	<p>Quality Assurance Agreement (QAA)</p>	<p>2046_OS-PP13 A-21</p>
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This Quality Assurance Agreement constitutes an integral part of the contractual relations of the supplier with the following companies of the SPPP group:

SPPP Slovakia s.r.o.
 Partizánska 73,
 957 01 Bánovce nad Bebravou,
 Slovakia

- hereinafter referred to as SPPP


and

.....

- hereinafter referred to as Supplier.

1. General The capability of the Supplier to supply conforming products reliably is an important criterion for the SPPP purchasing decision. This Quality Assurance Agreement describes the requirements made of the quality management system and the Supplier's level of environmental awareness.

2. Field of application, contractual object This QAA applies together with all purchasing agreements concluded between SPPP and the Supplier unless other regulations have been agreed. Any amendment to this QAA must be agreed in writing. Also, other specific supplements for specific projects may be agreed in writing in separate documents. The Supplier commits its sub-suppliers to satisfying the duties he has agreed to in this QAA. On request, the Supplier provides SPPP with proof that it has reviewed the effectiveness of the QM systems of its sub-suppliers. The documents and records relating to all the processes, procedures, inspections etc. mentioned in this QAA that apply to the contractual relationship between SPPP and the Supplier will be made available to SPPP on request. The respective current versions of the regulations mentioned in this QAA will apply. If any individual parts of this QAA become invalid, this will not affect the validity of the remaining provisions.


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3. Goals The highest possible quality and excellent delivery service are the most important of SPPP goals. The satisfaction of our customers is the yardstick for measuring the achievement of these goals. SPPP also expects this awareness for quality and the connected goal of zero-defect quality from its suppliers. For SPPP, environmental awareness is an integral part of the company policy. With regard to products, plant and other equipment, SPPP strives for continuous improvement of environmental conservation and demands that compliance with the statutory and any other environmental conservation requirements is ensured. This includes ensuring that all those participating need to take into consideration the environmental conservation requirements when making decisions about products, plant and equipment in order to jointly reduce the consumption of resources and consequences for the environment.

4. Confidentiality the Supplier will undertake to treat confidentially all the non-public information it has been given by SPPP.

5. Management system The Supplier maintains a QM system in accordance with DIN/EN/ISO 9001 that has been certified. The requirements stated in this system are binding for the Supplier. The Supplier is committed to continuously further developing its QM system to IATF 16949 or a similar QM system, the ultimate objective being certification by a company that is accredited by the IATF. The Supplier is committed to the zero-error goal and continuously optimizes its performance accordingly. The Supplier will allow SPPP, even with SPPP customers, to audit the processes used to manufacture the parts and the manufactured products at the Supplier's premises and the premises of its sub-suppliers. SPPP expects its suppliers to act in an environmentally compatible manner and to be in compliance with the applicable VDA regulations and any applicable customer specific requirements and legal requirements. SPPP prefers the introduction of an environmental management system that has been certified by an appropriately accredited company in accordance with ISO 14001 or EMAS.

6. Order documents / contract documents / amendments SPPP provides the Supplier with the quality requirements made of the product / service in the shape of drawings, order guidelines, SPPP standards, inspection regulations etc. If the regulations are published by SPPP in the supplier gateway, the Supplier will undertake to check these regularly. If necessary, other rules and regulations by the OEMs, DIN standards etc. in SPPP documents will be procured by the Supplier on its own responsibility. The Supplier ensures that the requirements, even those relating to feasibility, are analyzed close to the actual project steps. Any missing documents that need to be provided by SPPP must be requested by the Supplier. No deviations from the drawings, specifications, and other technical documents, including reference sources and


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producer-related material designations, are allowed unless this has been expressly confirmed by SPPP in writing. All amendments will be agreed by SPPP and the Supplier in good time so that both parties can check the possible consequences and agree to them in writing before they are performed. In principle:

- The Supplier must have an internal system which ensures the use of all current guidelines.
- Every first delivery after an amendment must be marked with the blue card "Modified parts – store separately"
- The amended drawing number with the construction status / drawing amendment status must be stated on the documents e.g. delivery papers,
- After the first delivery with the new construction status / drawing status, no more deliveries with the old construction status / drawing status may be made.

The processes required to manufacture the parts and the used materials must correspond to the state-of-the-art, the valid statutory provisions, and other applicable provisions, and if necessary, comply with the associated approval procedures and the rules and regulations pertaining to industrial safety, environmental conservation and hazardous goods laws. Furthermore, in case of foreign production, the Supplier has a duty to inform itself about national and specific industrial laws and to take these into consideration.

