

QUALITY ASSURANCE AGREEMENT

N° .....

BETWEEN

AND

..... (Name of company)  
..... (type of company)  
..... (address of head office)  
..... (country)  
..... (registration number  
and place)  
acting in its own name as well as on behalf and for  
the account of its AFFILIATED COMPANIES (as here  
in after defined),  
represented by ..... (name & title)  
  
herein after referred to as "SUPPLIER"

CAMACO/AMVIAN  
  
represented by  
  
hereinafter referred to as  
"CAMACO/AMVIAN"

SUPPLIER and CAMACO/AMVIAN being hereinafter jointly referred to as the "PARTIES" and individually as "PARTY".

Whereas, CAMACO/AMVIAN designs, manufactures and markets automotive equipment for the automotive industry. SUPPLIER is specialised and has great expertise in development, design, manufacturing and marketing of PARTS (defined hereafter) and related TOOLS (defined hereafter).

Whereas the PARTIES have decided to conclude the following agreement in order to settle the technical and organizational framework conditions and processes, necessary to reach the quality levels targeted by the PARTIES in respect to the development, production, supply of PARTS and TOOLS, and the performance of SERVICES (defined hereafter).

Now therefore in consideration of the foregoing the PARTIES do hereby agree as follows:

A. DEFINITIONS

**AFFILIATED** means for CAMACO/AMVIAN: any entity that (i) is controlled directly or indirectly by CAMACO/AMVIAN; (ii) controls directly or indirectly CAMACO/AMVIAN; (iii) or is under common control with CAMACO/AMVIAN. "Control" for this purpose shall mean having a fifty percent (50%) or greater interest in the issued share capital of the other entity.

means for the SUPPLIER: any entity that (i) is controlled directly or indirectly by the SUPPLIER; (ii) controls directly or indirectly the SUPPLIER; (iii) or is under common control with the SUPPLIER. "Control" for this purpose shall mean having a fifty percent (50%) or greater interest in the issued share capital of the other

**AGREEMENT** means the present Quality Assurance Agreement and its appendices.

**CUSTOMER** means CAMACO/AMVIAN's customer/client

**GPC** means CAMACO/AMVIAN's General Purchase Conditions

**PRODUCTS** means all PARTS and TOOLS that are subject of the AGREEMENT.

**PART** means the assemblies and assembly groups ordered by CAMACO/AMVIAN

**SERVICES** mean the services ordered by CAMACO/AMVIAN

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SUB-SUPPLIER	means any or all third parties to which the SUPPLIER entrusts the development, production, supply and/or performance of all or part of the PRODUCTS and/or SERVICES
TOOLS	means the equipment or material(s) ordered by CAMACO/AMVIAN

### B. PURPOSE

This AGREEMENT is valid for all development and/or production programs awarded and/or which will be awarded to the SUPPLIER by CAMACO/AMVIAN and/or its AFFILIATED COMPANIES, and for all orders for development, production, supply of PRODUCTS and performance of SERVICES placed or which will be placed by CAMACO/AMVIAN and/or its AFFILIATED COMPANIES (hereinafter altogether or individually also called "CONTRACT").

### C. QUALITY ASSURANCE BY THE SUPPLIER

#### C(1) ZERO DEFECT TARGET

The SUPPLIER is committed to a zero defect strategy vis-à-vis CAMACO/AMVIAN (i.e. delivery of PRODUCTS or performance of SERVICES conform to the CONTRACT without any default). Should the "zero defect target" not be achieved, the PARTIES will agree on convergence plan for failure rates (hereafter "PPM targets"), in order to attain the "zero defect target" as soon as possible. The agreed PPM targets shall not relieve the SUPPLIER of his quality commitment of "zero defect strategy".

#### C(2) QUALITY MANAGEMENT SYSTEM

The SUPPLIER undertakes to set up and maintain a quality management system certified according to ISO TS 16949 or any equivalent certification system approved by CAMACO/AMVIAN (hereinafter referred to as "QM System"). The SUPPLIER shall integrate into its QM System mainly but not exclusively the following procedures of:

- identification and prevention of errors at an early stage
- procurement of raw material and purchased parts
- planning and direction of procedures for the securing of process mastery
- statistical process control and process capability
- measuring and permanent enhancement of PRODUCTS and processes
- checks and measures for the securing of the "zero defect target"

The SUPPLIER undertakes to:

