

Supplier Quality Standards

(Requirements of Eagle Simrax BV in addition to ISO9001:2015)

Document : DOC-000310
Version : 10
Date : 16-02-2024

This document may not be copied or used by or provided by any person or entity who is not a supplier within the supply chain of Eagle Simrax BV Protected by copyright. All rights reserved by Eagle Simrax BV.

Introduction

The suppliers of Eagle Simrax BV are forming an integral part of our chain of processes. The resulting demands made on the suppliers' quality management system serve as a basis for cooperation between Eagle Simrax BV and its suppliers and they provide the basic technical and organizational conditions and processes between Eagle Simrax BV and its suppliers, which are required for the attainment of shared objectives. They are forming part of the quality policy and anchored in the overall strategy of Eagle Simrax BV.

Special attention is paid, in this context, to the unconditional fulfilment of the customers' expectations as well as to the consistent pursuit of the zero-defect objective, coupled with a flawless quality of supplies. They specify the minimum demands made on the suppliers' management system in terms of quality assurance.

This "Supplier Quality Standards" is an addition to our GENERAL TERMS AND CONDITIONS OF PURCHASE, version 10/2020, paragraph 10.2, registered at the Chamber of Commerce at Maastricht under file number 14023536.

Producing suppliers and service providers undertake herewith to use on a permanent basis a certified quality management system as per DIN EN ISO 9001:2015 or its current revision status, or a system meeting at least all the requirements included in this standard.

This "Supplier Quality Standards" describes the minimum requirements Eagle Simrax BV demands in addition to the requirements as defined in DIN EN ISO 9001:2015. These additional Eagle Simrax BV requirements have been added to the standard elements of DIN EN ISO 9001:2015, chapters 1 to 10. It is the first step towards the certified automotive quality management system. The supplier's clear-cut development objective shall be IATF 16949:2016 as well as DIN EN ISO 14001:2015 (environmental management system) standards.

If you are already certified according to IATF 16949:2016 and ISO 14001:2015 you already meet all additional requirements of Eagle Simrax BV and you can disregard this "Supplier Quality Standards".

Any modifications affecting the certification status as well as special status notifications (as per IATF 16949:2016) shall have to be reported to Eagle Simrax BV without being requested to do so.

Any other contractual agreements shall remain unaffected by this "Supplier Quality Standards".

Summary of ISO9001:2015 Sections 1 through 10 with additional Eagle Simrax BV requirements

*Denotes Eagle simrax additional requirements

Introduction	2
1 Scope.....	5
2 Normative references	5
3 Terms and definitions*	5
4 Context of the organization.....	5
4.2 Understanding the needs and expectations on interested parties*	5
5 Leadership.....	6
6 Planning	7
6.1.2*	7
6.2.1*	8
7 Support	8
7.1.5.1 General*	8
7.2 Competence*	9
7.4 Communication*	9
7.5.1 General*	10
7.5.3.2*	10
8 Operation.....	10
8.2.3.1*	11
8.3.2 Design and development planning*	11
8.3.3 Design and development inputs*	12
8.3.4 Design and development controls*	12
8.3.5 Design and development outputs*	13
8.3.6 Design and development changes*	14
8.4.2 Type and extent of control*	14
8.5.1 Control of production and service provision*	15
8.5.2 Identification and traceability*	15

8.5.3 Property belonging to customers or external providers*	16
8.5.4 Preservation*	16
8.6 Release of products and services*	17
8.7.1*	18
9 Performance evaluation	19
9.1.1 General*	19
9.1.2 Customer satisfaction*	19
10 Improvement	20
10.2.1*	20
10.2.2*	20

The present “Supplier Quality Standards” governs the quality requirements for all the services rendered and/or products supplied for Eagle Simrax BV. The points listed below impose no restrictions on relevant regulations such as ISO 9001, ISO 14001 and IATF 16949 in each version respectively applicable.

1 Scope

No additional regulation.

2 Normative references

No additional regulation.

3 Terms and definitions

In addition to the defined fundamentals and vocabulary as defined in ISO9001:2015, the abbreviations below are applicable:

APQP	Advanced Product Quality Planning
CSL	Controlled Shipping Level
DOE	Design of Experiments
EMPB	Initial Sample Test Report
FMEA	Failure Mode and Effects Analysis
IMDS	International Material Data System
CIP	Continuous Improvement Process
MSA	Measurement System Analysis
PPAP	Production Parts Approval Process
PPF	Production Process- and Product Approval
PPM	Parts Per Million
AQPM	Advanced Quality Planning Methods
SPC	Statistical Process Control
TS	Technical Specification
VDA	Automotive Industry Association

4 Context of the organization

4.1 Understanding the organization and its context

No additional regulation.

