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| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

Quality Assurance Agreement

between

ACPS Automotive GmbH, Bertha-Benz-Straße 2, 74379 Ingersheim, Germany

- hereinafter referred to as “**ACPS Automotive**” -

and

#, [Address]

- hereinafter referred to as the “**SUPPLIER**” -

- hereinafter also referred to jointly as the “**Parties**” -

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|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

Preamble

This Quality Assurance Agreement (hereinafter referred to as the “**QAA**”) is the contractual definition of the technical and organisational framework conditions and processes between ACPS Automotive and the SUPPLIER which are required to achieve the pursued quality target.

This QAA shall govern the quality requirements for all the development services and/or contractual products which shall be rendered and/or delivered to ACPS Automotive during the term of this QAA. It describes the minimum requirements for the SUPPLIER’s quality management system with respect to the special quality assurance. In particular, this QAA stipulates the special requirements for the production process and the product approval procedure, as well as characteristics that are of relevance in a safety context and dynamic stress characteristics (SC characteristics). In addition to this QAA, further project-specific agreements may be entered into to assure the quality of individual parts.

ACPS Automotive regards its SUPPLIER as a partner. The aim is to work together to avoid any quality problems, to ensure smooth processes between the SUPPLIER and ACPS Automotive and to avoid quality-related costs. The objective is to ensure that all deliveries are impeccable and meet the contractually agreed conditions, irrespective of whether these deliveries are made directly by the SUPPLIER or via a subcontractor of the SUPPLIER.

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

1. Subject Matter of the Agreement

- 1.1 This QAA shall apply to all orders for contractual products which ACPS Automotive places with the SUPPLIER.

In addition to ACPS Automotive, the SUPPLIER also grants the further companies of the ACPS Automotive Group, as set out in **Annex 1** to this QAA (hereinafter referred to as the “**ACPS Group Companies**”), the right to order contractual products on the terms of this QAA. In this case, the provisions of this QAA shall apply to the individual call-off orders and delivery schedules entered into between the ACPS Group Companies and the SUPPLIER, even if the ACPS Group Companies do not expressly make reference to this QAA in the individual call-off orders and delivery schedules.

ACPS Automotive may, at any time and without the SUPPLIER’s consent, change or supplement the ACPS Group Companies set out in **Annex 1** to this QAA. In this case, ACPS Automotive shall provide the SUPPLIER with an updated copy of **Annex 1**.

In the event that the ACPS Group Companies order contractual products from companies or manufacturing plants that belong to the same group of companies as the SUPPLIER (hereinafter referred to as “**Associated Suppliers**”), both Parties shall ensure that the provisions of this QAA are to be applied accordingly to the individual call-off orders and delivery schedules between the ACPS Group Companies and the Associated Suppliers. To this end, the Parties mutually undertake to inform the ACPS Group Companies and Associated Suppliers attributable to them from time to time of the conclusion and contents of this QAA and cause them to make suitable contractual arrangements (e.g. an accession agreement) to ensure that the individual call-off orders and delivery schedules are subject to the provisions of this QAA. Upon request, appropriate proof of the performance of the above obligations shall be provided.

- 1.2 This QAA shall be supplemented by the Supplier Quality Assurance Manual (hereinafter referred to as the “**SQAM**”) that is attached to this QAA as **Annex 2**.
- 1.3 The provisions of this QAA shall form part of each individual call-off order and/or delivery schedule, even if no explicit reference is made to these provisions.
- 1.4 The SUPPLIER undertakes to maintain a certified, process-oriented quality management system and comply with the rules of that system. The minimum requirement for the quality management system shall be DIN EN ISO 9001, as amended from time to time. The SUPPLIER shall furthermore be obliged to further develop the quality management system in accordance with the requirements defined by IATF 16949, as amended from time to time, and to have it certified by a certification body recognised by the IATF. In addition, the customer-specific and Association-specific requirements shall apply (German Association of the

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

Automotive Industry (VDA)). The respective applicable customer-specific requirements are attached to the Project Agreement. If the customer-specific requirements are amended or if further customer-specific requirements are added by ACPS Automotive's customer, the Parties agree that the amended customer-specific requirements and/or the new customer-specific requirements shall also be attached to the Project Agreement by way of an annex.

