work environment conditions are defined. Work environmental controls are implemented by procedures and documented as appropriate. These controls include cleanliness, personnel clothing and health requirements.

3.6.1 Internal Communication

Appropriate communication processes have been established within Zipfluid, including communication regarding the effectiveness of the Quality Management System. Communication relating to the effectiveness of the Quality Management System takes place at all levels under the responsibility of the Zipfluid Management Representative and respective Managers for all functions. This information includes nonconformities, improvement programs and the results of Management Reviews.

3.7 Supplier Quality Management

PM05 - Gestione dei Fornitori

3.7.1 Approved Vendor List

In order to ensure the use of quality products for our manufacturing processes, Zipfluid has established procedures to ensure that suppliers are evaluated for their ability to consistently deliver quality products and services. We assure that purchased products, materials and services conform to our specified requirements.

In general, supplier evaluation is organized closely to the specific products and services to be supplied. Suppliers are classified according to the impact their products or service could have on finished product safety and performance.

An Approved Vendor List (is) are maintained for employee use and reference. Supplier delivery and quality performance are regularly monitored and, when necessary, appropriate actions are taken with suppliers that fail to meet our requirements, up to and including supplier disqualification.

3.7.2 Purchasing Controls

Quality requirements regarding production materials, services and contracted production processes (such as molding, painting, …), including requirements for supplier Quality Management Systems are determined by designated persons.

The purchasing documents clearly describe the product or service ordered. Changes to such specifications require proper Management approvals. The purchasing process follows documented procedures. Purchasing documents are reviewed against receiving documents and product specifications. Where appropriate inspections and tests are performed to

ensure that what was ordered was received and complies with specifications. Suppliers are notified of discrepancies and corrective action is initiated.

Records of purchasing data, including incoming acceptance data, are established and maintained.

3.8 Measuring Tools Management

PM04 - Gestione degli strumenti di misura

Measuring and testing equipment, used in measurements on our products, is calibrated and maintained according to established procedures. Calibration is performed according to nationally or internationally recognized standards, where available. The validity of previous results is reassessed if measuring and monitoring devices are found to be out of calibration.

Records of the results of calibration and verification are systematically evaluated and maintained.

3.9 Production Equipment Management

PM03 - Gestione degli impianti, attrezzature di produzione e collaudo

Facilities are planned and maintained as an infrastructure needed to achieve conformity to product requirements. This includes:

- Appropriate information technology infrastructure
- Layouts that promote appropriate flow of material (Visual Management)
- Appropriate process equipment, both hardware and software
- Quarantine areas where needed for non conforming components / products

Equipment which may directly or indirectly affect product quality is maintained as appropriate. Requirements for maintenance activities are defined. Maintenance activities are planned and documented, and the records are maintained in accordance with the requirements.

3.10 Project Management

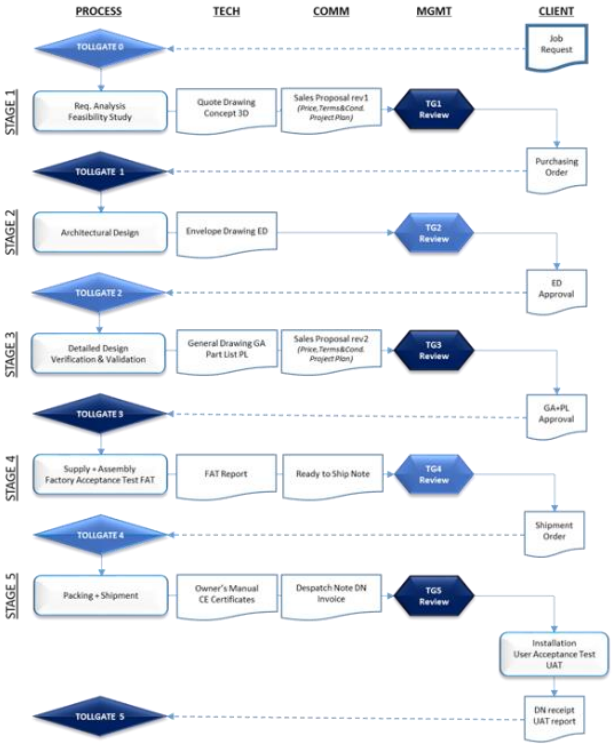
PM02 - Project Management

For every project, regardless of its size and complexity, we adopt a formal Stage-Gate Project Management Model, to ensure that our commitments on time and quality are kept with no exceptions.

The level of details is tuned depending on the project risks and the specific requirements of the client.

At the startup, we submit comprehensive Technical Requirement Specifications to the Customer for approval: by doing so, we ensure that any ambiguous or conflicting requirement is addressed at a very early stage and will not have any negative impact on the quality of the design.

A project Gantt Chart, incorporating Critical Path Analysis, is kept updated during the entire course of the project and Progress Reports are issued at regular intervals to ensure a transparent communication and facilitate the timely resolution of any possible issue.