4.2 Understanding the needs and expectations on interested parties

Area of application: The “Supplier Quality Standards” shall apply to all procurement processes for producing suppliers (like raw materials, components, packaging) and service providers (like logistics, sorting, calibration,) as well as services for Eagle Simrax BV being closely associated with manufacturing processes. They shall supplement current purchasing conditions and form part of each sales agreement respectively involved as well as of any type of order. Any parts and substances purchased and used for the subject matter of the contract in the supplier's production process shall have to comply with any legal provisions respectively valid in the country of production and the country of performance of the contract.

Terms of purchase: The terms of purchase valid on the date of order shall apply to all procurement processes in accordance with the area of application involved. The supplier shall recognize these terms to be binding on acceptance of the order. Any regulations diverging from these terms shall be binding on Eagle Simrax BV only if they have been acknowledged by Eagle Simrax BV in writing.

Patent rights or other industrial property rights: Should an invention arise from a joint development for which patent or industrial property rights can be applied for, Eagle Simrax BV shall have to be informed accordingly and without delay. Eagle Simrax BV shall then be granted sole patent / industry property rights.

Secrecy: The contractual parties undertake to treat any in-house information confidentially. A separate secrecy agreement may also be concluded between the contracting parties, if necessary.

4.3 Determining the scope of the quality management system

No additional regulation.

4.4 Quality management system and its processes

4.4.1

No additional regulation.

4.4.2

No additional regulation.

5 Leadership

5.1 Leadership and commitment

5.1.1 General

No additional regulation.

5.1.2 Customer focus

No additional regulation.

5.2 Policy

5.2.1 Establishing the quality policy

No additional regulation.

5.2.2 Communicating the quality policy

No additional regulation.

5.3 Organizational roles, responsibilities and authorities

No additional regulation.

6 Planning

6.1 Actions to address risks and opportunities

No additional regulation.

6.1.1

No additional regulation.

6.1.2

Emergency management: Any failures and events having an impact on product quality, delivery deadlines, quantities supplied, etc., shall have to be reported immediately to the services requiring the products within Eagle Simrax BV. A copy of the notification shall have to be addressed to Eagle Simrax BV Purchasing Department. An immediate action plan including a risk assessment and a guarantee of supply for the parts involved shall have to be attached to the notification of trouble within 24 hours. The supplier shall appoint a single qualified contact person remaining at the Eagle Simrax BV Purchasing Department's disposal at any time, if necessary, depending on the gravity of the case involved. The supplier's management shall have to take part in such operations. In particularly serious cases (e.g. failures sustained by Eagle Simrax BV clients on the spot), special problem-solving techniques shall have to be implemented at Eagle Simrax BV's request, while involving an external service provider, if necessary. Any expenses incurred to do so shall be borne by the supplier. Eagle Simrax BV reserves the right to apply unrestrictedly special status rankings to the supplier (e.g. supplier ban for new line of business, controlled shipping, etc.) in accordance with the principle of causation. They may include, for example:

Special status	Description	Prerequisites
Controlled Shipping Level 1 (CSL-1)	The CSL-1 status triggered by Eagle Simrax BV obligates the supplier to perform regular testing and checking processes, to implement an additional inspection, checking and sorting process immediately for a specific and/or specified non-conformity and/or deviation, together with a detailed trouble-shooting analysis at the supplier's premises. The CSL-1 process shall be carried out by supplier's staff specially trained for such operations.	<ul style="list-style-type: none"> Recurring defects with safety-related risks in terms of installation and integration, function, etc. Inappropriate process and product check for preventing non-conformity Quality-related incidents on the spot (guarantee, customer satisfaction) Stoppage of production at Eagle Simrax BV, or at the final customer's premises
Controlled Shipping Level 2 (CSL-2)	The CSL-2 process includes an additional inspection, checking and sorting process conducted by third parties authorized by Eagle Simrax BV, while pursuing the CSL-1 process at the same time. Current measures assuming the form of process and/or product audits shall be examined in terms of efficiency by Eagle Simrax BV or a third party appointed by Eagle Simrax BV.	<ul style="list-style-type: none"> All CSL-1 Status prerequisites Recurring defects and/or failure of the CSL-1 Process

The supplier undertakes to implement each standard respectively involved to its full extent throughout the agreed period of time, and any expenses incurred by Eagle Simrax BV in this context shall be charged to the supplier.