- 1.5 If the Parties have, in addition to this QAA, entered into a Master Supply Agreement and/or into a Project Agreement or a Project Agreement for Standard and Near-standard Parts, the provisions set out in such agreements, together with their annexes, shall also apply in addition to this QAA. In the event of contradictions, the following order shall apply:
1. the Project Agreement or the Project Agreement for Standard and Near-standard Parts;
 2. the Master Supply Agreement;
 3. this Quality Assurance Agreement;
 4. the SQAM, as amended from time to time;
 5. the individual call-off order and/or the delivery schedule;
 6. the General Terms and Conditions of Purchase of ACPS Automotive.

2. Manufacturing the Contractual Products

- 2.1 The SUPPLIER shall manufacture and/or process the contractual products in accordance with the agreed quality. The agreed quality shall be determined by:
- the respective Project Agreement/Project Agreement for Standard and Near-standard Parts and the annexes thereto;
 - in the event of approval subject to conditions, in addition, the ACPS inspection report;
 - the respective individual orders and/or delivery schedules and the annexes thereto;
 - work and production schedules of ACPS Automotive;
 - any additional written agreements made between the Parties, provided these have been expressly designated as part of this QAA; as well as
 - the initial samples approved by ACPS Automotive in accordance with Clause 10.2 below and all associated documentation (drawings, company standards, etc.).

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

In the event of contradictions, if in doubt, the quality agreed in the Project Agreement or in the Project Agreement for Standard and Near-standard Parts shall prevail.

2.2 The SUPPLIER shall maintain a consistent production process with consistent materials for the duration of this Agreement.

2.3 The SUPPLIER warrants that the manufacture of the contractual products and the contractual products manufactured by the SUPPLIER themselves correspond to the latest state of technology as well as the applicable legal provisions and the requirements and guidelines issued by public authorities, employers' liability insurance associations and professional associations, in particular, the German Ordinance on Hazardous Substances (*GefStoffV*), the German Product Safety Act (*ProdSG*) and the accident-prevention, safety-at-work, environmental and other safety and protection regulations. The regulations of the countries where the ACPS Automotive companies placing the orders have their registered offices and to which the contractual products are exported shall be decisive. Furthermore, all products supplied must comply with the latest regulations and provisions of the European Union regarding environmental and health protection and the pertinent national implementation measures, in particular with the following provisions:

- Regulation 1907/2006/EC ("REACH"), including Annex XVII (Bans on Hazardous Substances). Substances set out in Annex XVII to the REACH Regulation must not be supplied to ACPS Automotive. If the SUPPLIER is based in the EU or imports into the EU, it must ensure that substances in articles and mixtures are registered and authorised in accordance with the REACH Regulation for the respective intended uses and time periods. For deliveries of contractual products to ACPS Automotive, substances of very high concern (SVHCs) from the Candidate List (CL) of the REACH Regulation that are contained in a concentration above 0.1% weight by weight (w/w) shall be subject to restrictions. If substances are listed in Annex XIV to the REACH Regulation or are SVHCs (substances of very high concern), the SUPPLIER must develop suitable substitutes for them for all newly developed contractual products that are produced after the deadline (the date from which the placing on the market and the use of the respective substance are prohibited unless authorisation has been granted). If any such substances cannot be replaced, the SUPPLIER must inform ACPS Automotive appropriately, if so required by the REACH Regulation, and obtain approval. Substances listed in Annex XIV to the REACH Regulation and/or SVHCs must, in addition, also be avoided in materials that are used in the production process, in particular, in lubricants, oils and cutting fluids;

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

- Directive 2002/95/EC, or Directive 2011/65/EU from the expiry of the implementation period, (“RoHS”) on the restriction of the use of certain hazardous substances in electrical and electronic equipment;
- Regulations 2004/1935/EC and (EU) 10/2011 in the event that contact with foodstuffs cannot be ruled out based on the intended purpose;
- EU Directive 2000/53/EC on end-of life vehicles; in this respect, in particular modified scopes and expiry dates of the material and component exemptions related to the date of the respective vehicle type approval and contained in the amendments to Directive 2000/53/EC, Annex II, must be observed and complied with for deliveries to ACPS Automotive;
- Regulation (EU) No. 528/2012 (Biocidal Products Regulation);
- Ozone-depleting substances that are prohibited according to Regulation (EC) No. 1005/2009, the Montreal Protocol on Substances That Deplete the Ozone Layer or EPA Class 1 ODS must not be contained in contractual products;
- Persistent organic pollutants that are prohibited according to Regulation (EC) No. 850/2004 must not be contained in contractual products;
- Deliveries for vehicles type-approved in China must, in addition, comply with GB/T 30512:2014 (Requirements for prohibited substances on automobiles);
- ACPS Automotive has set up an environmental management system according to ISO 14001. The SUPPLIER is expected to comply with this requirement as well.

2.4 In the event that any of the obligations set out in Clauses 2.2 to 2.3 above are breached, ACPS Automotive may refuse to accept the contractual products. This shall not affect any further claims of ACPS Automotive.

3. Quality Management System of the SUPPLIER/Subcontractors

3.1 The SUPPLIER undertakes to maintain a quality management system that meets the requirements stipulated in Clause 2 above and additionally complies with the provisions of the SQAM and to manufacture and continuously test the contractual products in keeping with this quality management system. In this connection, the SUPPLIER additionally assumes the obligation to reach the zero-defect target and to continuously improve its performance. The use of another quality management system requires the consent of ACPS Automotive.

3.2 The SUPPLIER shall be entitled to include subcontractors in its quality management system. In this case, the SUPPLIER shall monitor its subcontractors or assure the quality of the deliveries from its subcontractors itself. This shall also apply if subcontractors are stipulated by ACPS Automotive. For this purpose, the SUPPLIER shall enter into the appropriate agreements with its subcontractors to ensure the subcontractors are obliged to observe the

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

obligations assumed by the SUPPLIER under this QAA. In particular, the SUPPLIER shall impose the obligation on its subcontractors to consent to any audits that may be carried out by ACPS Automotive pursuant to Clause 4 below. ACPS Automotive may require the SUPPLIER to provide documents which evidence that the above obligations have been fulfilled. In this context, the subcontractor shall act as a vicarious agent of the SUPPLIER, so that any fault of the subcontractor when it comes to inspecting the contractual products with regard to their conformity with the relevant agreement shall be attributable to the SUPPLIER.

3.3 With regard to the quality management system to be complied with by the SUPPLIER, the provisions of Clause 2 of the SQAM shall apply additionally.

4. Audit in the SUPPLIER's/Subcontractor's Premises

4.1 Upon prior arrangement with the SUPPLIER, ACPS Automotive and ACPS Automotive's customers shall have the right to carry out, either themselves or through an agent, quality audits in the SUPPLIER's business premises during normal business hours and without interfering with the SUPPLIER's business operations. The quality audits serve the purpose of examining and evaluating the efficiency and precision of the quality management system, in particular, of the test methods. The SUPPLIER shall assist ACPS Automotive in the best possible manner in carrying out such quality audits; in particular, the SUPPLIER shall provide ACPS Automotive with a technically qualified member of staff. The performance of quality audits shall not affect the SUPPLIER's sole responsibility for the quality of the contractual products that are manufactured and supplied.

4.2 With regard to the performance of audits, the provisions of Clause 3 of the SQAM shall apply additionally.

5. Information

5.1 If it becomes apparent to the SUPPLIER that it cannot meet the agreed quality criteria, delivery dates, delivery amounts, packaging requirements, or similar, the SUPPLIER shall notify ACPS Automotive without undue delay in writing, stating the reasons for and the expected duration of the delay. Acting in consultation with ACPS Automotive, the SUPPLIER shall, without undue delay, take all the measures required to prevent or shorten delays in delivery – in particular, multi-shift operations, extra shifts, overtime, as well as work at night, on weekends and on public holidays. In the event that required parts to be obtained from suppliers or raw materials are not available, the Parties shall jointly decide on an adjustment to the contractual products. This shall not affect any further claims of ACPS Automotive.

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

5.2 The SUPPLIER undertakes to notify ACPS Automotive with regard to:

- any changes in the production processes, production sequences and production materials (also on the part of subcontractors);
- any change of subcontractors;
- any transfer of production sites;
- any changes to the test methods/test facilities

without undue delay, however at least three (3) months before the intended change. Such changes require ACPS Automotive's prior consent. ACPS Automotive shall inform the SUPPLIER whether the changes require that new samples be submitted and approved by ACPS Automotive as stipulated in Clause 10.2 of this QAA. The SUPPLIER undertakes to provide the corresponding proof of quality and to document any changes made to the product or production process and hand them over to ACPS Automotive upon request. In individual cases, the handling of remaining stock shall be agreed in writing with ACPS Automotive. Up until the expressly agreed upon time of use, the contractual products shall be delivered in accordance with the latest production status.