7. Project management The Supplier applies an interdisciplinary project management system and supplies SPPP with the name of the respective contact persons, at the least a project manager. The project management system takes into consideration the requirements specified by APQP, PPAP and VDA 2, VDA 4, part 3. and applies those standards that are customary in the automotive industry. The details need to be coordinated for each specific case. The Supplier monitors the progress of the respective project and informs SPPP about this progress on a regular basis. If SPPP establishes that there is a delay, SPPP is entitled to install an institute approved by SPPP or a member of staff from SPPP at the Supplier's cost. As far as possible, prototypes and pre-series parts should be produced under series conditions. SPPP and the Supplier need to agree upon the exact manufacturing and inspecting conditions and the documentation of the results (e.g. measuring records). The project is completed when SPPP approves the series. The pre-requisite for this step is verification that the required quantity can be produced with a controlled process in the given time in the defined quality. The analysis is based on the "construction discussion", the "C1 approval" and the "C2" approval of the tools. Details, e.g. the applied procedure (PPAP or PPF in accordance with VDA 2), the submission level and the required documents and records are agreed for each project. The Supplier also applies the IMDS procedure for sampling. SPPP approval does not release the Supplier from his responsibility to produce the parts properly.

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8. PPAP / PPF procedure during the series Written notification of the following cases needs to be given to SPPP in advance in the planning stage. SPPP will decide in each case whether the PPAP procedure or the PPF procedure as defined by VDA 2 needs to be applied:

- Amendments to the production method or processes,
- Relocation of production or manufacturing facilities,
- Design, specification, or material amendments,
- Tool amendments,
- Change of supplier (products and services),
- Standstills of tools totaling 12 months or more,
- After a delivery stop caused by quality problems.


9. Process quality All those features on all parts generated by the Supplier must always comply with the specifications. To fully satisfy the special importance of the CC-/SC-/inspection features, a special inspection/monitoring procedure needs to be applied for these features. This is for example the verification of capabilities acc. to the “Agreement of special Characters, which have to be controlled”, a 100% inspection or another procedure that has been agreed with SPPP. The process parameters set for production are recorded and archived.

Supplier shall comply with the VDA process description „Special Characteristics (SC)”. Special Characteristics are product features or production process parameters which could have effects on the safety (SC safety requirements) or compliance with government regulations (SC legal/ production conformity), the fit, the function (SC functions), the performance or other processing of the product. Further information on this can be found in the IATF 16949.

Supplier obligation mainly is:

Apply the SR characteristics as they are sent,

- Identify the SR characteristics in its internal documentation,
- Ensure compliance of SR product, and being able to demonstrate it,
- Consider and ensure compliance with customer’s requirements (if applicable)
- Apply a change impacting a product S/R only after obtaining approval
- Alert in case of detection of sending a non-conforming product.

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The supplier shall perform a FMEA study and shall include all SPPP SPPC (Product characteristics which are either customer interfaces or characteristics affecting SPPP or / and OEM assembly – visual aspect – product performance and / or reliability) in the input data.

For each SPPC, whether it is a SPPC listed by SPPP or an internal SPPC identified by the supplier after FMEA review, the supplier shall define a relevant control to ensure product/process conformity. Risk assessment through the SPPC list will define the frequency of those controls to be included in the supplier control plan as follows:


- Poka-Yoke or 100% control
- Statistical Process Control (SPC) follow-up - At start & end of production + frequential checks
- Checks in case of an intervention in the tool or raw-material change
- Initial Samples once per year (Yearly IS)

For characteristics not measured by the supplier, such as raw material composition, inflammability ..., they shall be checked at minimum through the sub-supplier's certificate of conformity prior any material release to production area. The SPPC list must be updated by the supplier and must be approved and signed by SPPP.

10. Inspections / audits The Supplier takes systematic measures to ensure that all products comply with the drawings and specifications. These measures may be e.g.:

- Incoming goods inspection
- Monitoring the process parameters
- Statistical process monitoring (SPC)
- 100% inspections for non-capable processes and product features
- Material tests/life span tests
- System audits / process audits / product audits
- Long-term tests
- Repeated initial sampling the selection of necessary measures is oriented on the product requirements. The Supplier performs a re-qualification test on all parts at least once a year. The Supplier arranges for those inspections that cannot be performed by the Supplier with suitable measuring, test and inspection equipment, to be performed by appropriately accredited institutes.

