

S.C. COMPA S.A

***SUPPLIER'S
QUALITY
MANAGEMENT***



**SUPPLIER'S QUALITY
MANAGEMENT**

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SIGNATURES

PAGES

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COMPASS'S CEO STATEMENT

S.C. COMPASS S.A. SIBIU PURCHASING POLICY

Our company spares no effort in assuring and improving the quality for the manufactured products. Our purpose is to strengthen our position on the market through superior quality of our products and by continuous improvement of the services we provide to our worldwide customers, and the competitiveness offered by our prices.

We consider that the basic requests that lie at the base of the development of our relations is to introduce improvement programs to our suppliers in the next fields:

- *Supplier's organization according to a series standard reference in order to fulfill the requirements of the latest of any of the following series standards ISO 9001:2008 or ISO/TS 16949:2009, which are specific in product's development forwarded to COMPASS S.A;*
- *Quality policy with "0 defects" objective*
- *Logistics policy with "0 delays" objective*
- *Environmental policy and compliance with legal rules having "0 waste" as objective*
- *Production policy with "0 loses" objective*
- *Costs reduction policy*

One of the main components its represented by quality of the products we buy:

- *materials*
- *consumables*
- *packaging*
- *services*
- *specific acquisitions*

Under this aspect and in the actual field of competition, our wish is to have our suppliers aligned to the precise quality assuring and improving requirements for the products they deliver to us. We intent to influence in a major way our acquisition activities under the following aspects:

- *Evaluation, selection, validation and performances monitorization in order to include and maintain on the Supplier's Accepted list only those suppliers that correspond to our quality requirements*
- *Monitorization of the supplier in order to insure that he complies with our requirements in developing and manufacturing new products*
- *Maintaining of a permanent evaluation ,rating and selection system of suppliers for the series products*
- *Suppliers planning and development under the aspects: complying with the delivery planning, 100% delivery on tine, on the spot information about the delivery status, corrective measurements planning and assuming them.*

Because the nature of the products we buy affects directly the quality of our products and in the spirit of the agreement taken by each other of continuous improvement we created the "Supplier's Quality Management" manual, which strictly explains our requirements related to those above mentioned and which we believe to be useful to our supplier giving him the opportunity of manifesting the competitiveness and quality of his products.

GENERAL MANAGER

Ing. Ioan DEAC

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1 GENERALITIES

S.C. COMPAS S.A. implemented a quality system according to the series standard ISO\TS 16949 requirements and need to assure the selection, approval and its supplier's monitorization according to the quality of the supplied products. Those requirements are presented as follows:

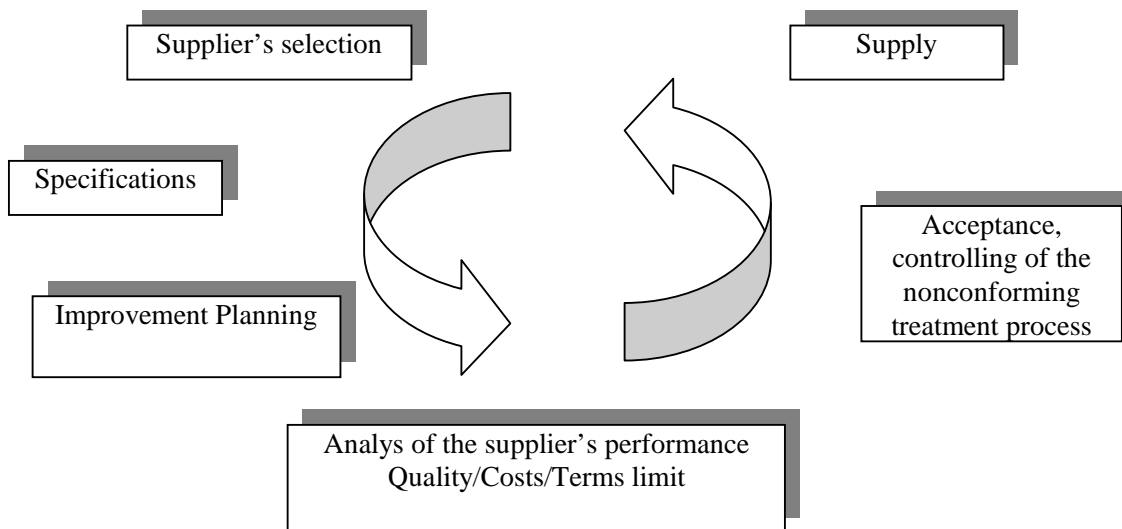


Fig. 1-1

For the auto parts fabrication, there are several specific requirements and regulations of the great producers (for example ISO/TS 16949), regulations which COMPAS S.A assumed (having a Quality system certified according to ISO/TS 16949) and which at its turn must transmit them to its suppliers. In order to maintain and to our customer satisfaction and trust in the quality of our products, COMPAS S.A collaborates with suppliers that agree with the imposed quality conditions and which make the proof of applying the mentioned conditions.