6.2 Quality objectives and planning to achieve them

6.2.1

Zero defect: The supplier is committed to the zero-defect objective and must continuously enhance his services for this purpose. The continuous improvement process (CIP) shall be mandatory. The target quality values laid down by Eagle Simrax BV (e.g. PPM) shall apply as maximum values. Individual quality agreements may be reached between Eagle Simrax BV and the supplier involved within the limits of such maximum values. The supplier shall, however, not be released from the obligation to attain zero-defect objectives. The supplier undertakes to participate in quality-enhancing programs with technical departments of Eagle Simrax BV.

- The supplier's quality management system must be based on the prevention rather than the detection of defects.
- Risks and deviations must be identified at an early stage by means of defect-preventing and analysis methods (FMEA, SPC, DOE, etc.) and appropriate defect-preventing actions shall be launched immediately.

6.2.2

No additional regulation.

6.3 Planning of changes

No additional regulation.

7 Support

7.1 Resources

7.1.1 General

No additional regulation.

7.1.2 People

No additional regulation.

7.1.3 Infrastructure

No additional regulation.

7.1.4 Environment for the operation of processes

No additional regulation.

7.1.5 Monitoring and measuring resources

7.1.5.1 General

Responsibility for the use of appropriate measuring and testing devices (testing software included) shall rest with the supplier.

Calibration: The supplier shall have a documented process for managing calibration/verification records. Records of the calibration/verification activity for all gauges and measuring and test equipment needed to provide evidence of conformity to internal requirements, legislative and

regulatory requirements, and customer-defined requirements shall be retained. A calibration status shall have to be given for all measuring and testing appliances with the following markings:

- Identification of testing equipment
- Status of testing equipment
- Next inspection deadline

Provided measurement devices: Should any testing appliances be provided to the supplier by Eagle Simrax BV, they shall have to be integrated by the supplier into his own calibration and/or maintenance system.

Measurement system analysis: Statistical studies shall be conducted to analyze the variation present in the results of each type of inspection, measurement, and test equipment system identified in the control plan. The analytical methods and acceptance criteria used shall conform to those in reference manuals on measurement systems analysis ("AIAG MSA" or "VDA 5"). Records of customer acceptance of alternative methods shall be retained along with results from alternative measurement systems. Prioritization of MSA studies should focus on critical or special product or process characteristics.

7.1.5.2 Measurement traceability

No additional regulation.

7.1.6 Organizational knowledge

No additional regulation.

7.2 Competence

Training: The supplier's staff and employees shall have to be qualified for performing their respective tasks, and be given extra technical training, especially for each process respectively applied for manufacturing Eagle Simrax BV products, if necessary, so as to achieve a flawless product quality. This also applies to temporary staff and employees. A further training program, encompassing the management as well, shall have to be set up for this purpose. The organization shall provide on-the-job training for personnel in any new or modified responsibilities affecting conformity to quality requirements, internal requirements, regulatory or legislative requirements.

7.3 Awareness

No additional regulation.

7.4 Communication

Contract partners: The supplier's negotiating partners shall be Eagle Simrax BV Strategic Purchase for all contractual agreements. Any contacts with further technical departments shall be coordinated by the individual departments.

7.5 Documented information

7.5.1 General

Documents: The supplier shall manufacture, test and deliver in line with up-to-date documents. Any documents from Eagle Simrax BV and its customers shall have to be treated as business secrets. The transfer of documents to third parties is basically prohibited. Such a transfer shall require Eagle Simrax BV's written consent. The archiving period for documents exhibiting distinctive features shall be 15 years as from the end of series production at Eagle Simrax BV. The supplier shall have to grant Eagle Simrax BV permission to inspect such documents on request. The documents shall have to be destroyed at the end of the preservation period in such a way that their reconstruction will no longer be possible.

7.5.2 Creating and updating

No additional regulation.

7.5.3 Control of documented information

7.5.3.1

No additional regulation.

7.5.3.2

Record retention: Supplier shall define, document, and implement a record retention policy. The control of records shall satisfy statutory, regulatory, organizational, and customer requirements. Production part approvals, tooling records (including maintenance and ownership), product and process design records, purchase orders (if applicable), or contracts and amendments shall be retained for the length of time that the product is active for production and service requirements, plus one calendar year, unless otherwise specified by Eagle Simrax BV.

Engineering specifications: Eagle Simrax BV shall provide specifications / specifications for production / rendering services. Any faulty or missing documents liable to affect a flawless and/or punctual product manufacture or delivery and/or rendering of services shall have to be reported to Eagle Simrax BV without delay by the supplier, when checking his documents.

8 Operation

8.1 Operational planning and control

No additional regulation.

8.2 Requirements for products and services

8.2.1 Customer communication

No additional regulation.

8.2.2 Determining the requirements for products and services

No additional regulation.

