

**Agreement on Quality,
Occupational Health and Safety, Environmental Protection and
Social Responsibility
(Quality Assurance Agreement)
(as at 01/2011)**

between

Robert Bosch GmbH

Robert-Bosch-Platz 1, 70839 Gerlingen, Germany

also in the name of and on behalf of subsidiaries in which BOSCH directly or indirectly
has a majority stake, with the exception of subsidiaries domiciled in the NAFTA region

- hereinafter referred to as "BOSCH" -

and

>SUPPLIER<

[Address]

also in the name of and on behalf of subsidiaries in which the SUPPLIER directly or indirectly
has a majority stake

>List (as Appendix) or Addresses of the companies <

- hereinafter referred to as the "SUPPLIER" -

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Preamble

This Agreement forms part of the supply agreement with BOSCH and is binding for business relationships between the SUPPLIER and the companies of the Bosch Group (all companies in which BOSCH directly or indirectly has a majority stake, with the exception of companies domiciled in the NAFTA region). This Agreement replaces the Bosch Quality Assurance Guideline for suppliers previously agreed between Robert Bosch GmbH and the SUPPLIER (QSL 06/2004: mandatory agreements) and in the event of contradiction takes precedence over any individual quality assurance agreements.

The subject of the Agreement are all products or services supplied by the SUPPLIER.

1 Supplier Management Systems

THE SUPPLIER shall undertake to maintain a certified management system which satisfies ISO 9001 as a minimum.

If the SUPPLIER supplies products to be incorporated into BOSCH automotive products, it shall additionally undertake to maintain a certified management system in accordance with ISO/TS 16949. If the supplier does not maintain a certified management system in accordance with ISO/TS 16949, it shall undertake to further develop its system in this regard. If the SUPPLIER cannot obtain ISO/TS 16949 certification due to the nature of its business operation (e.g. fables companies; trading companies), it shall undertake to maintain a certified management system in accordance with ISO 9001.

The observance of sector-specific and material field-specific requirements must additionally be demonstrated.

Where the SUPPLIER is also the manufacturer, it shall undertake to introduce/further develop an environmental management system (EMS) in accordance with ISO 14001 or a comparable environmental management system.

As objective evidence of the corresponding management systems, the supplier shall send BOSCH unsolicited copies of the applicable available certificates.

Should the reissuing of a certificate be delayed, the SUPPLIER shall notify BOSCH before the current certificate expires, indicating the recertification date. The SUPPLIER shall then send to BOSCH unsolicited the confirmation from the certification authority of the successful recertification.

If the valid certificates or binding schedules for obtaining the corresponding certificates have not been presented, BOSCH is entitled, after unsuccessful warning, to the exceptional termination with immediate effect of existing supply agreements. In the event of such a termination, the SUPPLIER shall have no right to any compensation from BOSCH.

The SUPPLIER shall notify BOSCH promptly in the event of the revocation of its certificates.

2 Management Systems of Subcontractors

With the goal of preventive quality assurance (fault avoidance, continuous improvement) across the entire supply chain, the SUPPLIER shall ensure that its subcontractors have introduced and maintained a quality system in accordance with ISO 9001.

If the SUPPLIER supplies products to be incorporated into BOSCH automotive products, it shall require of its subcontractors that they maintain a certified management system satisfying ISO 9001 as a minimum, and moreover that they further develop their system to meet the requirements of ISO/TS 16949.

The observance by the SUPPLIER of sector-specific and material field-specific requirements must additionally be demonstrated.

BOSCH can demand that the SUPPLIER prove that it satisfied itself of the effectiveness of the management systems of its subcontractors. The SUPPLIER shall be held responsible for faults of its subcontractors to the same degree as if the faults were its own.

3 Audit at SUPPLIER or Subcontractor

BOSCH acknowledges where the SUPPLIER maintains management systems up to date with the latest technological developments and is thus capable of independently carrying out problem analyses, the necessary quality assurance measures and even audits. Nevertheless, BOSCH reserves the right to carry out audits of the SUPPLIER and subcontractors itself.