Elements through which the supplier's management is assured inside SC COMPAS S.A are:

- Initial evaluation and supplier's rating
- Supplier's developments monitorization
- Supplier's planning
- Setting the supplying data's
- Customer's check of the subcontracted products.

“Supplier's Quality Management” Manual code – MCF-02 presents S.C COMPAS S.A's requirements for its suppliers

1.1 Objective

Determine in which way must be processed when COMPAS supplies with:

- Materials
 - Consumables
 - Packaging
 - Services
- Specific acquisitions

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NOTE: According to the supplied products or services, please refer to the compulsory regulations presented in "Field of use for Supplier's Quality Management Manual".

1.2 Field of use for Supplier's Quality Management Manual

This Manual is valid for all suppliers that execute prototypes, components, production materials, series and changeable parts and any kind of remaking, services provision and design-development activities. The field of use for this standard, the relevance of the individual requirements reported to the nature of the deliveries made by supplier to COMPA, can be established with the help of the table found below. In the case where there is no possible fit, for the case of some new projects, the supplier may convey with COMPA the terms to fit inside a COMPA's supplier's categories.

COMPACT's supplier's categories			
CAT.	Description	Explanations	Examples
A	Parts or auto assemblies which require a high design-development project/process activity	Parts created according to COMPACT's or customer's project which require common development activity. Parts with characteristics which influence COMPACT's product working security and performances.	Auto components
B	Parts or semi fabricates which are specific tools dependent.	Parts to whose fabrication specific tools are used which require design and development activity for tool and process.	Casts semi fabricated or forged. Plastic marks or rubber Punched parts or bended
C	Parts or semi fabricates which aren't tools dependent.	Parts to whose fabrication are not used specific tools and which require an development process	Semi fabricated or parts manufactured through cutting
D	Parts or standardized materials, or by catalog, which are part of the COMPACT's final product	Parts or standardized materials, or by catalog, whose design-development's activity in considered effectuated.	Steel sheets, steel bars, pipes; wire, fasteners
E	Parts or materials which influence directly COMPACT's products fabrication	Parts and materials which interfere directly in COMPACT's production flow.	Tools, paint, used chemicals in fabrication process, welding wire, and packaging.
F	Parts or materials which don't influence directly COMPACT's products	Parts and materials which don't interfere directly in COMPACT's production flow.	Parts and maintenance materials: labor protection, office supply, miscellaneous.

REQUIREMENTS	Supplier's Category					
	A	B	C	D	E	F
1. GENERALITIES						
<i>1.1 Objective</i>	X	X	X	X	X	X
<i>1.2 Field of use for "Supplier's Quality Management Manual"</i>	X	X	X	X	X	X
<i>1.3 Quality agreements</i>	X	X	X	X	X	
<i>1.4 Contact information of supplier</i>	X	X	X	X	X	X
<i>1.5 Supplier's Quality Management System</i>	X	X	X	X	X	
<i>1.6 Dealing with problems</i>	X	X	X	X	X	X
<i>1.7 General Purchasing Terms</i>	X	X	X	X	X	X
<i>1.8 Requirements transfer to the sub-supplier</i>	X	X	X			