8.2.3 Review of the requirements for products and services

8.2.3.1

Producibility assessments must provide evidence that a product can be manufactured under series conditions in accordance with the drawing and the specification. The producibility assessments shall be made on the supplier's responsibility and in agreement with the departments of Eagle Simrax BV in charge for new or modified products and specifications, production and process changes, or for sizeable volume increases. The tolerances stated shall, in particular, have to be observed from statistical points of view as well as the product function and stresses. A statement shall also be made as to whether the supplier's capacity makes it possible to supply the quantities planned, whether the time schedule can be adhered to, and whether the packaging selected can make it possible to safeguard the product quality during transit and storage. Suitable methods shall have to be implemented in this context like, for example:

- Design of Experiments (DOE)
- Failure Mode and Effect Analysis (FMEA)
- Processability Analysis (SPC)
- Check-list Producibility Assessment
- Run-at-rate Capacity Check

Any proposals from the supplier aimed at modifying and supplementing drawings and specifications in a sensible manner shall be implemented by Eagle Simrax BV - wherever possible - for the sake of continuous improvement.

8.2.3.2

No additional regulation.

8.2.4 Changes to requirements for products and services

No additional regulation.

8.3 Design and development of products and services

8.3.1 General

No additional regulation.

8.3.2 Design and development planning

Advanced quality planning process: Suitable advance quality planning methods (AQPMs) shall have to be implemented for preventing potential defects and for continuous improvement purposes. All individual processes ranging from development to series production shall have to be covered and documented. AQPMs shall be agreed upon between the Eagle Simrax BV departments in charge and the supplier involved. Progress shall have to be monitored at regular intervals. Should Eagle Simrax BV fail to participate in such advance planning operations, the supplier shall have to perform them on his own responsibility. A producibility assessment and/or an AQPM shall have to be made, if so requested by Eagle Simrax BV, within the framework of initial sampling operations. Any further details, in this context, are provided in the reference manual "Advanced Product Quality Planning and Control Plan" (APQP). The organization shall ensure that design and development planning includes all affected stakeholders within the

organization and, as appropriate, its supply chain. Development and review of product design risk analysis (FMEAs), including actions to reduce potential risks should be performed.

8.3.3 Design and development inputs

Special characteristics: Supplier shall document the special characteristics, as defined in Eagle Simrax's drawing / specification, in their risk analysis (such as FMEA), control plans, and standard work/operator instructions. Special characteristics have to be identified with specific markings and should be cascaded through each of these documents.

8.3.4 Design and development controls

Initial sampling: Operations for approval under series conditions shall have to be performed on the basis of the drawing and/or specification most recently valid and/or released by Eagle Simrax BV. Initial samples shall have to be entirely designed with series operating equipment under series conditions. Initial sampling shall have to be made in the following cases:

- New product
- Reiterated sampling
- Product design modifications
- Material/component modifications
- Product manufacturing process modifications
- Use of new tools and tool components
- Hiring of new sub-suppliers / wage-earning machining workmen Relocation of production sites
- Stoppage of production for more than one year
- After a halt of deliveries due to serious problems of quality

Any products presented for acceptance shall have to be taken from a representative production flow. The following rule shall apply to sampling operations:

- A) Samples of products for regularly recurring supplies (series supplies) shall have to be taken out of a minimum quantity of production of 300 units as well as a production flow ranging from one hour at least to three shifts.
- B) For samples involved in project-related small-scale production (e.g. single-piece production, small quantities, etc.), the initial sampling quantity shall have to concur with the quantity supplied from the first batch delivered. The supplier shall attempt to perform initial sampling operations within the framework of a run-at-rate production flow.

Eagle Simrax BV shall inspect the product to the extent required before series production is launched and give its approval to the supplier, while taking restrictions into consideration, if any. For production process and product approval, the machine capacity index and/or process capacity index shall have to be indicated for any characteristics agreed upon.

Presentation level according to PPAP or PPF: Unless otherwise agreed upon, initial sampling operations shall have to be performed by the supplier as per PPAP presentation level 3 and/or PPF presentation level 2. The supplier shall give an in-house approval of his own, regardless of the presentation level involved, and record the results obtained for all requirements. Eagle Simrax BV reserves the right to ask for presentation of the supplier's sampling documents, if necessary. PPAP and/or PPF records shall have to be marked as such and handed over to Eagle Simrax BV under separate cover. Initial sampling operations based on the PPAP procedure shall

be governed by the regulations stipulated in the latest version of the reference manual "Production Part Approval Process" (PPAP). The initial sample process based on the PPF procedure (Produktionsprozess- und Produktfreigabe) shall be governed by the regulations stipulated in the latest version of VDA, Volume 2 "Securing the Quality of Supplies". Eagle Simrax BV explicitly reserves the right, in special cases and in agreement with the supplier, to perform sampling activities at the supplier's premises as per presentation level 5.