Audits are always carried out after prior notification and consultation. If required, the SUPPLIER SHALL FACILITATE requests for an audit at short notice.

The SUPPLIER shall grant BOSCH and, if necessary, its customers, access to all plant areas, test departments, warehouses and adjoining areas as well as access to all quality-relevant documents. Necessary and reasonable restrictions on the part of the SUPPLIER to safeguard business secrets shall be accepted.

BOSCH shall inform the SUPPLIER of the result of these audits. If BOSCH is of the opinion that measures are required, the SUPPLIER is obliged to promptly draw up an action plan, implement it in a timely manner at its own cost, and notify BOSCH that it has done so.

If quality problems caused by a subcontractor arise, the SUPPLIER shall, if required, obtain an opportunity for BOSCH and, where necessary, its customers to carry out an audit of this subcontractor.

If the SUPPLIER or its subcontractor has sufficient grounds for an objection to BOSCH or its customers taking part in an audit, BOSCH shall be prepared to have the audit carried out at the SUPPLIER's cost by a neutral party that will represent the interests of BOSCH and/or its customers.

4 Information and Documentation

If it becomes apparent that agreements on, for example, quality features, schedules, delivered quantities or packaging requirements cannot be met, the SUPPLIER shall inform BOSCH immediately. The SUPPLIER shall also inform BOSCH immediately of any deviations identified after delivery. The SUPPLIER shall disclose all required data and facts in the interests of a speedy resolution.

The SUPPLIER is obliged to obtain the written approval of BOSCH **prior to**

- Changing the product or packaging
- Making any changes to the production methods, equipments, processes and materials (also at subcontractors)
- Changing subcontractors
- Making any changes to test methods/equipment
- Relocating or setting up of production sites
- Relocating or setting up of production equipments at the same site

and to provide the quality documentation agreed in this regard.

If the SUPPLIER introduces the abovementioned changes without the approval of BOSCH, BOSCH shall be entitled to the exceptional termination with immediate effect of existing supply

agreements. In the event of such a termination, the SUPPLIER shall have no right to any compensation from BOSCH.

The first three deliveries after SOP and after the abovementioned change measures must be identified in the shipping documents/packaging slips for each delivery address.

The SUPPLIER shall document all changes to the product and in the process chain in a product history and shall submit this to BOSCH upon request.

The archiving duration, beginning with the last delivery from serial production, of all contract-relevant and product-relevant documents and records shall be at least 15 years.

The documents and records must be archived and disposed of in such a manner that they are not accessible to third parties.

If the SUPPLIER is put on a special status (e.g. Controlled Shipping Level 2) by an automobile manufacturer, it must inform BOSCH immediately.

5 Agreements Regarding the Product History

5.1 Development, Planning, Release

If the order placed with the SUPPLIER includes development tasks, the contracting party will set out the requirements in writing, e.g. in the form of a requirements specification. The SUPPLIER undertakes to carry out project management in the planning phase of products, processes, and other cross-divisional tasks. The documentation shall be in the form of quality management plans and/or project management plans.

In the course of the contract review, the SUPPLIER shall check for feasibility all technical documentation such as specifications, drawings, parts lists, CAD data, packaging requirements, and norms (e.g. Bosch Norm N2580) upon receipt. The SUPPLIER shall promptly inform BOSCH of any defects, risks, and improvement possibilities thereby discovered.

During the development phase, the SUPPLIER shall apply suitable preventive quality planning methods, e.g. feasibility analysis, reliability studies, risk analysis and FMEA.

Performance of the FMEA is mandatory in the automotive sector and preferable in the non-automotive sector, with the process to be based on e.g. VDA Volume 4, AIAG (Automotive Core Tools of AIAG – FMEA Handbook).

The SUPPLIER shall take experiences from previous/similar projects (processes, process data, feasibility studies etc.) into account.

The SUPPLIER shall agree and document the manufacturing and test conditions for prototypes and preproduction parts with BOSCH. Preproduction parts must be manufactured under conditions close to those of series production.

The SUPPLIER will carry out process planning (work plans, test plans, operating supplies, tools, machines, etc.) for all features. For function and process-critical features, the SUPPLIER shall check the suitability of the production equipment based on statistical criteria and shall document the results.

The sampling is to be carried out in accordance with BOSCH-specific sampling requirements and is to be documented in an auditable fashion.

If the SUPPLIER recognizes that the agreements cannot be met, the purchasing department at BOSCH must be informed immediately. BOSCH shall make a decision about the further course of action if there are deviations from the specifications.

A series delivery may only be started once release from BOSCH has been obtained. The release does not free the supplier from its liability for defects.

BOSCH must be granted access to all documents in this Section 5.1 on request.

5.2 Production, Labeling of Products, Traceability

In the event of process disruptions and quality deviations, the SUPPLIER shall analyze the causes, introduce corrective measures, check their effectiveness and document the procedure.

If the SUPPLIER is unable to deliver any products according to the specifications, it must obtain a deviation approval from BOSCH before delivery.

The SUPPLIER is obliged to label products, parts and packaging in accordance with the agreements made with BOSCH. It must ensure that labeling of the packaged products is legible even during transportation and storage.

The SUPPLIER undertakes to ensure the FIFO principle and the traceability of the products it delivers. If a defect is identified, the containment of the faulty parts/products/batches and production data must be guaranteed within one working day.

Production and measuring and inspection equipment supplied by BOSCH, in particular equipment and facilities relating to the obtaining of deliveries, are to be labeled as Bosch property. The SUPPLIER is responsible for sound condition and proper functioning and shall arrange for maintenance and repair.

5.3 Delivery, Goods Received Inspection

The SUPPLIER shall deliver the products in a suitable means of transport in accordance with the Bosch delivery and packaging specifications in order to avoid damage and quality impairments (e.g. contamination, corrosion, chemical reactions).

The goods received inspection at BOSCH is limited solely to transport damage that can be identified externally and to determining whether the quantity and the identity of the products ordered correspond to shipping documents. Any defects identified shall be reported immediately.

Defects not detected in this way shall be notified to the SUPPLIER promptly as soon as they are discovered according to the circumstances of the normal course of business. As such, the SUPPLIER shall waive the right to object in this regard about the notice of defects being late.

The SUPPLIER must adapt its quality system and its quality assurance measures to this reduced goods received inspection.

5.4 Complaints, Solving Problems, 8D Report

If defects are signaled to the SUPPLIER by BOSCH, the SUPPLIER shall promptly carry out a fault analysis, for which BOSCH will provide support if required and insofar as possible.

The SUPPLIER shall take back products that are subject to a complaint in the agreed scope.

Complaints must always be processed in accordance with the 8D method. Here, the 1-2-14-60 rules and other BOSCH agreements affecting the processing time must be observed. At BOSCH's request, the SUPPLIER must furnish proof of the performance of the cause analysis with the 5-Why and Ishikawa method as well as additionally carrying out a process analysis or a process audit.

Always in the automotive sector and preferably in the non-automotive sector, the SUPPLIER shall process all 8D reports using the supplier portal from SupplyOn.

The use of procurement sources stipulated by BOSCH or negotiated via a BOSCH contract does not free the SUPPLIER from the responsibility to ensure the quality of the procured products. Complaints shall be promptly made by the SUPPLIER directly to the subcontractor. On request, the SUPPLIER shall notify BOSCH about the respective current status of the complaint processing.

5.5 Continuous Improvement Process (CIP)

The SUPPLIER undertakes to maintain a Continuous Improvement Process and to include all relevant associates in it. Quality-relevant information must be visualized and short control loops installed.

5.6 Requalification Inspection, Process Capabilities

Unless otherwise specified, the products delivered to BOSCH must annually undergo a requalification inspection, in which all measurements, functional features and the material are inspected to check that they meet their requirements.