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1.9 <i>Quality requirements according to the series standard ISO/TS 16949</i>	X	X	X	X		
2. MANAGEMENT RESPONSIBILITIES						
2.1 <i>Quality objectives</i>	X	X	X	X	X	
3. RESOURCE MANAGEMENT						
3.1 <i>Factories, installations and equipment planning</i>	X	X	X	X	X	
3.2 <i>Emergency Situations Planning</i>	X	X	X	X	X	
4. PRODUCT MANUFACTURING						
4.1 <i>Acceptance criteria</i>	X	X	X	X		
4.2 <i>Confidentiality</i>	X	X	X	X		
4.3 <i>Modifications control</i>	X	X	X	X		
4.4 <i>Special characteristics established by customer</i>	X	X	X	X		
4.5 <i>Design and development</i>	X	X	X			
4.6 <i>Product approval process</i>	X	X	X	X		
4.7 <i>Suppliers selection</i>	X	X	X	X	X	
4.8 <i>Reglementations conformity</i>	X	X	X	X	X	X
4.9 <i>Sub-supplier's Quality Management System</i>	X	X	X	X		
4.10 <i>Checking the supplied product</i>	X	X	X	X	X	
4.11 <i>Supplier's monitorization</i>	X	X	X	X	X	
4.12 <i>Identification and trasability</i>	X	X	X	X	X	
4.13 <i>Tools owned by Customer</i>	X	X	X			
4.14 <i>Measurement systems analisys</i>	X	X	X			
4.15 <i>External laboratory</i>	X	X	X			
5. MEASUREMENT, ANALYSIS AND IMPROVEMENT						
5.1 <i>Measurement and processes monitorization</i>	X	X	X	X	X	
5.2 <i>Non-conformity product check</i>	X	X	X	X	X	X
5.3 <i>Derogation from customer</i>	X	X	X	X	X	
6. ENVIRONMENT						
6.1 <i>All products included</i>	X	X	X	X	X	X
6.2 <i>All chemical products included</i>					X	X

1.3 *Quality agreements*

To reach to a convention with supplier, corresponded to the product, its fabrication process and legal rules of working and utilization, the supplier is obliged to close a "**Quality and Environmental Agreement**" with COMPA

1.4 *Contact information of supplier*

At the beginning of the project or before the series delivery, supplier is requested to send an organizational chart or a list of contact persons to COMPA; Communication between COMPA and supplier will be made in Romanian language, or if not possible, through a language of international use, preferably English.

1.5 *Supplier's Quality Management System (TS 16949 - 7.4.1.2)*

COMPA asks that its suppliers, through the presentation of their specific certification granted by a accredited certification company, to prove that they apply a Quality Management System that works according:

- **EN ISO 9001:2008** Minimum request for marks suppliers situated in B, C, D, E categories and according to Pc. 1.2 *Field of use*
- **ISO/TS 16949:2009** Minimum request for marks suppliers situated in A category

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COMP A reserves its right to evaluate the quality supplier's capacity based on an system audit and/or process audit. Plus, COMP A reserves its right to visit (eventually accompanied by COMP A's customer) supplier's facilities, at a date agreed before.

The supplier is obliged to send to COMP A its actual certification status, by sending a copy of the certificate. Any modifications must be announced in 15 days terms to Purchasing Department inside COMP A.

1.6 Dealing with problems

COMP A expects to be announced immediately in case a suppliers faces a problem that might affect COMP A or COMP A's customer. Afterwards, supplier must prove that he eventually removed for a certain amount of time the problem's causes. If the case, COMP A may be entitled to ask for a repetition of the first sample. The suppliers will be asked to use proper means of solving the problems such as: 8D Report, "Fishbone diagram", "5 X Why?" or any other similar.

Supplier must have all the investigation instruments/methods prepared and adequate for the case, or for deliveries, or , if the case, to ask for external support (institutes, laboratories) on his expense. The investigation process itself must be described and implemented.

8D Report will be used in dealing with supplier's problems. COMP A reserves the right to initiate, in the justified cases, special measures (sorting, special transportation, assembly and disassembly, purchasing from a third part etc.) in the purpose of continuing the on-time delivery and production terms of the products to the customer. The supplementary costs initiated, in such cases, including the supplementary costs due to special actions taken by COMP A's customers will be imputed to the supplier.

This is valid even in the case of delayed deliveries or none at all.

The supplier is obliged to implement and to maintain appropriate strategies of necessity , according to requirments ISO/TS 16494 or ISO 9001, and to plan and to have an appropriate safety stock. No matter the situation, COMP A awaits from the supplier's side an time reaction in order to avoid a fabrication stop at COMP A or at its customer. COMP A struggle to inform as soon as possible its supplier, regarding possible supplementary costs , and generally follows the principle of minimizing the damages.

1.7 General Purchasing Terms

Are valid for all vendor deliveries, to the extent otherwise agreed with COMP A, "General Conditions of Purchase COMP A"

1.8 Requirements transfer to the sub-supplier

Supplier is obliged to forward all relevant requirements of COMP A to its subcontractors and to pursue their compliance.

