



**Assurance Directives (QSR) between
Deltec Automotive GmbH & Co. KG and its suppliers**

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This agreement is an integral part of the contract of supply with DELTEC.

The subject of the agreement is all the products supplied by the SUPPLIER.

The quality assurance agreement consists of the general QSR between the SUPPLIER and DELTEC and the individual QSV.

1. Supplier's quality management system

The SUPPLIER undertakes to uphold or implement a quality management system in compliance with DIN EN ISO 9001:2000, based on the international standard ISO 9000 ff /- and to maintain it, with the undertaking to set targets to achieve zero defects and to achieve continuous improvements in its work.

In addition the sector-specific requirements (ISO/TS 16949 / VDA 6.1) of the relevant DELTEC business units for the quality management system shall also apply. Furthermore, an existing supplier shall undertake to continue to develop its QM system in the course of the supplier development procedures implemented by Deltec Automotive and to verify this in the form of a certificate that complies with ISO TS 16949:2002 / VDA 6.1.

2. Sub-contractor's quality management system

The SUPPLIER shall also demand that its sub-contractors implement or maintain a quality management system based on the international standard ISO 9000 ff /-, with the undertaking that the sub-contractors also set targets to achieve zero defects and to achieve continuous improvements in their work.

DELTEC may demand verification from the SUPPLIER that the SUPPLIER has confirmed the effectiveness of the quality management system implemented by its sub-contractors.

If quality problems occur, the SUPPLIER shall grant DELTEC an opportunity to conduct an audit at its sub-contractors.

3. Audit

The SUPPLIER shall permit DELTEC to determine whether its (the SUPPLIER's) quality assurance actions meet DELTEC's requirements by means of conducting audits. After prior notification, an audit may be conducted in the form of a system, process or product audit (see also § 3 of the individual agreement). The SUPPLIER shall enable DELTEC to conduct audit at short notice.

The SUPPLIER shall grant DELTEC and (if necessary) its customers, access to all its business premises, testing sites, warehouses and surrounding areas, as well as permitting them to examine quality-relevant documents. Any restrictions imposed by the SUPPLIER to protect its business secrets shall be accepted in this respect if they are necessary and reasonable.

DELTEC shall notify the SUPPLIER of the results of these audits. If, in DELTEC's view, action is required, the SUPPLIER undertakes to produce an action plan without delay, to implement it on schedule and to notify DELTEC of this.

4. Information and documentation

If it becomes apparent that agreements, which have been made, such as quality features, deadlines and delivery quantities, cannot be met, the SUPPLIER shall notify DELTEC of this situation without delay. The SUPPLIER shall also notify DELTEC without delay about any non-conformities found after the delivery of the goods. To ensure that a solution can be found quickly, the SUPPLIER shall disclose all the required data and facts.

Before

- making changes to production processes, procedures and materials (also at sub-contractors)
- making changes to sub-contractors
- making changes to testing procedures and equipment
- relocating production sites
- making changes to the QM system (developments / deregistration)

the SUPPLIER undertakes to obtain the consent of DELTEC and to provide all the quality verifications agreed in this respect.

The first three deliveries made to each consignee address after the start of the series and after the above changes have been made are to be identified accordingly in the delivery documents / goods tags (see also § 2 of the individual agreement).

All changes to the product and in the process chain are to be documented by the SUPPLIER in a product history, which must be submitted to DELTEC on request.

The SUPPLIER shall be responsible for the control of all documents and data in procedures and shall implement these effectively. Documents of external origin, such as standards and identifiers, shall be included on a reasonable basis.

The obligation to archive the documents shall last for at least seven years, but for documents that require special archiving this period shall be at least 15 years.

The reports for the receiving inspections and tests (relating to outsourced parts and other products from sub-contractors), reliability and durability tests, final inspections and tests and, if applicable, error analyses are to be archived by the SUPPLIER for at least 48 months. The SUPPLIER shall permit DELTEC the right to examine its records on request. In individual cases, DELTEC may demand a longer archiving period.

5. Agreements on the product history

5.1 Development, planning, approval and cessation

If the order to the SUPPLIER includes development work, the requirements shall be set out in writing by the other party to the contract, for example in the form of a specification. The SUPPLIER undertakes to manage the product from the planning phase of products, procedures and other inter-departmental tasks in the form of quality management plans and to permit DELTEC to examine these documents on request.

As part of its contract review, the SUPPLIER shall review all the technical documents, such as specifications, drawings, parts lists and CAD data when they are received to ensure that they are feasible. The SUPPLIER shall notify DELTEC of any errors and risks identified during this process, together with any possible improvements.

During the development phase the SUPPLIER shall adopt suitable preventive methods of quality planning, such as a manufacturing capacity analysis, reliability analyses and FMEAs. It will also take experience (procedures, process data, capacity studies, etc.) from similar projects into consideration.

Features that require special archiving will be defined by both DELTEC and the SUPPLIER.

The SUPPLIER shall agree the manufacturing and test conditions for prototypes and pre-series parts with DELTEC and shall document these conditions. The aim of this is to

manufacture the prototypes and pre-series parts in conditions that are close to standard series conditions.