11. Training / qualification The Supplier ensures that all those employees involved with the project and production are appropriately qualified and familiar with the tools and methods that need to be applied.

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12. Corrective and preventive action, CIP The Supplier applies a documented corrective and preventive action procedure throughout the company which ensures that the causes of any non-conformities of any kind are systematically established and permanently rectified / prevented. The performance of corrective and preventive action must be planned, and the results reviewed separately. Corrective measures for products are only permitted if the original condition can be reinstated without any amendments. Otherwise, permission needs to be obtained from SPPP in advance. In case of corrective measures for products, appropriate action needs to be planned and recorded in writing. Appropriately qualified personnel need to be deployed to perform the corrective action. The Supplier applies a process for the continuous improvement of its processes throughout the company.


13. Customer satisfaction All incoming shipments will become input for a supplier evaluation according to an internal system of SPPP The supplier will be provided regularly with a supplier evaluation about its performance by SPPP. Corrective action is initiated by the Supplier depending on its classification. In case of repeat non-conformities, non-conformities with serious consequences or frequent complaints, SPPP is entitled to classify the Supplier in an escalation module.

- Stage 1 = CSL1 (controlled shipping level 1): the Supplier must undertake to perform an additional 100% inspection at its cost. Corrective action needs to be coordinated with SPPP. Appropriate verification about the initiated action and the status of the product quality needs to be submitted to SPPP.

- Stage 2 = CSL2 (controlled shipping level 2): the Supplier must undertake to perform an additional 100% inspection itself, and to install a further 100% inspection by an independent institute that has been approved by SPPP at its own cost. The results of these inspections will be made available to SPPP.

- Stage 3 = NBOH (new business on hold): A further stage of stage 2; the Supplier is also blocked for new orders. SPPP will inform the company that certified the Supplier and request that an onsite audit at the Supplier's premises is performed at the Supplier's cost. The audit report will be made available to SPPP. The Supplier will be removed from the escalation module into status CSL1 und CSL2 after a mutually agreed period in which the effectiveness of the Supplier's corrective actions has been verified and the product quality complies with the agreed level over an agreed period. The Supplier will only be removed from the NBH after an agreed period during which the product quality reaches an agreed ppm value. An audit by SPPP at the Supplier's premises may also be taken into consideration in the decision process.

14. Identification and traceability Within its area of responsibility, the Supplier maintains a system, which guarantees clear allocation of the parts to the respective drawing and processing status. If required, the system allows the deployed materials, machines, used parameters and the established test results to be allocated to the respective production batches to ensure traceability.

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15. Measuring, test and inspection equipment, inspection facilities All the Supplier's measuring, test and inspection equipment and facilities are subject to systematic monitoring and regular calibration. The deployed measuring, test and inspection equipment need to be suitable for the respective inspection process as defined in VDA5. Proper use and storage during times when the equipment is not in use ensures that the equipment remains constantly functional.


16. Parts with special identification and archiving requirements in addition to the regulations of DIN/EN/ISO 9001, the following applies:

- Documents that are required for the production of the part (e.g., drawings, process specifications) need to be archived and safeguarded against loss and damage for at least 15 years after the product has been phased out. Records that verify the proper condition of the parts (e.g., inspection records) need to be archived and safeguarded against loss and damage for at least 15 years after their compilation.
- The planning and production documents and records for CC features, the generation and procurement of which lies within the responsibility of the Supplier, need to be identified accordingly.
- The Supplier performs an "Audit for parts requiring verification" on parts with CC features that it can affect/manufacture at least once a year; the audit takes into consideration the special aspects of these parts (also called "D-part audits"). The storage period can be extended by special agreement. • In older drawings, it may be possible that the identification "D" was used instead of "CC". All requirements for parts with CC features apply in the same way to D features.

17. The supplier shall ensure FIFO process. Supplied products The Supplier treats those products supplied by SPPP (parts for further processing, tools, equipment, transportation equipment) in a manner, which ensures no damage occurs. The Supplier informs SPPP when obvious or suspected non-conformities are discovered or in cases when it is not able to supply the services demanded by SPPP due to the discovered condition. The supplier shall notify all affected SPPP plants within 24 hours or sooner in the event non-conforming product has been shipped. In addition, SPPP will also be informed in writing in case of loss of supplied products or when scrap is produced from supplied products.