Other samples: The terms and definitions used for the various types of samples are governed by the DIN 55 350 Standard, Part 15. Basically, any samples to be supplied to Eagle Simrax BV shall, here again, have to be conveyed as a separate delivery to the technical department of Eagle Simrax BV requiring the parts, while indicating their designation (e.g. test sample).

IMDS: The material data recording system is part of the sampling process. The supplier shall enter the data required in the IMDS (International Material Data System) database and place them at Eagle Simrax BV's disposal, free of charge. The supplier shall also have to present a concept for disposal and/or reuse, if so requested by the client.

8.3.5 Design and development outputs

Process flow: The supplier undertakes herewith to set up a process diagram in the form of a graphical description of the overall manufacturing process in which all working sequences, automatic enquiries and testing areas are marked and secured by pointing to potential problems in the FMEA and the inspection plan. Material markings and the material flow shall be designed in such a way that the processing of wrong materials or products is precluded.

FMEA: Eagle Simrax BV binds its suppliers to a systematic performance of FMEAs for products, so that defects in products and processes can be identified and prevented at an early stage. System FMEAs shall be updated continuously in terms of development and process changes as well as of product application. Any product features and process parameters, especially special features defined and agreed upon, being critically identified by system FMEAs, have to be entered and highlighted in the inspection plan as essential features by the supplier. Examples for the attainment of objectives supported by the use of system FMEAs are:

- Shorter development processes
- Series start-ups affected by less failures
- Economical production
- Functional safety enhancement
- Product reliability enhancement
- Reduced expenses incurred in guarantees and goodwill gestures enhanced in-house communication

Further details are given in the latest version of the VDA / AIAG FMEA handbook.

Control plan: Instructions for product and production process control operations, especially for special (critical and significant) features, must be specified in the production control plan as well as implemented and updated on a permanent basis. A production control plan shall have to be implemented by the supplier throughout the service lifetime of a product, and be maintained at state-of-the-art level, depending on the current requirements respectively involved, during the

phase of both pre-series and series production. This may also apply to the prototype phase, if special requirements are involved. Specifications as per IATF16949:2016 and reference manual "Advanced Product Quality Planning and Control Plan" (APQP) must be adhered to.

8.3.6 Design and development changes

Changes: Process changes and/or any other changes that affect the delivered product or service must be reported to Eagle Simrax at all times. Supplier must follow the advanced product quality planning (APQP) process or similar process. Any modification affecting manufacturing processes, materials, vendor parts for products, relocation of manufacturing facilities, changes in processes or devices used for product-testing purposes, or any other quality-securing measures shall have to be notified to Eagle Simrax BV in due course, before carrying out any tests, as well as approved by Eagle Simrax BV. Any modification to the product and in the chain of processes shall have to be recorded in a product life specification and dealt with in accordance with VDA Volume 2 "Securing the Quality of Supplies". The product life cycle shall have to be presented to Eagle Simrax BV on request. Basically, a production release and/or PPAP sampling process shall be carried out (PPAP presentation stage as per Chapter 8.3.4). The acceptance degree shall have to be agreed upon with the quality assurance department of the company involved.

8.4 Control of externally provided processes, products and services

8.4.1 General

No additional regulation.

8.4.2 Type and extent of control

Quality management system for sub-suppliers : The supplier shall bind his sub-suppliers to the compliance with the duties assumed by him as a result of the present contract.

The supplier shall bear full responsibility for securing the quality of sub-suppliers. When selecting sub suppliers, the supplier shall have to ensure the sub-supplier's quality potential in the form of a quality audit as per ISO9001:2015 or its current revision status. When placing sub-orders, the supplier is invited, wherever possible, to hire only sub-suppliers capable of giving evidence that they are duly certified by an approved certification company, or who are certified by the supplier as a second party. Eagle Simrax BV reserves the right to ask for evidence of the sub-supplier's quality management system. The characteristic qualification values demanded by Eagle Simrax BV, as specified under point 9.1.1 shall be binding upon the sub supplier. Only (sub-) suppliers approved and/or nominated by Eagle Simrax BV may be hired for procurement of customer-specific input materials and services.

Audit (at the supplier's premises): Basically, approved supplier is a term relating solely to the certified area of application of the certificate approved by Eagle Simrax BV and/or to the supplier's facility duly audited and approved by Eagle Simrax BV on the basis of the management certificate.