3.11 Document Control

PM01 - Gestione della documentazione

3.11.1 Quality Management System Structure

This Quality Manual describes the Zipfluid Quality Management System policies established for the organization.

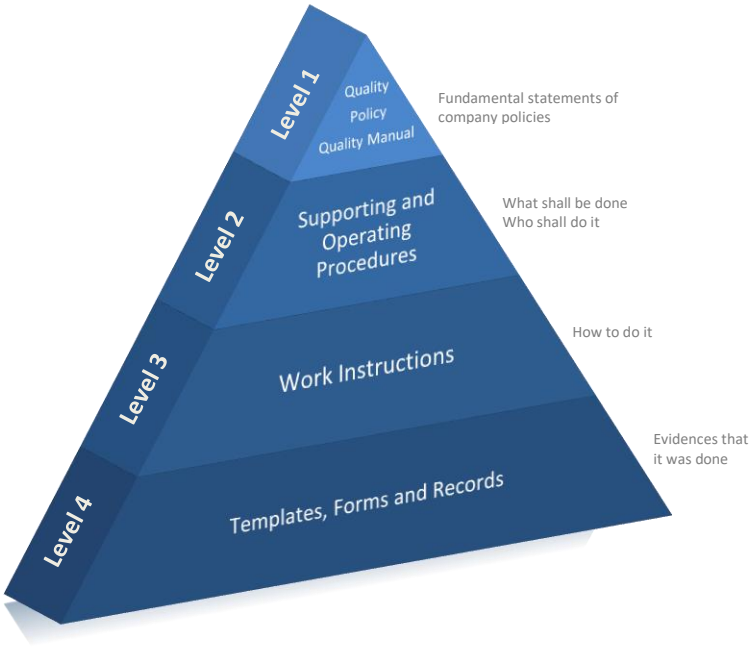
The Quality Management System and this Quality Manual are structured and written in a manner to facilitate its use.

The Quality Manual is supplemented by level 2 documentation that provides the principles and strategies for implementing these policies in top level procedures.

3.11.2 Document and Record Control

All documents, procedures and records required by the Quality Management System are controlled. The Document Control System within Zipfluid ensures that documents, procedures and records:

- are reviewed for accuracy and approved by the appropriate individual or individuals prior to issue;
- are readily accessible to the relevant users in the current versions;
- are clearly identified as obsolete and not in use when no longer effective.



The Document Control System is based on documented procedures and applies to:

- Quality Management System documents such as the Quality Manual, Operating and Supporting Procedures, Work Instructions, and Templates. These documents are applicable in general and not specifically to a particular type of product.
- Documents created by the processes, for example requirements and specifications, design results, sales and promotional material, etc.

Rules for reviewing, approving and disposition, as well as for the identification, storage, protection, retrieval and retention time of records and documents are defined in documented procedures.

3.12 Offers & Orders

PP01 - Gestione offerte e ordini

3.12.1 Communication with Customers

Communication with our customers is essential in the development and sales of our products. Primary contact occurs through the commercial organizations around the world - specifically, the marketing, sales and service groups. We have multiple ways to communicate directly or indirectly with our customers including:

- Product information
- Inquiries and Invitations to Bids
- Orders and contracts
- Support on resolving technical questions
- Customer feedback, including customer complaints

Documented procedures govern communications with customers. In particular, advertising and promotional material is reviewed and verified to be aligned with the technical specifications and intended use of the product before being approved for publication.

3.12.2 Customer Satisfaction

To meet or exceed our customers' needs and expectations is our daily business. For such a reason, we monitor customer satisfaction periodically to:

- Determine our customers' satisfaction and loyalty
- Benchmark with competitors
- Improve our performance
- Provide a solid foundation for prioritization of our improvement efforts

The results of these monitoring are analyzed and reported to Management to identify needs for improvement.

Upon receiving customer orders, we use the process of order processing and contract review to ensure an understanding of each customer's expectations and our ability to meet the customer's expectation.

Before we make commitments we make sure that:

- Requirements are adequately defined and match the written customer quote
- Promised delivery dates are achievable
- Customers receive written confirmation
- In case of any changes to orders or contracts, appropriate parties are notified of the changes.

3.13 Design & Development

PP02 - Progettazione e sviluppo

3.13.1 Design Input

Design and development inputs are documented and include but are not limited to functionality, performance and safety requirements, according to the intended use, applicable statutory and regulatory requirements, environmental impact, clinical, user, and patient needs. Changes to the design inputs are approved in the same manner as the original design input. Principles of risk management are incorporated into the design process.

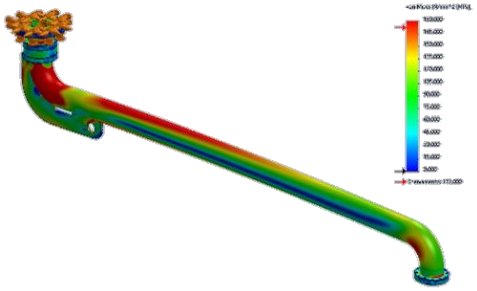
3.13.2 Design Output

Outputs from design and development activities are provided in the form that enables verification against the acceptance criteria of the design inputs and they are approved prior to release.