6. Documentation

6.1. The SUPPLIER shall be obliged to keep record of its quality management system, the quality assurance measures carried out, in particular, the measurements and test results, and any further quality-related measures and to store and archive such records in accordance with the guidelines published by the German Association of the Automotive Industry (*Verband der Automobilindustrie*, hereinafter referred to as "**VDA**"), VDA Volume 1, "Evidence Management – Guidelines for Documenting and Archiving Requirements as to Quality" (*Nachweisführung – Leitfaden zur Dokumentation und Archivierung von Qualitätsforderungen*).

6.2. According to the above, the SUPPLIER and its subcontractors are obliged to store documents requiring special archiving for a period of thirty (30) years from the end of production (EOP). All other records that are relevant for quality purposes, in particular, records concerning measurements and test results, must be stored for a period of ten (10) years following their creation. Upon request, ACPS Automotive must at any time be given the opportunity to inspect the quality records.

6.3. With regard to documentation, the provisions of Clause 5 of the SQAM shall apply additionally.

7. Technical Records, Feasibility

7.1. ACPS Automotive shall provide the SUPPLIER in good time with the respective current version of the relevant contract award documents and inform the SUPPLIER of changes (if any).

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

7.2. ACPS Automotive or the customer of ACPS Automotive shall describe the requirements for the contractual products by means of technical drawings, specifications and the respective purchasing documents. The aforesaid documents are further specified and put into more detail by the provisions of the SQAM. The SUPPLIER must comply with all characteristics that are required by ACPS Automotive or ACPS Automotive’s customer. Some characteristics involve higher risks and, therefore, require special attention. These are the “**Special Characteristics**”. Special Characteristics are prescribed by ACPS Automotive or ACPS Automotive’s customer and are documented on technical drawings and/or in specifications as detailed in the supplementary provisions of the SQAM. The SUPPLIER must have particular regard to and specially monitor the Special Characteristics. Deviations in such Special Characteristics may have an adverse effect on product safety, function or quality and may also violate official or statutory regulations.

The SUPPLIER shall examine all documents that are required to develop or manufacture the contractual products (CAD data, performance specifications, requirements specifications, safety-related target requirements, specifications, data sheets, drawings, models, etc.) upon receipt to verify whether they are complete and consistent. Obtaining any standards, test regulations and technical terms and conditions for delivery that may be missing shall be the SUPPLIER’s responsibility. The SUPPLIER shall verify at least once per annum whether the respective versions or revision statuses are still valid.

7.3. The SUPPLIER shall ensure that the information, technical records and other findings provided by ACPS Automotive are not disclosed or passed on to any third party.

7.4. With regard to the feasibility of the contractual products, the provisions of Clause 8 of the SQAM shall apply additionally.

8. Quality Planning

8.1 The SUPPLIER shall bear the manufacturer’s responsibility (product liability) for the contractual products and the manufacturing processes, including responsibility for the quality of the contractual products, the agreed production capacities and the subcontractors’ processes. The SUPPLIER shall take all technical and organisational measures to exclude defects and product defects.

The SUPPLIER’s organisation must be such as to ensure that the contractual products and manufacturing processes (including spare parts) are in conformity with all requirements

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

stipulated by ACPS Automotive's customer and all statutory and official requirements as follows:

- identification of the statutory and official requirements as to the safety of the contractual product and its freedom from defects;
- identification of characteristics that are of relevance for the purposes of freedom from product defects;
- identification of characteristics that are relevant for safety purposes in the manufacturing and production process;
- communication of the aforesaid requirements throughout the SUPPLIER's supply chain;
- traceability of the contractual products throughout the manufacturing process.

For this purpose, the SUPPLIER shall appoint a Product Safety & Conformity Representative ("PSCR") in accordance with the VDA QMC, who shall be the designated contact person for, and whose name shall be supplied to, ACPS Automotive for product safety and product conformity issues. ACPS Automotive shall be notified promptly if another person is appointed to act as the SUPPLIER's PSCR.

8.2 With a view to avoiding potential defects and deteriorations in quality during series production and the supply of defective products to ACPS Automotive, the SUPPLIER shall, at an early stage, prepare risk analyses using the failure mode and effects analysis (hereinafter referred to as "FMEA") pursuant to VDA Volume 4, Chapter 2 for the scopes, developments and production processes. FMEAs shall be prepared or revised on the following occasions, amongst others:

- occurrence of defects;
- development/production of new parts;
- introduction of new manufacturing processes;
- relocation of sites;
- modifications to drawings;
- modifications to processes;
- changes in materials.