18. Preventive and future-oriented servicing The Supplier uses a verified servicing system of at least the following scope:

- Planning the servicing activities

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- Availability of spare parts / emergency management for key processes based on pre-agreed exit criteria condition and criteria for supplier of plastic parts - Quality Assurance Agreement Issue

- Documentation and further development of the servicing activities It ensures that permanent consequences for the environment caused by normal operations or unintended situations are avoided. This especially applies when handling water-polluting substances and pollutant emissions.


19. Packaging and delivery the goods need to be delivered to SPPP so that damage to the parts is avoided. The applicable packaging regulations need to be applied. The packaging needs to be clearly marked with a valid barcode-capable VDA goods label for identification purposes. If the goods are supplied in reusable containers, steps must be taken to ensure that the containers are supplied in their original state and are clean. Used goods labels need to be removed. Packaging must be recyclable or reusable. Soiling with dangerous substances as defined by the Waste Disposal Act needs to be avoided. The cleanliness of the package is ensured by the owner of the package.

20. Certification of the delivery The Supplier encloses an approval inspection certificate in accordance with EN 10204 3.1 with all raw material deliveries and all materials that are identified as CC features. The approval inspection certificate or a clearly allocated enclosed sheet must unambiguously state that the supplied goods, which also states the delivery note number, article number and batch number, have been manufactured from the material listed on the approval inspection certificate. In other cases, an approval inspection certificate must be submitted to SPPP on request.

An EC safety data sheet needs to be enclosed with all first deliveries of raw materials and operating equipment and media or in case of changes. SPPP will also conclude a product-specific quality assurance agreement with the Supplier. This will define which of the features requiring inspection need to be documented by the Supplier and need to be submitted to SPPP on request within ½ working day.

21. Control of non-conforming products / complaints / 8-D reports the following applies in addition to the requirements of DIN/EN/ISO 9001: Products that are unmarked or suspected to be non-conforming at the Supplier's premises need to be treated as non-conforming products. If SPPP discovers non-conforming supplied parts, a complaints report will be sent to the Supplier. The decision about what to do with the parts is made together with the Supplier. The following are possibilities:

- Immediate return of the whole delivery
- Sorting and reworking on-site by the Supplier

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- Sorting and reworking on-site by a company commissioned by the Supplier or SPPP The Supplier is responsible for completing the necessary reworking, maintenance, refitting and sorting tasks and bears the costs of these tasks.

The Supplier must submit a statement about the complaints report in the shape of an 8D report by a set deadline. If the Supplier does not react within the deadline, the goods will be returned to the Supplier at its cost. If the goods are sent back to the Supplier, the Supplier must agree on a replacement delivery of conforming goods with the order scheduler at SPPP. Costs that are incurred due to a complaint (e.g., special transportation trips etc.) will be borne by the Supplier if it is responsible for the damage.

Incident processing When a defective component is identified, SPPP will notify the supplier responsible of the incident using the claim management. The supplier will have to answer through the 8D template included min. quality tool as Ishikawa and 5Why and upload it updated at each step of the incident.

The 4 solving steps of an incident are:

- QR: Quick response – from D1 to D3 of 8D methodology: Problem description and containment
- PD: Plan Do – from D4 to D6 of 8D methodology: Root cause analysis and action plan
- CA: Check Act – D7 of 8D methodology: Corrective action effectiveness
- CI: Continuous improvement – D8 of 8D methodology: Lessons Learned / closure.


All suppliers are required to install broadband Internet and to systematically consult and make use of associated documents.

The suppliers shall ensure that they have, at any time, a Quality contact with an access/Knowledge. The supplier reactivity to answer the claims is measured.

SPPP reactivity requirements are as following:

- 3D: Within 1 working days of the notification
- 5D : Within 7 working days of the notification
- 8D : Within 30 working days of the notification (after LLC stability rate submission) In the case of a C1 or WR incident category, the supplier is required to present to SPPP plant the analysis.

Physical presence will be required when necessary. All answers (QR, PD, CA & CI) must be formalized in English. A process audit could be conducted by SPP SQA prior to incident closure. In case of C1 or recurrent incident, the supplier shall perform a Reverse FMEA on the station where the defect is coming from. Each category of incident must not be closed without submission of LLC Stability Rate.