- comply with all procedures set forth in the Supplier Requirement Manual (hereafter "SRM"), attached to the present document as Appendix 3
- comply with the environment regulation and request especially those regarding material content and specifications.
- comply in all respects with all laws to which it may be subject including but not limited to those related to Health, safety and environment
- take preventive quality actions in accordance with Advanced Product Quality Planning provisions (hereafter "APQP"), attached to the present document as Appendix 3
- comply with PPAP (Production Part Approval Process) as described in APQP item N°30, attached to the present document as Appendix 3
- set up and maintain a SUB SUPPLIERS management in accordance with the SRM requirements.
- put in place a containment plan for all early production phases and/or after each problem in series, until the convergence criteria, as defined jointly are met.
- strictly comply with Safety & Regulation and Associated Mandatory Rules "20 Mandatory Rules" attached to the present document as Appendix 4.
- comply with all procedures for inspection, records, documentation, labelling, marking, packaging and traceability as described in Supplier Logistic Manual (Appendix 5). This chapter may be further formalized by a logistic convention or protocol.

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### C(3) OPERATIONAL RISK AND PROBLEM SOLVING

The SUPPLIER shall immediately inform CAMACO/AMVIAN purchasing department of any breach or potential breach of provisions of the present AGREEMENT and/or CONTRACT and shall start the problem solving process described in appendix 8D of the SRM. Also, the SUPPLIER shall communicate to CAMACO/AMVIAN all actions carried out or intended to be carried out in order to remedy the breach like as, but not exclusively:

- Immediate containment
- Traceability of concerned PRODUCTS
- Recommendation for stopping shipments of concerned PRODUCTS
- Understanding of failure mode
- Sorting and reworking of the PRODUCTS which do not conform to the warranty set forth in article D. Reworked PRODUCTS have to be identified by a special mark on the packaging.
- Timing for notification of problems and associated documents would be as follows:
  - Containment: Immediately at the supplier's facility
  - Clean point established: Immediately from the supplier's facility
  - Notification of CAMACO/AMVIAN: Immediately through electronic and telecommunication methods
  - Submission of 4D: Within 24 hours of notification
  - Submission of 8D: Within three (3) business or five (5) calendar days
  - Permanent corrective action: Based on 8D and verification of corrective action(s)

SUPPLIER undertakes to carry out all additional remedy measures requested by CAMACO/AMVIAN and to cooperate with any third party recommended by CAMACO/AMVIAN in order to avoid or minimize the consequences of such breach.

All cost of such remedy actions shall be borne by the SUPPLIER.

SUPPLIER may however subcontract all or part of such sorting and reworking of non-conforming PRODUCTS, under the provisions of the present AGREEMENT. SUPPLIER shall ensure any initial job training and job supervision of such SUBSUPPLIERS necessary to achieve this end. No subcontract (even with CAMACO/AMVIAN's consent, or even if sorting/reworking is performed by CAMACO/AMVIAN) shall relieve SUPPLIER of any of its obligations and/or responsibilities under this AGREEMENT. The sorting results shall be made daily available to CAMACO/AMVIAN. Before refusing any delivery and initiating any sorting and/or reworking operations itself. Reworked PARTS has to be identified by SUPPLIER, traceability of the reworking activities has to be validated by CAMACO/AMVIAN.

### D. WARRANTY

#### D(1) PRODUCTS WARRANTY

The SUPPLIER, warrants to CAMACO/AMVIAN that the PRODUCTS delivered shall be:

- merchantable, in accordance with the state of the art and in compliance with all applicable laws and regulations; and,
- under normal conditions of use as specified by the SUPPLIER, able to perform the functions and to be used for the purposes for which the PRODUCTS are intended, and to be as safe as can reasonably be expected; and,
- in compliance with the drawings, specifications, validations, and all other documentation defining the PRODUCTS; and,
- regarding specifications not explicitly set forth in the AGREEMENT, in conformity with the initial samples approved by CAMACO/AMVIAN; and
- free of any apparent or hidden defect, and from any defect in design (to the extent designed by the SUPPLIER), materials and workmanship.
- in compliance with contractual warranty given by CAMACO/AMVIAN to its CUSTOMER

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In compliance with appropriate regulations

The term of the SUPPLIER's warranty shall be at least thirty-six (36) months starting with the delivery date of the PRODUCTS to CAMACO/AMVIAN. In the event of an extension of the contractual warranty given by CAMACO/AMVIAN to its CUSTOMER, SUPPLIER undertakes to grant the same corresponding extension to CAMACO/AMVIAN.