A standard analysis ("Standard FMEA") which does not cover all project-specific customer requirements shall not suffice. In particular if there are new technologies, new functions, new test methods or highly complicated products and processes, the FMEA shall be prepared taking into account the special customer requirements. All significant and critical characteristics which are prescribed by ACPS Automotive shall be identified in the FMEA.

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

A design failure mode and effects analysis (“DFMEA”) shall be required for any parts for whose design the SUPPLIER is responsible. A process failure mode and effects analysis (“PFMEA”) must be carried out by the SUPPLIER for any and all parts, already before the production of tools and facilities commences.

The SUPPLIER must have a documented process in place to control and implement changes that have a bearing on the contractual product and its manufacture. The implications of a change must be assessed, verified and validated by the SUPPLIER in order to ensure before the change is implemented that ACPS Automotive’s requirements will be met. Changes must not be implemented before ACPS Automotive has given its approval in writing. The FMEA shall be revised as appropriate if products or processes are modified, or in the event of quality problems or complaints. The SUPPLIER shall allow ACPS Automotive access at any time to inspect the relevant FMEA.

8.3 The SUPPLIER shall compile a test plan for each project stage (prototype, pre-series, series) based on the complete process flow, from the receipt of the incoming goods and subsequent production up to the dispatch of goods, also including laboratory tests. This test plan shall state all the required product-related and process-related characteristics, as well as the specific quality tests resulting from such characteristics. Significant and critical characteristics shall be identified separately in the test plan.

8.4 With regard to quality planning, the provisions of Clause 9 of the SQAM shall apply additionally.

9. Test Equipment

9.1 The SUPPLIER must sufficiently prove that the test equipment that has been selected by the SUPPLIER for the respective test procedures is suitable for these test procedures. The SUPPLIER shall ensure that the test equipment is always available and that it is continuously administrated, monitored, calibrated and maintained.

9.2 If ACPS Automotive provides test and measuring equipment to the SUPPLIER, such test and measuring equipment shall be included in the SUPPLIER’s test equipment monitoring. Changes to the test and measuring equipment provided may only be carried out with the consent of ACPS Automotive.

9.3 The provisions regarding test equipment that are contained in Clause 10 of the SQAM shall apply additionally.

10. Approval Procedures for Production Processes and Products

10.1 The SUPPLIER must carry out and document an internal process acceptance test. The documentation must be supplied to ACPS Automotive upon request. By carrying out such a process acceptance test in accordance with VDA Volume 6.3, the SUPPLIER proves that

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

sufficient quantities of the products can be manufactured and that they will have the required quality. For the purposes of the acceptance test, the process must be organised in accordance with the conditions prevailing during series production.

The SUPPLIER must carry out process capability tests based on the significant characteristics that have been prescribed by ACPS Automotive or defined by the SUPPLIER (test characteristics). The testing and evaluation of the machine and process capability shall be carried out as specified in VDA Volume 4 “Quality Assurance Prior to Series Production” (*Sicherung der Qualität vor Serieneinsatz*), as amended from time to time. Unless otherwise agreed between the Parties in writing, the following values must be reached:

General values (for fit and function SC-FF characteristics):

- Short-term process capability Cmk ≥ 1.67
- Long- term process capability Cpk ≥ 1.33

Values for SC-S characteristics that are of relevance in a safety context and SC-H characteristics that are of relevance in a homologation context:

- Short-term process capability Cmk ≥ 2.0
- Long- term process capability Cpk ≥ 1.67

If the SUPPLIER fails to reach the prescribed values, appropriate remedial measures shall be defined and implemented. If processes are not capable, a 100% test must be carried out.

ACPS Automotive reserves the right to carry out, or instruct a third party to carry out, a process acceptance test in the SUPPLIER’s premises upon agreement with the SUPPLIER.

10.2 Before series production commences, the SUPPLIER shall provide ACPS Automotive with a minimum of five (5) initial samples per contractual product (and per cavity, where applicable) for initial sample inspection and approval. Initial samples are parts manufactured completely using the operating equipment that will also be used for series production, under the same conditions as those that will prevail during series production. The initial sample date will be communicated to the SUPPLIER in connection with the purchase order. If the SUPPLIER can foresee that it will be impossible to meet the scheduled dates, the SUPPLIER shall advise ACPS Automotive without undue delay in writing of the expected deviations. Otherwise, ACPS Automotive shall have the right to bill the SUPPLIER for all costs incurred as a result of such deviations.

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

In all of the cases listed below, free initial samples must be presented to ACPS Automotive by the SUPPLIER in the same manner for approval:

- new parts;
- changes to the agreed specifications;
- changes to the production process;
- relocation of the production facilities;
- extended interruption of the production (one (1) year or more);
- change of subcontractors.

The initial sample inspection shall be carried out in accordance with the ACPS PPAP requirements, which are available at <https://www.acps-automotive.com/lieferanten/richtlinien-formulare-dokumente/>. The SUPPLIER must prepare a complete initial sample inspection report and submit it to ACPS Automotive. When doing so, the SUPPLIER shall take into account the requirements stipulated in the specifications, e.g. in the drawing and in the requirements specifications. In addition to the cover sheet, the initial sample inspection report shall also include the annexes required to prove compliance with the customer's requirements; in particular, the SUPPLIER shall provide measurement reports, material tests and process capability analyses. In individual cases, the details of the scope of sampling can be agreed between the Parties. A template for an ACPS Initial Sample Inspection Report is attached to this QAA as **Annex 3**.

The SUPPLIER undertakes to enter all material data into the International Material Data System (IMDS) at least two (2) weeks prior to the initial sample inspection. At the customer's request, the data may have to be entered into further data banks.

ACPS Automotive shall check the samples submitted. The test results shall be recorded by ACPS Automotive in an inspection report and communicated to the SUPPLIER. After checking the initial samples, ACPS Automotive may make one of the following overall decisions:

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| "Approved" | Approved for delivery |
| "Approved with reservations" | Approved for series production upon removal of the described defects. There will be a subsequent sample inspection by the SUPPLIER. |
| "Rejected" | The initial samples do not meet ACPS Automotive's requirements. It must be proven by means of new initial samples and a new inspection report that all deficiencies or shortcomings stated have been remedied. |

If, through the fault of the SUPPLIER, the sample submitted is not suitable for final approval by ACPS Automotive, the costs incurred as a result of the required renewed handling shall be charged at Euro 250.00 per sample inspection process, which will be invoiced to the SUPPLIER by ACPS Automotive. In addition, any resulting costs incurred by customers of

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

ACPS Automotive and charged by them to ACPS Automotive shall be passed on to the SUPPLIER by ACPS Automotive together with a processing surcharge of 20%. The samples required for a new sample inspection shall be provided to ACPS Automotive by the SUPPLIER free of charge.

The approval of the initial samples by ACPS Automotive does not release the SUPPLIER from its responsibility to assure the required product quality during series production.

10.3 With regard to requalification testing and the agreement of boundary samples, the provisions of Clause 11 of the SQAM shall apply additionally.

11. Quality Assurance Officers

To monitor the implementation of this QAA (including the SQAM), and also for the mutual consultations and agreements to be made hereunder, each Party shall designate a quality assurance officer in writing. Both quality assurance officers shall be authorised to make and receive all declarations which relate to the implementation of this QAA. The SUPPLIER shall notify ACPS Automotive without undue delay in writing when another person is designated to act as quality assurance officer.

12. Production Process

12.1 For the purposes of the zero-defect strategy, the SUPPLIER shall, in addition to the quality tests in the series test plan, take further quality assurance measures to ensure that all products meet the specifications. Further details regarding the quality assurance measures are contained in Clause 12 of the SQAM.

12.2 If quality problems occur on the part of the SUPPLIER prior to the delivery of the contractual products (e.g. if goods are “not o.k.”), the SUPPLIER shall so advise ACPS Automotive without undue delay and ask for ACPS Automotive’s special approval of the contractual products concerned. The goods may not be delivered to ACPS Automotive without such special, written approval for the contractual products. If special approval has been obtained from ACPS Automotive, the shipment containing these contractual products shall be marked accordingly. The warranty rights of ACPS Automotive shall remain unaffected by a special approval.

12.3 If the SUPPLIER subsequently obtains knowledge of quality problems with contractual products that are already out for delivery, the SUPPLIER shall inform ACPS Automotive of these quality problems without undue delay in writing, stating the batches of contractual products concerned.

| | | |
|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

12.4 The SUPPLIER shall be obliged to implement the principle of continuous improvement (CIP). This obligation shall apply at least to such indicators which are used to assess a supplier's performance in terms of quality. These indicators are set out in Clause 12 of the SQAM.

13. IT Security

Upon request, the SUPPLIER shall provide ACPS Automotive with proof of the state-of-the-art IT security of the SUPPLIER's electronically stored information and its IT systems. ACPS Automotive may also satisfy itself on site in the SUPPLIER's premises of the security measures taken and demand that the SUPPLIER implement further security measures.