- A) Eagle Simrax BV shall be entitled to establish by means of an audit whether the supplier's quality-securing measures are in line with customer requirements. The audit may be performed as a system, process or product audit and must be agreed upon in due course, prior to the time of implementation planned. Appropriate restrictions on

the part of the supplier may be contractually agreed upon, if necessary, for guarding his trade secrets.

- B) The supplier undertakes to audit his sub-supplier at Eagle Simrax BV's request. Eagle Simrax BV reserves the right to carry out an audit at the sub-supplier's premises in agreement with the supplier. Eagle Simrax BV reserves the right to assert any resulting expenses.

8.4.3 Information for external providers

No additional regulation.

8.5 Production and service provision

8.5.1 Control of production and service provision

Tool, devices, spareparts: The procurement of new or modified tools, measuring appliances and devices shall be planned by the supplier in such a way that a punctual supply of specification-conform products to Eagle Simrax BV will be guaranteed. Tools and production appliances shall have to be maintained in a state of product manufacture complying with relevant specifications on the basis of an appropriate maintenance scheme. Should production equipment be placed at the supplier's disposal by Eagle Simrax BV, it shall have to be integrated by the supplier into his own production equipment monitoring and/or maintenance system. The supplier undertakes to continue to provide Eagle Simrax BV with the products ordered for production of spare parts for the customer of Eagle Simrax BV after series deliveries have been suspended. Unless otherwise stipulated by Eagle Simrax BV, such compulsory supplies shall remain valid for a period of 15 calendar years from the date of notification by Eagle Simrax BV that series production has been discontinued. The supplier undertakes to maintain all the tools, devices and other operating equipment required for flawless manufacture of the product over a period of 15 years and without any extra charges for Eagle Simrax BV in such a condition that it will ensure a resumption of production at short notice. Spare parts and replacement products must be manufactured by means of original tools.

Delivery: Deadlines must strictly be adhered to. Any planning information required for this purposes shall have to be coordinated with the Eagle Simrax BV services requiring the products. The cost for extra shipments shall have to be determined by the supplier and notified to Eagle Simrax BV accordingly.

Special manufacturing processes: The AIAG guidelines aimed at securing special manufacturing processes (CQI 9 - Heat Treatment Assessment, CQI 11- Plating System Assessment, CQI 12 - Coating System Assessment and CQI15 – Welding System Assessment) shall be adhered to by the supplier and the assessments shall have to be made at regular intervals within the framework of internal audits. The results of such audits shall be made accessible to Eagle Simrax BV on request.

8.5.2 Identification and traceability

Traceability and identification: Seamless traceability shall have to be ensured by the supplier with regard to the products supplied all along the chain of processes, input material included, within the framework of the basic cause analysis, especially for restricting stocks affected by

defects and deficiencies as well as those being in circulation and transit. The nature and the sorting process of such stocks shall have to be checked immediately and comprehensively by the supplier. Labelling operations for over-packages and individual packing's shall have to be performed by means of VDA goods tags 4902 Version 4 and/or labels for small plastic containers. The following minimum information for marking over-packages and individual packing's shall apply to suppliers using no VDA goods tags:

- Customer article number
- Customer revision status
- Article designation
- Filling quantity/quantity unit
- Supplier's name
- Batch number
- Optionally, date of production, shipment, or expiration

Any alternative materials, modifications or changes shall have to be clearly marked as such.

8.5.3 Property belonging to customers or external providers

Customer property: Any products and packaging's provided by Eagle Simrax BV shall have to be checked in terms of quantity, identity and visually discernable damage. Any faulty and/or damaged supplies shall have to be notified to Eagle Simrax BV in writing within 24 hours. The consumption of delivery items provided shall have to be indicated in the shipping documents relating to the delivery involved.

8.5.4 Preservation

Packaging: Any influence the packaging selected may exert on the quality of the product shall have to be examined. Packaging and transport tests shall be performed, if necessary, so as to secure a constant product quality.

Suitable packing method and cleanliness: The packaging concept shall have to be agreed upon with Eagle Simrax BV. Suitable packing materials preventing any damage to the products and complying with current safety and environmental protection regulations shall have to be used. This also applies to the appropriate means of transport to be selected. Finished products shall have to be delivered in clean condition permitting further processing operations on the part of Eagle Simrax BV without any additional actions / retouching work. Eagle Simrax BV also reserves the right to make further demands in terms of cleanliness for certain articles. Suppliers are requested to clarify the implementation of certain requirements established for cleanliness purposes. The same applies to packaging equipment, especially circulating containers (e.g. skeleton containers, small plastic containers, etc.).

8.5.5 Post-delivery activities

No additional regulation.