Notwithstanding the foregoing, the PRODUCTS shall be subject to all warranties, express or implied, provided by applicable law.

### D(2) WARRANTY OF SERVICES

The SUPPLIER, as an expert in its business, warrants to CAMACO/AMVIAN that the SERVICES provided shall be:

- rendered in accordance with industry standards and all applicable laws and regulations; and,
- performed in a professional and workmanlike manner; and,
- in compliance with the AGREEMENT and otherwise consistent with all standards and specifications agreed to with CAMACO/AMVIAN; and
- free of any apparent or hidden defect.
- in compliance with contractual warranty given by CAMACO/AMVIAN to its CUSTOMER

The warranty shall be for a term of, at least, thirty-six (36) months starting with the date of acceptance of the SERVICES by CAMACO/AMVIAN in accordance with the provisions of GPC.

Notwithstanding the foregoing, the SERVICES shall be subject to all warranties, express or implied, provided by applicable law.

### D(3) BREACH OF WARRANTY

In the event the PRODUCTS and/or SERVICES do not conform to the foregoing warranty, CAMACO/AMVIAN may reject, in whole or in part, such PRODUCTS and/or SERVICES and SUPPLIER undertakes to immediately, at CAMACO/AMVIAN's discretion, either repair or replace the PRODUCTS or correct or again perform the SERVICE and reimburse all the costs generated by such a non-conformity, as soon as possible, without any cost and delivery time impacts to CAMACO/AMVIAN and without prejudice to CAMACO/AMVIAN's right to terminate the CONTRACT or to any potential claim for damages.

In the event that PRODUCTS shall be rejected by CAMACO/AMVIAN, such PRODUCTS will be held by CAMACO/AMVIAN for disposal in accordance with SUPPLIER's instructions. SUPPLIER's failure to provide written instructions within five (5) days, or a shorter period as may be commercially reasonable under the circumstances, after notice of non-conformity, shall entitle CAMACO/AMVIAN to dispose of the PRODUCTS, without liability to SUPPLIER, and to charge the costs of destruction to SUPPLIER.

Approval by CAMACO/AMVIAN of any design, drawing, material, process or specifications will not relieve the SUPPLIER of the foregoing warranties.

### E. COSTS

In the event the PRODUCTS and/or SERVICES do not conform to the foregoing warranty and/or the SUPPLIER is in breach of the AGREEMENT and/or CONTRACT, CAMACO/AMVIAN may, without prejudice to CAMACO/AMVIAN's right to claim for damages, charge the SUPPLIER with, and the SUPPLIER undertakes to bear, all and any repair or replacement costs including but not limited to:

#### • The administrative costs:

The basic administrative costs are fixed at a lump sum per complaint (one complaint per event see amount in Appendix 2), this amount covers the costs of supervision and analysis of non-conformity.

A multiplication factor between 2 to 10 of this lump sum may be applied, with prior written notice by CAMACO/AMVIAN, in case of repetitive defects, as follows: x2 for 1<sup>st</sup> reoccurrence & pf4; x4 for 2<sup>nd</sup> reoccurrence in < 3 months, ...x10 for safety

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- The operating costs of protective measures taken by CAMACO/AMVIAN:  
The “per hour COST” (see Appendix 2) if CAMACO/AMVIAN 's personnel carry out additional temporary incoming inspection, sorting, destruction or reworking activities. Any hour started shall be charged as a full hour.
- The costs incurred in the downstream operation stage:  
If the non conformity is detected during the manufacturing or processing stage, CAMACO/AMVIAN at its sole discretion shall charge SUPPLIER with, and SUPPLIER undertakes to bear, all and any costs and/or expenses incurred by CAMACO/AMVIAN in relation to and/or in connection with such non conformity, such as, but not limited to the costs for:
  - substitute deliveries,
  - rejects of completed and/or semi-finished PRODUCTS,
  - machine downtime (costs incurred as a consequence of),
  - staff costs associated therewith,
  - transportation costs,
  - packaging and handling costs.
- Third party claims and costs and other additional costs, such as, but not limited to:
  - Claims charged to CAMACO/AMVIAN by the CUSTOMER.
  - Costs of an expert(s), where such expert was employed, in particular to determine defects or to determine which possibilities exist to remedy such defects.
  - Damages to CAMACO/AMVIAN property or to property of CUSTOMER.
  - Logistic costs (transportations, repackaging, trip to CUSTOMER, travels,)
  - Cost of any tests and/or controls relating to any renewed or replaced PRODUCT.

CAMACO/AMVIAN undertakes to make available to the SUPPLIER the documentary evidence of such costs.

CAMACO/AMVIAN reserves the right to set off its payment obligations against any amount which might be owed to it by the SUPPLIER, on any grounds and of any nature whatsoever, including amounts corresponding to penalties and quality claims.

### F. MODIFICATIONS

The SUPPLIER shall not be entitled to make modifications of the PRODUCTS or SERVICES, including but not limited to process, technical data or specifications, material, quality criteria, testing methods, testing facilities, dates, supply quantities or relocation of production without written acceptance of CAMACO/AMVIAN and validation of initial sampling in accordance with the APQP procedure.

### G. AUDIT

To ensure a constant high level of quality, the SUPPLIER undertakes to give CAMACO/AMVIAN or a third party designated by CAMACO/AMVIAN, at any time during business hours, access to the production process, quality inspections and documentation. CAMACO/AMVIAN is entitled to establish, through an audit, if the SUPPLIER's quality assurance measures guarantee CAMACO/AMVIAN requirements. The audit can be executed as a system, process or PRODUCTS audit or any other form. If required the audit will be extended to the appropriate SUBSUPPLIERS.

### H. MISCELLANEOUS

#### H(1) VALIDITY

The present AGREEMENT shall become effective on the day when it is executed by the PARTIES and will be valid for an undetermined period. The Appendixes attached to the present document are subject to modifications and regular updates available on the Global Purchasing System (hereinafter “GPS”), which shall become an integral part of this AGREEMENT. The SUPPLIER undertakes to consult regularly GPS and take all necessary measures in order to comply with all new provisions inserted in these documents.

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### H(2) TERMINATION

Either PARTY shall have the right to terminate this AGREEMENT upon no less than three (3) months' prior notice in writing to the other PARTY. Such written notice may take any form with proof of receipt. Such termination shall be effective at the end of the notice period.

Nevertheless, such termination shall only have an effect for future CONTRACTS and therefore will not disengage the PARTIES from their rights and obligations resulting from the present AGREEMENT, which shall remain in full force and effect for all the validity period of CONTRACTS already executed by the PARTIES.

### H(3) SUBCONTRACTING, ASSIGNMENT

The SUPPLIER shall not subcontract all or any part of its obligations under this AGREEMENT without the prior written consent of CAMACO/AMVIAN. Notwithstanding any such consent given by CAMACO/AMVIAN, the SUPPLIER shall be solely liable for the complete performance of the AGREEMENT in accordance with its terms, including warranties and claims, and shall guarantee that its SUBCONTRACTORS comply with the AGREEMENT.

The SUPPLIER shall not assign the AGREEMENT for any reason whatsoever without CAMACO/AMVIAN's prior written consent.

### H(4) SEVERABILITY

Should any term of the AGREEMENT be, for any reason whatsoever, invalid or unenforceable, the remaining provisions shall not be affected by such invalid or unenforceable provision. The PARTIES undertake to renegotiate such invalid or unenforceable term in order to restate a provision as nearly as possible to the original intention of the PARTIES and in accordance with applicable law.

### H(5) BENEFIT

The SUPPLIER expressly acknowledges and agrees that (i) the provisions of the present AGREEMENT shall benefit to any CAMACO/AMVIAN AFFILIATED COMPANY having a CONTRACT with the SUPPLIER and (ii) that the provisions of this AGREEMENT may be enforced by any CAMACO/AMVIAN AFFILIATED COMPANY as described in (i).

### H(6) NON-WAIVER

The fact that one of the PARTIES does not apply, at any time, any of the provisions of the AGREEMENT or does not request the application thereof by the other PARTY shall not be considered as constituting a waiver of any such provision or of any other provision, or affecting the validity of the AGREEMENT, or the right of each PARTY to subsequently claim the application of such provision or of the AGREEMENT itself.

### H(7) JURISDICTION AND APPLICABLE LAW

This AGREEMENT shall be subject to and interpreted in accordance with the internal law applicable in the jurisdiction of the registered office of CAMACO/AMVIAN without regard to rules of conflicts of law. Nevertheless, in the event that the CONTRACT is signed with a CAMACO/AMVIAN AFFILIATED COMPANY, this AGREEMENT shall be subject to and interpreted in accordance with the law applicable to the said CONTRACT without regard to rules of conflicts of law.

The courts sitting in the jurisdiction of CAMACO/AMVIAN's registered office shall have exclusive jurisdiction over all proceedings and controversies arising in connection with the AGREEMENT, even in the event of joinder or multiple defendant(s), but save for emergency or summary proceedings or for any ex parte motions. Nothing in this paragraph shall limit the right of CAMACO/AMVIAN or any of its AFFILIATED COMPANIES to bring proceedings in any other courts of competent jurisdiction in more than one jurisdiction (whether concurrently or not) to the extent permitted by applicable law.

## Supplier Partnership

The present document shall be returned to us, executed in two (2) original copies written in English.

For CAMACO/AMVIAN  
Geiselhoring

\_\_\_\_\_  
i. V.  
Supplier Quality Manager

\_\_\_\_\_  
SPMBuyer

For the SUPPLIER:

\_\_\_\_\_  
Place  
Date

\_\_\_\_\_  
Place  
Date

### Appendix 1:

#### SUPPLIER'S AFFILIATES

<u>Entity</u>	<u>Address</u>

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### Appendix 2. Repair and Replacement Costs: Costs of Defects and/or Non-Quality

Event/ cost type	Unit cost Standard	Remark/Specific agreement (per Program/Plant)		
	PLANT/Program:	CAMACO/AMVIAN AFFILIATE		
<b>Administrative costs</b>	As determined by CAMACO/AMVIAN Affiliate specifically based on local policies and internal costs (one complaint per event <sup>1</sup> )			
<b>Operating costs of protective measures; sorting, destruction of parts</b>	Hourly rate as determined by CAMACO/AMVIAN Affiliate and applicable to local labor rates			
<b>Costs incurred in the downstream operation stage or Third Party claims</b>	Hourly rate as determined by CAMACO/AMVIAN Affiliate and applicable to local labor rates			
<b>rejects of completed and/or semi-finished products</b>	Real costs			
<b>Retrofit of sub-assemblies or vehicle</b>				
<b>machine downtime</b>	@ standard machine rate			
<b>staff costs associated</b>	Hourly rate as determined by CAMACO/AMVIAN Affiliate and applicable to local labor rates			
<b>lost production time</b>	Based on direct+ indirect labour of the stopped line			

<sup>1</sup> "per event" may be replaced by "per event in a given time period (day or week) in case of part specific repetitive issues, under condition of a specific definition agreed between the Parties.



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<b>transportation costs</b>	BASED ON REAL COSTS + 10% handling charge		
<b>(re) packaging &amp; handling costs</b>	55 Euro / hour if internal BASED ON REAL COSTS IF EXTERNAL		
<b>travels and extra- trip to customer</b>	BASED ON REAL COSTS + 10% handling charge		
<b>Claims charged by the customer</b>	BASED ON REAL COSTS + 10% handling charge		
<b>Costs of an expert<sup>2</sup></b>	BASED ON REAL COSTS + 10% handling charge	10charge	

Further agreements between the parties:

No multiplication factor for repetitive incidents

Incidents in a given time period will be combined in one event

Following is(are) 24h contact number(s) from the supplier:

:

\_\_\_\_\_  
Name(s) (Function)

\_\_\_\_\_  
24h Contact Number(s)

Each change will be submitted to all delivery sites and commodity contact at CAMACO/AMVIAN.

For CAMACO/AMVIAN  
Geiselhoring

\_\_\_\_\_  
i. V.  
Supplier Quality Manager

\_\_\_\_\_  
SPM Buyer  
For the

SUPPLIER:

\_\_\_\_\_  
Place  
Date  
Title  
Name

\_\_\_\_\_  
Place  
Date  
Title  
Name

<sup>2</sup> Providing that the Supplier has been formally informed about his nomination.

### [Appendix 3: Supplier Requirements Manual](#)

#### Contents

- Introduction
- Scope
- **Supplier Quality system requirements**
- **Panel** Management
- **Development** phase; Quality Requirements in Programs; APQP
- **Serie Production Phase** (Performance Measurement, 8D problem solving, Cost recovery, Changes/PCR)

#### Appendixes

- Glossary
- APQP part status report
- Launch Readiness checklist
- Process Trial Report; Mass Production Trial report
- PCR Change Request form
- Introduction to the 7 QUALITY BASICS; Work instructions ex.
- 8D forms and methodology