In the framework of its production processes, the SUPPLIER undertakes to ensure continuous process capability through application of statistical process control (SPC). In this regard, the use of QS-Stat for data collection and monitoring is recommended. If QS-Stat is not available, the SUPPLIER must provide BOSCH on request with the statistical data in AQDEF format.

In both cases, BOSCH must be granted access to the results on request.

6 Quality Targets

As BOSCH is with its customers, the SUPPLIER shall be committed to the zero defect goal in relation to BOSCH and shall communicate it both internally and to its subcontractors.

Insofar as a fault-free delivery is not ensured, the SUPPLIER shall agree to interim goals (temporary upper limits for fault rates) with BOSCH. The SUPPLIER shall introduce measures for continuous improvement and attainment of the zero defect goal.

Interim goals, defined as upper limits, can be specified via a ppm-/PLKZ agreement.

Staying below agreed upper limits frees the supplier neither from its obligation to process all complaints nor from liability for all defective deliveries. If the agreed upper limits are exceeded, the supplier shall swiftly introduce effective improvement measures at its own cost and keep BOSCH regularly informed about the progress of the measures.

The SUPPLIER's liability for all defective deliveries remains unaffected by agreed upper limits.

Quality discussions with topics such as preventive quality assurance, evaluation of the exchanged quality-related data, discussions of faults, discussion of current topics etc. shall take place at the request of a contracting party. If a matter is escalated, the SUPPLIER shall be obliged to take part in meetings at management level.

7 Environmental Protection, Occupational Health and Safety and Social Responsibility

The SUPPLIER undertakes to comply with the applicable statutory regulations relating to environmental protection and occupational health and safety and to keep to a minimum the effects on people and environment by means of a suitable environmental protection management and company environmental protection measures. For every delivery, the BOSCH norm N2580 "Prohibition and Declaration of Substances" and its division-specific amendments must be observed.

In accordance with the BOSCH conditions of purchase, the SUPPLIER shall observe the principles of the UN Global Compact Initiative.

8 Agreement Term, Termination

This Agreement has no fixed term. It can be terminated by giving six months' notice in writing to the end of the year. This shall not affect any agreements made under this quality assurance agreement, i.e. the stipulations of the quality assurance agreement shall continue to apply for such agreements until they expire.

This shall not affect the right to terminate the Agreement for important reasons.

If significant provisions of this Agreement are violated by the SUPPLIER, BOSCH is entitled, after unsuccessful warning, to the exceptional termination with immediate effect of existing supply agreements. In the event of such a termination, the SUPPLIER shall have no right to any compensation from BOSCH.

9 Final Provisions

Changes or additions to this Agreement, including this Section 9, must be in writing.

Should any of the provisions of this Agreement be partially or wholly invalid, this shall not affect the validity of the other provisions; in this case, the partners shall agree a valid provision that most closely approximates the economic intention of the invalid provision. The same applies to any omissions.

This Agreement is subject to German law to the exclusion of conflicts of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG). If all parties in a dispute have their headquarters in Germany, the sole place of jurisdiction for any contract dispute is Stuttgart. For processes in front of district courts, Stuttgart District Court (70190 Stuttgart) is the responsible court in this case. In all other cases, contract disputes shall be settled definitively in accordance with the Rules of Arbitration of the International Chambers of Commerce by one or several arbitrators appointed in accordance with this ordinance. The place of arbitration is Zurich, Switzerland, unless the parties in dispute agree a different location. The language for the arbitral proceedings is English. The parties in dispute shall handle all information that they receive in respect of arbitral proceedings in accordance with this provision with the utmost confidence, including the existence of arbitral proceedings. In a court and/or arbitral proceeding, they shall only disclose such information as is required to exercise their rights. The chairman or arbitrator must be a different nationality to the parties in dispute. The parties in dispute shall continue to meet the agreements affected by the dispute subject to a different decision by the arbitral court.

Place: Date:

Place: Date:

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Robert Bosch GmbH

SUPPLIER

Company Stamp