8.5.6 Control of changes

No additional regulation.

8.6 Release of products and services

Requalification: A requalification test has to be carried out by the supplier periodically, but at least once per year. Should such a requalification test reveal any deviation from the approved status, the results shall have to be notified to Eagle Simrax BV together with the current process capacity values. The results shall have to be recorded on the basis of the currently valid documents included in the initial sample test report.

Inspection certificates: Any manufacturing batch test certificates like, for example, an acceptance test certificate as per DIN EN 10204 3.1 shall have to be filed at the supplier's premises. It must be seen to it that acceptance test certificates can be called off within one working day and should be free of charge. Such test certificates may have to be attached, on request, to the documents accompanying the goods involved in the delivery respectively concerned.

Limiting samples define the quality of incommensurable properties by establishing a visual acceptance standard. Limiting samples must be manufactured on the basis of the approved series production process and be marked accordingly as limiting samples. Each modification status respectively involved and the serviceability of limiting samples shall have to be ensured by the supplier.

IMDS: All substances and categories of substances shall also have to be specified in the initial sample test report as per VDA 232-101 „List for Substances Subject to Mandatory Declaration", if they are present in the products, or if they can be released. With reference to the "End-of-Life-Vehicle" Directive of the European Union (EU), the supplier also undertakes to keep the IMDS database up-to-date with all substances and categories of substances.

Compliance with laws and regulations declaration: Supplier represents and warrants that in the manufacturing of goods and/or performing of services it will obey any and all applicable laws and regulations, in particular but not limited to such laws and regulations relative to machine safety, chemical and hazardous substances law, environmental protection, work place safety. Supplier shall in particular comply with restrictions of the use of certain hazardous substances, for example:

- ROHS (Directive 2002/95/EG: "Restriction of the use of certain hazardous substances in electrical and electronic equipment), and the respective transformation into national law in its actual version,
- ELV (Directive 2000/53/EG "End-of life Vehicles"), and the respective transformation into national law in its actual version.

Supplier acknowledges that any non-compliance with such laws and regulations, in particular any violation of restrictions of use of substances will result in a defect of the good delivered or insufficiency of the service performed and that Supplier shall indemnify and hold harmless Eagle Simrax BV from and against any claims, expenses, costs and damage incurred in connection with such non-compliance. Supplier acknowledges that Eagle Simrax BV is as a manufacturer of products a downstream user in means of REACH and Supplier warrants to comply with any and all obligations REACH imposes on Supplier, or which are necessary regarding REACH to sell, process or trade the sold products by Eagle Simrax BV within the EU, including without limitation:

- a) necessary pre-registration, registration or authorization of chemical substances or preparation.
- b) implementation of internal organizational measures to document REACH compliance.
- c) coverage of any use(s) of chemicals or preparations in the products (including in any packaging materials) specified by Eagle Simrax BV or any of Eagle Simrax BV's customers towards the Supplier within (a) and (b).
- d) information without delay whether a substance or preparation which has been pre-registered will not be finally registered or authorized within the respective transition period.
- e) no sale of any products containing prohibited Substances of Very High Concern (SVHC) ((a) to (e) together "Warranties").

8.7 Control of nonconforming outputs

8.7.1

Non-conforming parts: In the event of faulty supplies, immediate action shall have to be taken by the supplier to restrain the damage and to remedy the defect in a sustainable way (replacement deliveries, sorting and retouching operations). Reworked and/or sorted product supplies shall have to be approved in writing by the Eagle Simrax BV technical department in charge. The goods supplied shall have to be provided with special markings, the latter having to be clearly affixed to the goods delivered.

Conformity: The supplier shall ensure throughout the series production process that supplies to Eagle Simrax BV solely include products being fully in line with the specifications and any other technical documents as well as the function agreed upon for the product supplied. The supplier shall ensure full implementation and application of the tests agreed upon according to series control plans as well as any other test specifications and instructions. In the event of serious deviations, failures or risks, Eagle Simrax BV reserves the right to lay down binding testing scopes, in individual cases, for achieving the quality required, without entailing any further expenses for Eagle Simrax BV. This shall particularly apply if characteristic capability values (processibility) are not complied with and if failures, complaints and breakdowns are suffered by Eagle Simrax BV customers as a result of the product delivered by the supplier. Should it become apparent that agreements reached (e.g. with regard to quality features, deadlines, quantities delivered) cannot be adhered to, the supplier undertakes to inform Eagle Simrax BV immediately, while disclosing appropriate process-related facts and data accordingly. Any discrepancies between the actual condition and the nominal condition of the products (serious quality failures) shall have to be reported to Eagle Simrax BV within 24 hours along with a remedial action plan.