The SUPPLIER shall plan the processes (work plans, test plans, equipment, tools, machinery, etc.) for all features. The SUPPLIER shall check the suitability of the production equipment for the critical functional and process features using statistical criteria and shall document the results. Product quality shall be monitored by regular audits.

The SUPPLIER shall submit an agreed number of initial samples of the products manufactured in series conditions by an agreed date before the commencement of series production (see also § 4.2 of the individual agreement). Series production may not be started until the approval of DELTEC has been received.

5.2 Series production, identification of products, traceability

In the event of process errors and quality deviations, the SUPPLIER shall analyse the causes, take improvement action and review their effectiveness.

If the SUPPLIER cannot supply products that meet the specification in an exceptional case, it must obtain special approval from DELTEC before making the delivery (see also § 4 of the individual agreement).

The SUPPLIER shall act on comments and suggestions from DELTEC relating to an improvement in the quality of the products by changes to production and quality assurance procedures, at its own responsibility and as far as it is possible for it to do so.

The SUPPLIER undertakes to identify products, parts and the packaging as set out in the agreements made with DELTEC. The SUPPLIER must ensure that the identification of the packed products is legible even during transport and storage.

The SUPPLIER undertakes to ensure that the products it supplies are traceable. If an error is identified, traceability must be guaranteed to limit the defective parts, products, batches, etc.

If DELTEC provides the SUPPLIER with production and testing equipment, in particular tools and equipment for the goods to be supplied, such equipment must be marked as the property of DELTEC. The SUPPLIER shall be responsible for the safekeeping and correct function of such equipment and shall ensure that it is serviced and repaired correctly.

5.3 Delivery, receiving inspection and testing

The SUPPLIER shall deliver the products in suitable means of transport and, where agreed, exclusively in means of transport that have been approved by DELTEC to prevent damage and deteriorations in quality (for example ESD, dirt, corrosion, chemical reactions, etc.) (see also § 2 of the individual agreement).

The receiving inspection and testing at DELTEC shall be restricted to externally visible transport damage and ensuring the correct quantity and identity of the ordered products at least on the basis of the delivery documents. Any errors identified during this procedure shall be reported without delay.

The SUPPLIER must adjust its quality management system and its quality assurance action to suit this reduced receiving inspection and testing procedure.

5.4 Complaints, action

If DELTEC identifies defects, they shall be reported to the SUPPLIER using normal business procedures. The SUPPLIER hereby waives its right to plead that the complaint was delayed.

The SUPPLIER shall then immediately conduct an error analysis, with the support of DELTEC if necessary and possible.

The SUPPLIER shall receive an agreed number of the non-conforming products from DELTEC. It undertakes to analyse all non-conformities and to notify DELTEC as quickly as possible of the cause of the non-conformity, the action it has taken to rectify the error and preventive action it has taken as well as a report on the effectiveness of this action (see also § 4.1 and § 4.4 of the individual agreement).

If DELTEC or its customer faces the threat of production downtimes as a result of the delivery of non-conforming products, the SUPPLIER, by agreement with DELTEC, must implement immediate action, at the cost of the SUPPLIER, to rectify the situation (replacement deliveries, sorting, rework, additional shifts, express transport, etc.).

6. Emergency concept

Before the start of series production, the SUPPLIER and DELTEC must hold a coordination meeting regarding emergency plans to secure plant and customer supplies with raw materials and finished goods. As a result of this meeting an agreement shall be concluded that shall become an integral part of this QMR.

7. Transport for packaging

The SUPPLIER must define procedures and systems to rule out the possibility of damage being suffered by the goods in transit.

The SUPPLIER shall be able to propose its suggestions for this and to reach an agreement with DELTEC.

8. Quality targets

Quality targets shall be agreed with the SUPPLIER once per annum.

At the end of the calendar year the SUPPLIER shall be sent the information on the current quality status in writing after the evaluation of the quality statistics.

If the SUPPLIER fails to meet the targets, it shall be requested to comment on the situation and to submit the action it intends to take in writing to achieve the specifications.

The liability of the SUPPLIER for defects or compensation claims resulting from non-conforming goods shall not be affected.

9. Environmental protection

The SUPPLIER undertakes to comply with all the statutory regulations relating to environmental protection and health and safety at work and to minimise the effects on humans and the environment by adopting reasonable environmental protection policies and complying with them. The introduction and development of an environmental management system (UMS) in compliance with ISO 14001 is expected for this purpose.

DELTEC reserves the right to evaluate the level of implementation as part of its audits (see section 3).

10. Confidentiality

Both parties undertake to treat all the information it receives from the other party, including this content of this agreement, as confidential and to use such information exclusively for the interests of the contractual terms agreed between the parties.

11. Final clauses

Amendments and supplements to this contract must be made in writing.

Since compliance with special standards or directives is required for some product families (for example IPC, Perfag), additional directives must be agreed in written form for these product families (see I - QSV) and attached to this QSR in the form of an appendix.

If any clauses of this contract should be wholly or partly invalid, this shall not affect the validity of the other clauses. In this case the partners shall agree a valid clause that is as close as possible to the commercial objective of the invalid clause. The same shall apply for any loopholes that may be discovered.

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Signature of Quality Department

Supplier:

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Town

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Signature of Quality Department