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Cancelled incident: If the 8D analysis concludes the supplier non-responsibility then the supplier incident is cancelled. For any sorting activity requiring a sub-contractor, the Supplier shall select a sorting company approved by SPPP. Supplier shall ensure that the organization of the sorting enable an immediate communication of any relevant information (including method, Quantity to be sorted, sorting results) to SPPP SQA at any time. All costs linked with the sorting, including sorting company costs, are chargeable to the Supplier.

Sorting at SPPP plant: the Supplier shall mandate a sorting company within the first 2 hours following the incident notification in order to ensure that SPPP is secured latest 4 hours following the incident notification to the Supplier. In case of delay, SPPP will contract directly a sorting company and shall charge back to the supplier all related costs.

For all suppliers:


IMPORTANT: All products and materials MUST NOT contain silicone!

For paint suppliers:

We require to attach Batch panel with a color tone measurements and batch certificate for each new batch of paint / clear coat /primer delivered to SPPP Slovakia sro.

Purchased goods have to be in compliance with specifical standards and SPPP Slovakia requires to receive BYK MAC reports of first batch of new lot of paint as well as first delivery of new shade of paint.

The paint material shall match characteristic that have been agreed with the initial sample during the validation dE (VW projects also mDE) ,viscosity, density, solid content . All parameters must be within prescribed limits, otherwise the paint is NOK.

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Definition

AQP.pp ADVANCED QUALITY PLANNING for product and process: aim of AQP.pp is provided SPPP with all the guarantees concerning the means to achieve product quality. The AQP.pp SPPP: SPPP Requirements File (SRF), Quality Assurance File (QAF), Initial Samples File (ISF) and a Quality Monitoring File (QMF).

CAR Corrective Action Request

CCL Commodity Check List

CSL CONTROLLED SHIPMENT LEVEL 1 and 2: CSL1 and CSL2 are temporary sorting implemented with a view to guarantee certified deliveries while awaiting the reestablishment of the conformity of the production process.

CSR Customer Specific Requirements (interpretations of or supplemental requirements from OEM linked to a specific clause(s) of the IATF 16949 QMS Standard)

EVAL SPPP supplier evaluation tool taking into account 8 key criteria concerning operational and strategic performances of the suppliers. This grid is used to select as well as to evaluate suppliers (present and potential suppliers).

FDPR FULL DAY PRODUCTION RUN: Production run to validate the "full capacity / quoted rate" conditions. A sufficient quantity of components shall be manufactured during this day to be considered statistically significant. It shall extend for a period between 1 hour and 8 hours (one shift). At least 300 components shall be manufactured unless a specific quantity is specified in relation to the rate of manufacture.

FTA Factor Three Analysis: Method to determine which factors influence the product/process and identify the root causes of an issue.


NBOH New Business On Hold: Any supplier in NBOH cannot participate at SPPP RFQ. PDCA PDCA (PLAN, DO, CHECK, ACT): is a methodology to settle and solve problems effectively. Based on continuous improvement,

PDCA comprises four different steps: Plan: grasp the problem, analyze causes and effects and set objectives. Do: investigate solutions, identify the most effective one and implement it. Check: check the result in comparison to the objectives. Act: set a new standard to consolidate the result and take action to prevent the re-occurrence of the problem.

CP Control Plan

QCD Quality Cost Delivery


QRQC QUICK RESPONSE QUALITY CONTROL: It is a way of management of problems applicable in every area: Production, Projects, Logistics, Purchasing...

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RFMEA Reverse FMEA: A Reverse PFMEA is an on-station review of all failure modes included in the PFMEA conducted by cross-functional team, focused to verify that all failure modes have their proper controls (prevention/detection) and they are working properly. It is also called “Gemba FMEA” or “Go and See FMEA”

SPPC SPECIAL PRODUCT and PROCESS CHARACTERISTICS and measurable characteristics of a component, System or assembly which may have an adverse or degrading effect on the function, quality, or reliability if an out of tolerance condition occurs, Measurable elements of the process used to manufacture or assemble a component that have significant impact on the function, quality or reliability of that components.

TOOLING LOAN AGREEMENT A document attesting to SPPP ownership when tooling has been placed at supplier premises for the production of components. This document must be signed by the supplier receiving the tooling or equipment. This agreement addresses the following major aspects: Ownership of tooling, term and termination of the agreement, conditions on the use of the tooling, maintenance and insurance. TWS Top Worst Supplier: program to improve the most impacting suppliers

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For SPPP :

Date:

Place:

Signature / Company stamp:

Full name:

Position:

For Supplier:

Date:

Place:

Signature / Company stamp:

Full name:

Position: