

Between Richard Bergner Verbindungstechnik GmbH & Co. KG
Richard Bergner Technische Federn GmbH & Co. KG
Bahnhofstraße 8-16, D-91126 Schwabach
hereinafter referred to as “**RIBE**”

and

hereinafter referred to as “**the Supplier**”

hereinafter both referred to as “**the Parties**”

1. Scope of Application

This RIBE Quality Assurance Agreement is an integral part of our supply agreements.

The Supplier shall be obliged to assign to his subcontractors the requirements specified in this document and to monitor their compliance.

1.1. Obligations of the Supplier

The Supplier undertakes to ensure 100% delivery compliance in terms of quality, quantity and deadlines. RIBE shall require from its suppliers at least one certified QM System according to DIN EN ISO 9001 in the version in force at the appropriate time. If system certification has not yet been performed, the Supplier shall submit a plan as to when certification is going to be carried out. In future, RIBE shall give preference to suppliers, who are going to implement and maintain a QM System according to ISO TS 16949.

The Supplier shall provide adequate evidence of the quality management systems of his subcontractors and require them to comply with the obligations assumed by them. Any audits from the Supplier’s contractors and/or any existing certificates may be accepted by us upon examination.

For the purpose of fulfilling his duties connected with environmental protection issues, the Supplier shall implement and maintain an environmental management system based on DIN EN ISO 14001 or corresponding to a comparable standard. Certification of the environmental management system is recommended. Apart from that, the Supplier undertakes to observe the applicable environmental laws and regulations.

For the purpose of fulfilling with his duties connected with issues of occupational safety, the Supplier shall implement and maintain an occupational management system based on OHSAS 18001 or OHRIS or corresponding to a comparable standard. Certification of the occupational management system is recommended. Apart from that, the Supplier undertakes to observe the applicable occupational safety laws and regulations.

Agreement on operational targets: Supplier performance rating status A

1.2. Provision of Evidence

RIBE shall trust the Supplier to renew the existing QM certificates within the fixed deadlines and shall not monitor the validity of the certificates. Upon the renewal of his QM certificate, the Supplier shall, therefore, send a copy to RIBE's Purchasing department as soon as possible and without waiting to be asked for it. The Supplier undertakes to notify RIBE forthwith in writing of any changes, such as the revocation of a certificate or any other change in the fundamental certification requirements, however, within two weeks, at the latest.

The Supplier undertakes to inform RIBE within 20 days of a special status according to ISO TS 1694 granted by an Original Equipment Manufacturer (OEM). Any actions resulting therefrom shall be agreed individually with RIBE.

1.3. Liability Insurance Requirements for Suppliers

The Supplier shall be obliged, without waiting to be asked for it, to provide RIBE with proof of adequate and sufficient general liability, product liability and financial loss insurance.

From RIBE's point of view, minimum coverage in the amount of one million euro (€) shall be deemed adequate.

1.4. Duty to Inform in the Case of Changes

Before implementing any changes, the Supplier shall be obliged to inform RIBE and to obtain consent from RIBE in respect of the following instances:

- Relocation of production site
- Process change(s) (substantial change in the manufacturing process, e.g. the omission or addition of process steps or changes in the process sequence, etc.)
- Change in material
- Change of a subcontractor in respect of customer-specific parts
- Subsequent establishment of deviations from the product specification.

In the event that the Supplier carries out the above changes without RIBE's consent, RIBE shall be entitled to terminate the supplier-customer relationship forthwith and to terminate any existing delivery orders without notice.

2. Material Specifications and Product Changes

2.1. Material Specifications

The quality characteristics of the products, which must be complied with, are laid down in the technical documentation. The latter shall be deemed binding even if they are not expressly referred to in orders and supply contracts. Technical documentation in this sense shall be drawings, purchasing documents, inspection and test instructions, standards as well as technical appendices to QS agreements or – in case the product is developed and designed by the Supplier – corresponding documentation of the Supplier, which RIBE has accepted. The Supplier shall ensure that manufacturing and inspection are always carried out in accordance with the applicable technical documentation.

The Supplier undertakes to furnish and archive evidence of the materials used for a period of at least ten (10) years from delivery of the respective delivery item. This shall also include the traceability of the material batches used for the respective lots delivered to the customer.

2.2. Product Changes

A product change (production process, formula, input materials, material) may only be made after a change to the technical documentation has been approved by RIBE in writing. Any changes in the Supplier's own designs shall also be subject to written approval from RIBE before they are implemented.