14. Contingency Management

The SUPPLIER shall be obliged to prepare a contingency plan for events or occurrences that may have an adverse effect on the SUPPLIER's ability to deliver and present such plan to ACPS Automotive, if so requested. Such contingencies include, without limitation, flood, fire, computer system failure, power failure, staff shortage and defective tools or machinery. The SUPPLIER shall provide the name of a contact person for risks concerning IT security (e.g. computer system failure or cyberattacks) before an offer is prepared. With regard to risks concerning fire or explosions, the SUPPLIER shall be obliged to carry out the self-assessment that is attached to this QAA as **Annex 4**, sign it and return it to ACPS Automotive before series delivery commences. Should a contingency occur, ACPS Automotive must be informed without undue delay. Upon request, the SUPPLIER shall surrender tools that belong to ACPS Automotive for contingency production. The SUPPLIER shall insure against damage and consequential damage resulting from such events. Upon request, ACPS Automotive shall be granted access to the relevant insurance policies for inspection. Furthermore, the SUPPLIER shall require its subcontractors to implement corresponding contingency management measures.

15. Inspection of Incoming and Outgoing Goods

15.1 The inspection of incoming goods by ACPS Automotive shall be limited to an examination for externally visible damage sustained in transit as well as to verifying that the contractual products supplied correspond to the contractual products ordered in terms of quantity and type. Any defects discovered through such inspections and examinations shall be reported to the SUPPLIER by ACPS Automotive without undue delay in writing. Any defects not discovered through such inspections and examinations shall be reported to the SUPPLIER in writing as soon as they are discovered in the ordinary course of business. In this respect, the SUPPLIER waives its right to plead that defects were reported late.

15.2 The SUPPLIER must organise its quality management system and quality assurance measures to take account of this limited inspection of incoming goods. This includes, among other things, performing a random quality check on the contractual products as part of an outgoing goods inspection.

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|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

16. Complaints

16.1 In the event of complaints, test reports shall be prepared by ACPS Automotive and made available to the SUPPLIER. The SUPPLIER must notify ACPS Automotive of its immediate actions by means of an 8D report within twenty-four (24) hours (D3: immediate action) and of any further corrective action within five (5) business days (D5: selection and verification of remedial actions). The handling of complaints by the SUPPLIER by means of an 8D report (D8: completion) must be completed within 26 days, at the latest.

The contractual products that have been rejected shall be returned to the SUPPLIER to the extent agreed between the Parties. The costs incurred in returning rejected contractual products shall be borne by the SUPPLIER.

If, due to the delivery of defective contractual products, there is a risk that ACPS Automotive's production will come to a standstill, the SUPPLIER shall, as soon as possible and at its own expense, take remedial action in consultation with ACPS Automotive by carrying out the appropriate immediate/remedial measures (replacement deliveries, sorting and rectification work, extra shifts, express transportation, etc.). Further details as to the expenditures to be borne by the SUPPLIER are set out in Clause 13 of the SQAM.

Should any contractual products lead to complaints by ACPS Automotive's customers as a result of poor quality or default, the costs incurred there shall be charged 1:1 to the SUPPLIER if the SUPPLIER is responsible for the poor quality or the default. Upon agreement between the Parties, a collective scrap procedure may be agreed upon.

16.2 In the event of field complaints, a method for a so-called "field defective parts analysis", including a No Trouble Found (NTF) procedure and an analysis of the parts returned from the markets, shall be applied in addition to the 8D report. The further details are set out in Clause 13 of the SQAM.

17. Labelling the Contractual Products, Traceability

17.1 If the labelling of the contractual product is prescribed in a drawing, the following information must be provided on the parts:

- part number;
- change status;
- ACPS trademark;
- manufacturing code;
- date of manufacture;
- material.

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| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

17.2 The SUPPLIER shall be obliged to maintain, continuously improve and stabilise a system which ensures that the products of the SUPPLIER, including the SUPPLIER's subcontractors, can be traced. Further details as to the SUPPLIER's obligations with regard to traceability are set out in Clause 14 of the SQAM.

18. Transport and Packaging

18.1 The SUPPLIER shall ensure the contractual products are packed properly for transportation. When doing so, the SUPPLIER shall comply with the ACPS Packaging Handbook and the packaging requirements stipulated in the ACPS Packaging Data Sheet. The SUPPLIER shall be liable to ACPS Automotive for any and all damage sustained in transit due to inappropriate packaging or failure to adhere to the packaging requirements.