3.13.3 Design Verification & Validation

Verifications are performed during the entire course of the projects to assure that the design and development outputs have met the input requirements.

Validation is performed to assure that the products meet the user requirements and expectations and that they are suitable for the intended use. Considering human factors, i.e. the possible errors derived by a misuse of the product is crucial for design validation.



3.13.4 Design Review

Design reviews are planned and conducted at appropriate stages of the product's design development.

Design reviews are needed to verify the desired stage and output. They serve to identify problems and to propose necessary actions. Design reviews require the participation of representatives of all functions concerned with the design review items and at least one individual who does not have direct responsibility for the reviewed stage.

3.13.5 Design Transfer

At the end of the Design and Development stage, a formal step of Design Transfer into Manufacturing is conducted, with the participation of representatives of Operations and R&D.

3.14 Procurement & Incoming

PP03 - Approvvigionamento e controllo in accettazione

Quality requirements regarding production materials, services and contracted production processes, including requirements for supplier Quality Management Systems are determined by designated persons. The purchasing documents clearly describe the product or service ordered. The purchasing process follows documented procedures.

Purchasing documents are reviewed against receiving documents and product specifications. Where appropriate inspections and tests are performed to ensure that what was ordered was received and complies with specifications. Suppliers are notified of discrepancies and corrective action is initiated.

Records of purchasing data, including incoming acceptance data, are established and maintained.

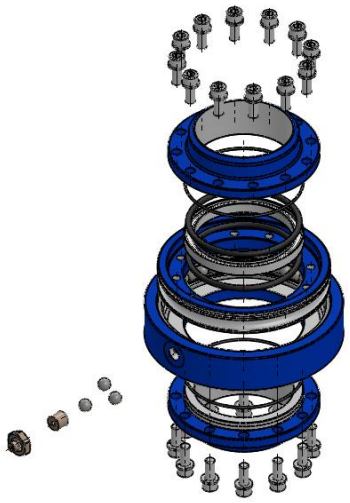
3.15 Production & Assembling

PP04 - Produzione e assemblaggio

Parameters and their limits for manufacturing processes are established. Process parameters are monitored, controlled and documented as appropriate, to ensure that manufacturing processes are under control and can deliver products with defined quality.

Manufacturing process activities as well as finished products are monitored by a Quality Assurance organization that is independent from the manufacturing organization.

Records for processes, equipment, and personnel are maintained as required to ensure traceability of needed information.



3.15.1 In Process Inspection and Testing

Appropriate inspection, test, monitoring plans and procedures ensure that the quality of our products is followed throughout the whole manufacturing process and that their acceptance status is always clear. This ensures that only products passing the required inspections and tests are released.

Clear product identification according to established procedures assures that mix-ups and incorrect identifications are prevented. Only qualified individuals perform quality inspection and testing. The results are documented and retained according to applicable procedures.

3.16 Final Test and Delivery

Final Test and Delivery

3.16.1 Factory Acceptance Test (FAT) and Release to Market

Finished products are not released for delivery until all tests confirm that the product was made according to its specifications and that product related documents have been satisfactorily completed and approved.

3.16.2 Inspection and Test Records

Inspection and testing records are maintained, which identify the materials used and the quantity produced. This includes the results of manufacturing, inspection and test activities. Material specific control or lot numbers are recorded.

Where finished products fail to pass a test, the situation is addressed through established procedures for control of nonconforming products.

3.16.3 Packaging and Shipping

Labelling and packaging operations are performed in a way that excludes mix-ups and incorrect labelling.

All materials, components and products are protected from influences affecting quality during handling, storage, packaging, and in-house transfers. Methods for safe product handling are established to avoid damage or deterioration.

Appropriate storage areas are available to avoid damage or deterioration of materials, components and products, pending use or delivery.

Different packaging standards can be chosen by the customer, depending on environmental conditions: we can ensure long term storage against all the most adverse environments such as rain, dust, moisture and salt air.

Our Delivery Procedures have been designed in accordance with the commercial terms published by the International Chamber of Commerce (ICC) relating to international commercial law (Incoterms 2010).

In case of export, our internal Bonded Warehouse allows for a timely execution of all customs clearance procedures, ensuring the fulfillment of all legal, safety and environmental requirements and thus expediting the delivery of goods to their final destination.

END OF DOCUMENT

4 Revisions Index

Rev.	Description of main changes	Date
1	First emission	03/04/2017
2	Alignment to the new process structure	04/09/2017
3	Alignment of the field of application with the ISO 9001 certificate	03/12/2021
4		
5		

Zipfluid s.r.l.

Company Info

Legal Capital *(Capitale Sociale)*: 100,000 Euro

Operative Headquarter *(Sede Operativa)* : via Commenda 2 - 40012 Calderara di Reno (BO) ITALY

Chamber of Commerce *(Camera di Commercio)* Registration # : MO-393621