

Quality Agreement

for the supply of LISI Automotive Products

1/ Object

This document sets out the terms of the quality commitments of LISI Automotive and the conditions in which such matters will be dealt with regarding the Products marketed by the companies in the LISI Automotive group (LISI Automotive SAS, LISI Automotive FORMER, LISI Automotive RAPID and LISI Automotive NOMEL) under their Orders and Contracts of sale.

This Quality Agreement is provided as a supplement to the "General Terms and Conditions" of LISI Automotive – edition of 1st July 2007 and refers to the AFFIX Quality Agreement – edition of March 2008.

2/ Definitions

- Products: parts produced by LISI Automotive, which may be heat or surface treated.
- Prototypes: products intended solely for evaluation purposes.
- Specifications: data issued by the Client describing its needs.
- Manufacturing Process: succession of operations required to manufacture the Product.
- Initial Samples (IS): reference products produced by a Manufacturing Process representative of series production.
- Reference Quality File: technical and quality commitments of LISI Automotive regarding the Products supplied in series to the Client and provided to the Client at the same time as the delivery of the Initial Samples.
- PQA or Product Quality Assurance: acknowledgment by the client of LISI Automotive's ability to supply in series Products in accordance with the commitments set out in the Reference Quality File,
- Non-conformity: an established deviation from the Reference Quality File.
- Concession: written acceptance by the Client of a Non-conformity.
- Parts per Million (ppm): quantity of nonconforming Products detected per million parts delivered over a given period. This ppm may be global or defined for one or more characteristics.

The meaning of the other words with capital letters used in this Agreement can be found in the General Terms and Conditions (GTC).

3/ Compliance with standards and regulations

The Products are designed and manufactured exclusively in compliance with the standards and regulations expressly mentioned in the Specifications, in accordance with Article 5.1 of the GTC.

Failing that, they comply with the regulations applicable in the country of manufacturing.

4/ Reference Quality File

The technical commitments of LISI Automotive regarding the Products supplied in series to the Client are limited to the Reference Quality File.

This consists, unless otherwise agreed by the parties, at least of the following items:

- Initial Sample parts,
- the IS inspection reports (dimensional, materials and test reports),
- the list of deviations from the definition proposed by the Client.

The format used to draw up these items is that used by LISI Automotive.

Any delivery of a new or modified Product is subject to the written acceptance of the Reference Quality File by the Client. Failing that, the placing of an Order or call for a series delivery

shall signify acceptance by the Client of the Reference Quality File

Similarly, any order by the client of an existing series Product is presumed to take account of its own needs and of the commitments included in the Reference Quality File for the Product, in accordance with Article 3 of the GTC.

5/ Monitoring of the characteristics

The conformity of the Products is monitored by regular checks on the characteristics of the Product and/or the parameters of the Manufacturing Process.

The nature and level of such monitoring are determined by LISI Automotive in agreement with the Client, as part of the pre-established provisions. They depend on the Manufacturing Process used by LISI Automotive and may not be imposed unilaterally by the Client (except for any regulatory requirements).

Furthermore, the data relating to the monitoring of the Manufacturing Process form part of the LISI Automotive's know-how and are not communicated to the Client.

6/ Delivery, transport, acceptance and checking of the Products

Unless specifically negotiated and agreed otherwise, the packaging of the Products is suitable for transport overland and for handling on one occasion, in accordance with Article 5.2 of the GTC.

The Client must legally accept the Products, by which process it acknowledges their compliance with the Contract, in accordance with Article 7.4 of the GTC.

Acceptance implies acknowledgment of the absence of any visible Non-conformities, unless detailed reserves were formulated on receipt on the signed waybill or delivery note and sent by registered letter with acknowledgment of receipt to Lisi Automotive and to the transportation contractor within 3 days.

The Client must also, at its own expense and under its own responsibility, regularly check or have checked the conformity of the Products even where LISI Automotive is placed under PQA by the Client for a given Product, in accordance with Article 7.4 of the GTC.

In the case of an "ex works" sale, the risks relating to transport shall be borne by the Client.

The Client must comply with the general recommendations relating to storage and handling in accordance with Article 7.6 of the GTC:

- preservation of the traceability of origin in the event of repacking of pallets or changing of the packaging,
- protection of the integrity of the Product in accordance with standard ISO 16426,
- discarding of Products that fall to the ground,
- management of Product modification indices.

The Client must also abide by any requirements specific to the Product in accordance with Article 5 of the GTC, such as:

- conditions and maximum period of storage before use,
- conditions of handling and use at the Client's and in the network.

7/ Identification and traceability

LISI Automotive has introduced a system of identification on the labelling which guarantees the traceability of the items used in the manufacturing of its Products and provides technical data relating to the Manufacturing Process.

The Client must implement systems ensuring that the traceability chain is not interrupted (batch no. identified on the labelling), and

that the Products are not mixed up with products with a different reference or origin, in accordance with Article 5.3 of the GTC.

The packaging is identified in accordance with the GALIA/ODETTE standards. LISI Automotive does not provide, unless specifically negotiated and agreed otherwise, specific traceability for the Client.

8 Recording and archiving of technical data and traceability

LISI Automotive has an internal system of recording and archiving technical and traceability data over a period of 3 years, unless specifically agreed otherwise in writing.

9/ Modification of Products or Processes

Any request emanating from the Client leading to the modification of the Technical Specifications and/or the Reference Quality File, as well as any modification by the Client of its conditions of use of the Product (e.g.: automation, modification of parts to be assembled, transfer of production on to new sites,...) must be the subject of prior written information sent to LISI Automotive in accordance with Article 5.1 of the GTC.

Such a request may be the subject of a new Technical and Commercial offer on the part of LISI Automotive.

Any modification to the data in the Reference Quality File by LISI Automotive will be the subject of a new Reference Quality File.

10/ Quality Objectives

The items allowing the performance of LISI Automotive to be measured by the Client (demerit, ppm, number of incidents, composite indices,...) allow the evolution of the "quality supplied" by LISI Automotive to be appreciated over the medium and long term.

They may not on any account constitute a contractual obligation with financial or other consequences.

In any case, these items are business secrets and are confidential.

11/ Handling of Non-conformities

Any request made by the Client relating to a supposed Non-conformity shall be accompanied by relevant proof of the existence of the Non-conformity, enabling us to search for its causes (e.g.: traceability, photos, parts considered as non-conforming, conditions of assembly...).

The taking into account of Non-conformities supposes the receipt of such relevant information, in order to enable LISI Automotive to take adequate measures.

If it confirms the existence of the Non-conformity and its liability, LISI Automotive will:

- systematically: replace the nonconforming Products,
- decide whether the nonconforming Products should be returned or taken back, whether the nonconforming batches should be sorted.

At its simple request, LISI Automotive will communicate to the Client the corrective and preventive actions that it is taking as regards its Manufacturing Process.

LISI Automotive may not be held liable, in accordance with Article 11.1 of the GTC:

- for faults or defects arising from materials supplied by the Client,
- for faults or defects arising from a design created by the Client,
- for defects resulting wholly or partially from normal wear and tear of any part, from damage or accidents caused by the Client or by third parties, changes in the utilisation process of use of the Products,
- in the event of abnormal or unusual use or any use that does not comply with the stated purpose of the Product, common practice or the guidelines or recommendations provided by

- LISI Automotive, the subsequent handling, storage or transport or re-packaging conditions,
- in the event of a loss of Product traceability by the Client.

12/ Warranty, limitations of LISI Automotive's liability

LISI Automotive's liability shall be limited to direct tangible damage caused to the Client as a result of faulty or defective performance of the Contract by LISI Automotive, in accordance with Article 11.2 of the GTC.

The Supplier's civil liability for all causes with the exception of physical injury and the consequences of gross negligence on its part shall be limited to the replacement within a normal period of time of the part recognised as defective or non-conforming, after examination by the Supplier, or to the reimbursement, at its choice, of the parts, which may not in any case exceed a sum of money amounting to the sale price of the batch of which the defective part formed part, or the price of the unitary item concerned, whose performance is challenged.

In no circumstances shall LISI Automotive be liable for compensating for any administrative expenses, handling costs or operating loss.

Should any compensation have been agreed, LISI Automotive shall be entitled to require that the Client present detailed proof of the amounts claimed.

Further, such compensation shall be deemed to constitute full and final compensation to the exclusion of any other remedy or compensation.

The Client shall refrain from any illicit practices involving automatic debit or credit notes, any from invoicing LISI Automotive for any amount for which the latter has not expressly acknowledged its liability.

The Client hereby guarantees that it has secured an undertaking from its insurers and from third parties with whom it maintains a Contractual relationship not to bring claims against LISI Automotive or its insurers in excess of the above-mentioned limits and exceptions.

13/ Confidentiality

All information exchanged between the Client and LISI Automotive is confidential and may constitute, where applicable, the communication of know-how which must not be communicated to any third parties.

In this respect, LISI Automotive reserves the right to restrict to the Client or its substitutes access to its installations and those of its suppliers, event in the event of an audit.

14/ Specific and/or additional services

Certain additional services requested by the Client may be the subject of a separate price offer, in particular and not restricted to the following:

- the dissemination of inspection reports and IS files on documents other than those of LISI Automotive,
- the translation of technical documents into another language,
- requests for technical analyses and the dissemination of reports,
- the preparation and dissemination of inspection reports (excl. IS),
- the provision of certificates of conformity, copies of factory inspection certificates,
- declaration of conformity with the RoHS regulations,
- the implementation of a particular organisation.

Similarly, the handling of unproven Non-conformities (travel to the Client's site, analyses, sorting,...) may also be invoiced.