18.2 For auxiliary materials (e.g. adhesives, primers, activators, etc.), the use-by date or shelf life and recommended storage temperature must be stated on each packaging unit.

Products which can only be stored for a limited period of time (e.g. adhesives, chemicals, etc.) must be able to be used or processed for at least another 3 months following their delivery to ACPS Automotive. Goods where the period of time within which they must be used or processed is shorter will be rejected unless expressly otherwise agreed in writing between ACPS Automotive's material requirements planning department and the SUPPLIER.

19. Rights upon Failure to Adhere to the Quality Assurance Process and Breach of Cooperation Duties

In the event that the SUPPLIER wilfully or negligently breaches the requirements of this QAA or of the SQAM, ACPS Automotive shall, without prejudice to its statutory warranty claims, be entitled to demand to be indemnified by the SUPPLIER against third-party claims and to claim reimbursement of expenses, including the costs of limiting the damage, loss of turnover and profit, loss of reputation, loss of trade, costs of service measures in the sense of product recalls, costs of instructing third parties, legal costs (customary rates) and other consequential damage incurred by ACPS Automotive as a result of the wilful or negligent breach of the obligations under this QAA or under the SQAM. The right to terminate master supply, project or other agreements shall remain unaffected.

20. Term of Validity

This QAA and the SQAM shall apply for the duration of the Master Supply Agreement or, if a Master Supply Agreement has not been entered into, for the duration of the Project Agreement and shall continue in effect with regard to the legal consequences of such agreement until the end of the warranty period for the contractual products between ACPS Automotive and ACPS Automotive's customers, or in the case of mandatory longer statutory

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|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

periods. In the event that the Parties have entered neither into a Master Supply Agreement nor into a Project Agreement, only ACPS Automotive shall have the right to terminate this QAA for any or no reason with 6 months' notice, with effect at the end of a calendar month; the right of either Party to terminate this QAA for good cause with immediate effect shall remain unaffected.

21. Final Provisions

- 21.1 Any amendments or additions to this QAA or the SQAM must be made in writing. This shall also apply to the cancellation of this requirement of the written form.
- 21.2 Should individual provisions of this QAA or of the SQAM be or become invalid, in whole or in part, or should this QAA or the SQAM contain a gap, this shall not affect the validity of the remaining provisions. The Parties shall be obliged to replace the invalid provision with a provision which comes closest to the invalid provision in terms of its economic result, or to fill the gap with a provision that corresponds to what would have been agreed according to the purpose of this agreement if the matter had been considered from the start. This shall also apply if the invalidity of the provision is based on a measure of performance or time stipulated in this agreement.
- 21.3 This QAA and the SQAM shall be governed by German law, without regard to the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 21.4 The exclusive place of jurisdiction for all disputes arising out of or in connection with this QAA or the SQAM shall be the registered office of ACPS Automotive. However, ACPS Automotive shall also be entitled to commence legal proceedings at the registered office of the SUPPLIER and at any other permissible place of jurisdiction.
- 21.5 The following Annexes are attached hereto as integral parts of this QAA:
- Annex 1 ACPS Group Companies
 - Annex 2 SQAM
 - Annex 3 Model Initial Sample Inspection Report
 - Annex 4 Self-assessment Fire and Explosion Hazards

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|---|------------------------------------|-----------------------|
| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

Place

Place

Date

Date

ACPS Automotive

SUPPLIER

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| ACPS AUTOMOTIVE | Quality Assurance Agreement | ACPS-STD-P-009 |
| VICE PRESIDENT GLOBAL PURCHASING | | REVISION: 033 |

Annex 1: ACPS Group Companies

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| ACPS Automotive GmbH | Achatstraße 2-4 | 09356 St. Egidien | Germany |
| ACPS Automotive Services GmbH | Regioparkring 1 | 41199 Mönchengladbach | Germany |
| ACPS Automotive Technik Flex Kft. | Nefelejcs utca 4 | 2700 Cegléd | Hungary |
| ACPS Automotive Kft. | Kadafalva-Heliport 11751/1 | 6000 Kecskemét | Hungary |
| Automotive Carrier and Protection Systems Mexico SA de CV | Av. El Marques lote 6 y 7 Parque Industrial Querétaro Santa Rosa Jaúregui | 76220 Querétaro | Mexico |
| ACPS Automotive Iberica S.L | C/ Dels Argenters, nº 33, P.I. L'Alter | 46290-Alcasser | Spain |