3. Advance Quality Planning, Process Planning and Initial Sample Inspection

3.1. Advance Quality Planning at the Supplier

- Technical and commercial feasibility study
- Design and Process Failure Mode and Effect Analysis (Process FMEA)
- Inspection and test plan, comprising at least inspection and test characteristics, inspection frequency, measuring equipment and instructions to be used for documentation
- Production control plans (PCP)
- Critical and specific characteristics, which are subject to specific process control (e.g. SPC)
- Planning for packaging, taking into account the means of transportation and the transport distance

The Supplier shall highlight the risks associated with advance quality planning and agree possible solutions with RIBE.

3.2. Process Planning

The Supplier undertakes to use a process planning system by analogy with ISO TS 16949 or the volume of the German Automobile Association (VDA) currently in force. Normally, RIBE shall place an order only upon satisfactory completion of the process planning system. If, due to scheduling reasons, the order is placed before the completion of the process planning system, then the above documentation must be presented together with the initial sample report, at the latest.

3.3. Initial Sampling Inspection

Before regular deliveries can be started, the Supplier shall provide RIBE with sample parts together with an inspection report in accordance with Publication No. 2 of the German Automobile Association (VDA) "Initial sample inspection" or, if specified in the production part acceptance procedure, as Production Part Approval Process (PPAP).

Provided that there are no part-specific agreements in force, 20 samples must be attached to the inspection report. Every sample consignment must be clearly marked "Sample". Regular deliveries shall be made only upon RIBE having given express release in writing.

The initial sample inspection must be repeated completely or in part in agreement with RIBE in the following instances:

- If production has been interrupted for more than one year
- If changes had been made to the facilities and the measuring and test equipment during the design and manufacturing process
- Change in design (fit /shape /function)
- Process change

- Change in material
- Relocation of production site
- Change to another subcontractor

3.4. Inspection, Measuring and Test Equipment

The Supplier shall ensure that the inspection, measuring and test equipment employed by him is suitable for reviewing the characteristics defined in the documents containing the instructions.

3.5. EU End-of-Life Vehicle Directive – Constituents in Bought-in Items and Surfaces

The Supplier shall be responsible for the parts supplied and that the surface-coated parts meet the requirements of the EU End-of-Life Vehicle Directive 2000/53/EC. Concomitantly to the initial sample inspection, the Supplier shall provide a correctly completed material data sheet as covered by the International Material Data System (IMDS).

Confirmation shall be given by marking the appropriate items in the Initial Sample Inspection Report (ISIR) regarding the required sampling version (volume 2 of the German Automobile Association (VDA) / PPAP), stating the respective International Material Data System Identification Number (IMDS ID No).

4. Quality Assurance

The Supplier shall bear the sole responsibility for the implementation and maintenance of the required quality assurance measures for manufacturing products and providing services.

4.1. Delivery certificates

RIBE may require the Supplier to issue his own inspection and material certificates. The format, content and the frequency of submitting these certificates to RIBE, shall be agreed with the Supplier in each individual case.

4.2. Reworking

Reworking is a corrective action taken with regard to a specific process sequence due to a previous non-conformance using the original or an equivalent process. Complete conformance of the product with the instructions is, thus, achieved. Any reworking action shall be carried out by appropriately trained personnel.

Any planned reworking processes during product manufacturing shall be outlined in the process flow diagram and included in the process approval.

Any unplanned reworking processes resulting from a non-conformance subsequently observed shall be documented and approved by authorized personnel.

4.3. Product Identification and Traceability

During all stages of production, from incoming inspection to despatch, all parts and materials shall be handled and identified in such a way as to prevent any confusion or mixup of parts. In order to enable an as close as possible definition of the total quantity of goods supplied in the case of potential warranty claims, an appropriate traceability system shall be established. The latter shall permit tracking a delivery batch or lot. The assignment of the manufacturing lots and order numbers specified by RIBE shall be strictly complied with.

The Supplier undertakes to keep delivery documents, quality records and product samples for at least ten (10) years for the purpose of tracking all orders and procedures.

4.4. Documents Requiring Special Archiving (DRSA / DmbH)

In the case of documents requiring special archiving, the Supplier shall comply with the procedures described in Volume 1 of the VDA Publication "Quality Assurance". The manufacturing, inspection and test documents of parts with attributes liable to be documented (D) shall be kept for twenty (20) years. Any documents to which this applies and any attributes with safety features liable to be documented shall be marked "DS" in RIBE documents.

4.5. Ongoing Improvement Process

The Supplier undertakes to maintain an ongoing improvement process.

5. Shipping

5.1. Packaging and Transportation

The Supplier shall choose the packaging of the products in such a way that transport or corrosion damage is highly unlikely – also in terms of their disposal. If appropriate, special RIBE packaging instructions shall be observed. Each packaging unit shall be visibly marked outside with the

- RIBE material and order number,
- index, revision status and
- quantity.

As far as possible or required, batch number, production date and review entry shall also be indicated.

Each delivery item shall consist of a production lot (production date / batch number, etc.). If several production lots are supplied, the latter shall be delivered packed separately.