8.7.2

No additional regulation.

9 Performance evaluation

9.1 Monitoring, measurement, analysis and evaluation

9.1.1 General

Capability of special characteristics: Evidence shall have to be given in terms of processability for functional, special and critical characteristics throughout the time of production by means of appropriate processes (e.g. statistical process regulation, or manual control-card technology). Unless otherwise agreed upon, the following characteristic capability values shall apply:

Pre-series: Ppk >1,67

Series: Cpk >1,33

These special features shall be determined in the advance quality planning process for the function of the product and the quality of the processes. Special characteristics shall have to be marked as such in drawings, specifications, or standards, or agreed upon in separate attachments. Further details are provided in the reference manual "Statistical Process Control" (SPC) and in VDA Volume 1 records management. Should the processability demanded fail to be achieved and/or a random-sampling result reveal any faulty products, the quality shall have to be secured on the basis of appropriate testing methods. The production process shall have to be optimized accordingly, so as to achieve the capability required. The rigorousness of the tests shall have to be intensified as a result (full inspection, if necessary).

Incoming goods inspection: Eagle Simrax BV shall restrict its incoming-goods inspection to ascertaining the compliance of quantities and the identity of the contractual products on the basis of the data mentioned in the delivery note as well as to the identification of any obvious damage sustained by the packaging in transit. The supplier waives, in this respect, the defense of delayed complaint.

9.1.2 Customer satisfaction

Supplier rating: In general, Eagle Simrax BV reserves the right to assess and rate the supplier on the basis of the system-, product- and process-assessing methods formulated by Eagle Simrax BV. This rule shall apply regardless of the supplier's certification status. Eagle Simrax BV shall assess the performance of its suppliers at regular intervals on the basis of a process-oriented valuation system. Our supplier monitoring system is evaluating several key performance indicators in different categories. These key performance indicators will be established each year. The targets for the key performance indicators will be defined by Eagle Simrax BV on yearly basis and communicated to the supplier. The performance shall be assessed on the basis of classified rankings. Suppliers with and overall score outside our targets are obliged to present a catalogue of countermeasures to improve the current situation. Eagle Simrax BV reserves the right to decide not to nominate supplier for new projects in case supplier performance does not match our targets. If the countermeasures do not show effect within a given period of time, Eagle Simrax BV will work out an escalation graduated scheme with the supplier.

Supplier development: Eagle Simrax BV reserves the right to implement suitable measures on the spot with the supplier's assistance in the course of its supplier development operations. All suppliers are encouraged to implement further improvements programs in order to reach a "zero defect" level

9.1.3 Analysis and evaluation

No additional regulation.

9.2 Internal audit

9.2.1

No additional regulation.

9.2.2

No additional regulation.

9.3 Management review

9.3.1 General

No additional regulation.

9.3.2 Management review inputs

No additional regulation.

9.3.3 Management review outputs

No additional regulation.

10 Improvement

10.1 General

No additional regulation.

10.2 Nonconformity and corrective action

10.2.1

8D process: In the event of process failures and quality deviations, the reasons shall have to be analyzed, remedial actions initiated without delay and their efficiency checked accordingly. Explicit problem-solving techniques, liable to be reconstructed by Eagle Simrax BV, shall be implemented. A report, based on 8D systematics, shall apply as a minimum requirement. Eagle Simrax BV shall have to be informed immediately about any deviations identified at a later stage, too. Eagle Simrax BV reserves the right to have all costs incurred in conjunction with a complaint passed on to the supplier. Any deficiencies observed in a delivery shall be notified immediately by Eagle Simrax BV to the supplier in an appropriate course of business. Any defective parts shall be placed at the supplier's disposal on request.

10.2.2

Warranty and product liability: The regulations governing warranty and product liability are specified in the terms of purchase. Any warranty agreements exceeding the scope of the said terms of purchase may also be concluded by Eagle Simrax BV. The supplier has to ensure that his products are strictly in line with the quality requirements mentioned in the product specifications. He shall provide this guarantee at least for the period of time legally applicable in the recipient country. Such a period of time cannot be reduced by means of contractual agreements. The supplier undertakes to take out a product liability insurance within the

framework of his risk management. Supplier further acknowledges that any breach of the Warranties is assumed as resulting in a defect of the respective substance, preparation or other product and Supplier will hold Eagle Simrax BV harmless against, and shall indemnify and hold harmless Eagle Simrax BV from and against and will support at Suppliers expense any respective proceedings regarding any and all claims, liabilities, expenses and damages caused by the Supplier as a result of its breach of the aforesaid Warranties.

10.3 Continual improvement

No additional regulation.