5.2. Special Freight Charges

Any increased freight charges, for which the Supplier is responsible owing to scheduling and quality problems, shall be monitored and analyzed.

6. Receiving Inspection at RIBE

6.1. Receiving Inspections

Upon receipt of products, RIBE shall forthwith verify whether the latter conform to the quantity and the type ordered, and whether there is an externally detectable shipping damage or an externally detectable non-conformance. Should RIBE shall detect any damage or non-conformance during the above inspections, or subsequently, RIBE shall forthwith notify the Supplier thereof. RIBE shall not have any further obligations in respect of the Supplier other than the above inspections and notifications. In this respect, the Supplier shall dispense with the objection of late notice of defect pursuant to §§ 377 of the German Commercial Code.

The Supplier shall adapt his quality assurance measures to this reduced receiving inspection and carry out his own outgoing goods inspection.

6.2. Notice of Defect

If any non-conformances are detected, the Supplier shall be provided with a test report and samples, if appropriate. If a shipment is not accepted, the Supplier shall, in time, arrange for

the provision of a replacement for or the reworking of the non-conforming item. If this is not possible due to scheduling reasons, discussions about short-term measures shall be arranged with RIBE Purchasing and the Supplier, for example, on segregating, reworking, or a replacement purchase. Each notice of defect issued by RIBE shall be answered with an 8D notice-of-a-defect report:

- Within 24 hours upon receipt of a notice of defect, RIBE shall be informed about the contact person and any immediate remedial measures.
- Within 5 working days, RIBE shall be informed about any long-term corrective actions
- Within 20 working days, RIBE shall be informed about the implementation of the corrective actions and their effectiveness. If this deadline cannot be met, a specific date shall be arranged with the department having informed about the non-conformance within the specified period.

6.3. Warranty Period

The release of delivery by RIBE's receiving inspection shall not release the Supplier from his responsibility for the functioning and the reliability of his products in accordance with the technical documentation and the recognized codes of practice. The warranty period shall be 36 months from delivery to RIBE, unless the parties to this Agreement have agreed otherwise.

7. Auditing

RIBE shall have the right to review and evaluate the quality assurance measures of the Supplier and of his subcontractors. If necessary, a representative of RIBE's customer shall have the right to participate in this audit. This evaluation shall be conducted according to Volume 6.3 of the German Automobile Association (VDA). The Supplier shall provide RIBE's representative with all necessary documents and information. RIBE shall disclose the audit results to the Supplier. In addition to that, RIBE shall, at regular intervals, conduct a Supplier evaluation on the basis of quality criteria and delivery reliability and shall inform the Supplier about the result.

As far as applicable, the Supplier shall carry out the following audits annually and make the result available to RIBE:

- A self-assessment according to CQI 9 (assessment of heat treatment systems)
- A self-assessment according to CQI11 (assessment of systems for electroplating)
- A self-assessment according to CQI12 (assessment of surface coating systems)

The Supplier shall undertake to carry out a self-assessment in the form of a process audit according to VDA 6.3 (according to VW formula Q) in as far as VW standards are referred to in the order.

8. Right of Access

The Supplier shall grant RIBE and its customers right of access to all facilities connected with the order and the pertinent records.

The Supplier shall arrange for RIBE to have the possibility to perform audits to the same extent also at the premises of its subcontractors.

9. Confidentiality

The parties to this Agreement undertake not to disclose to anybody anything about this QS Agreement, its content as well as any particulars, knowledge, know-how, trade secrets and industrial property rights, ensuing from their cooperation with RIBE. They shall impose appropriate obligations on their employees within the scope of the possibilities granted under the relevant labour law.

10. Final Clauses

The conditions specified in these regulations shall apply to deliveries to RIBE as well as to its affiliated companies. Unless any deviating arrangements to those specified above have been made, RIBE's General Conditions of Purchase shall apply to the contractual relationship in the current wording.

If any of the provisions in this Agreement or part thereof shall be found to be invalid, such invalidity shall not affect the validity of the remaining provisions of this Agreement and further agree to substitute for the invalid provision a valid provision which most closely approximates the intent and economic effect of the invalid provision. The same shall apply should any omission in this Agreement become apparent.

This Agreement shall take effect from the date of signature of the Supplier. It shall have a term of one (1) year and shall be renewed automatically by another year, provided it is not terminated by either of the parties by giving notice three (3) months prior to its expiration. All arrangements and changes must be made in writing in order to be valid. Any objections must also be made in writing.

RIBE	Supplier
Company stamp	Company stamp
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Date, signature	Date, signature
<hr/>	<hr/>
First name and surname(s) written in full	First name and surname(s) written in full
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Capacity of the undersigned	Capacity of the undersigned