1.9 Quality requirements according to the series standard ISO/TS 16949

- In relation with COMP A, and products delivered by supplier shall comply with ISO / TS 16949 and methods AIAG manuals - the last edition
- APQP –Advanced Product Quality Planning and Control Plan;
- PPAP –Production Part Approval Process;
- FMEA – Potential Failure Mode and Effects Analysis;
- MSA – Measurement Systems Analysis;
- QSA – Quality System Assessment;
- SPC – Statistical Process Control.

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2 MANAGEMENT RESPONSIBILITIES

2.1 Quality objectives (TS 16949 -5.4.1.1)

COMP A establishes with its customers and suppliers, quality objectives committed to target "zero-defects" in dealing with COMP A. If the target of "zero defects" is not done soon, COMP A together with the supplier will set intermediary targets of PPM's for a certain limited period of time, these targets will be set in "Quality and the Environmental Agreement" or will be provided and submitted at the beginning of each year.

COMP A will send periodically (three months) results of monitoring this indicator, and if they exceeded the targets, the supplier is obliged to prepare a Corrective Action Plan to be placed in the agreed targets.

Agreeing on the boundaries of PPM does not graduate the supplier of its obligations relating to process the complaint and to continuously improve the product.

This does not absolve the supplier of obligations relating to warranty and claims for supply compound losses due to faulty

3 RESOURCE MANAGEMENT

3.1 Factories, installations and equipment planning (TS 16949 – 6.3.1.)

The supplier must identify critical processes and technologies within its production, and do a job analysis bottleneck. Appropriate measures must be taken in order to achieve the necessary quantity and capability of process (detailed planning, process analysis, identification and establishment of "special features" - important features of process and important parameters of the process, approval of the process for series production, control and regulation processes, immediate measures in case of deviations, etc.).

3.2 Emergency Situations Planning (TS 16949 - 6.3.2)

Supplier establishes appropriate measures to ensure its production capacity and delivery at the agreed rate of 100%.

Thus there must be an emergency strategy for unforeseen events:

- tool damage / car standing
- fire
- flood
- strike
- blackout
- losses during transport
- etc..

Supplier must draw up contingency plans to serve customers with appropriate products.

For these plans will be taken as the starting point, the results of risk analysis file.

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4 PRODUCT MANUFACTURING

4.1 Acceptance criteria (TS 16949 – 7.1.2)

For sampling by attributes, acceptance level should be zero defects.
Where appropriate, standard part will be used instead.

4.2 Confidentiality (TS 1949 - 7.1.3)

For COMPA, a supplier of automotive components, it's inevitable with development partners to conclude an agreement on exchange of information privacy. In this way suppliers will conclude with COMPA a "Privacy Policy Agreement"

4.3 Modifications Control (TS 16949 – 7.1.4)

COMPA's supplier must inform as soon as possible on the following changes:

- Changing Characteristics
- Change method / material production (including subcontractors);
- Change equipment / method of verification;
- Relocation of place of production;

Supplier is allowed to implement changes only after verification of efficiency of the changes (re validation of the client's product is obligatory for suppliers of Class A, B, C)

All changes brought to the product in the chain of the running process must be documented by the supplier of the product in product's history file that can be sent at COMPA's request

4.4 Special characteristics established by customer (TS 16949 – 7.2.1.1.)

COMPA establishes so-called "special features" - features of importance for COMPA or COMPA's clients regarding safety, functionality, machinability and assembly and they communicate them to supplier. To ensure the safety and operation of products, the supplier must identify and mark in every case the important features, in terms of its development process (design) and manufacturing as "special features".

In the case of a COMPA's supplier with a product development, establishing special characteristics is in agreement with the client through "FMEA (AMDEC).

Product characteristics and process corresponding their manufacturing process must be established and the supplier as well, even when development and design was done by COMPA or by COMPA's clients. Special features are the basis of AMDE's project sites and process verification of process capability, production planning and control, adjustment process, quality control documents, etc., and must be documented by appropriate methods (for ex. control Statistical Process).

- Special features-Symbolization, marking and pointing to drawing



SECURITY PRODUCT - This may affect individual physical safety for non-compliance with prescribed statutes.



PRODUCT SUBJECT TO COMPLIANCE - Compliance with legal regulations, national / international (EU).



CRITICAL FEATURES - This feature can lead to loss of product functions, which can lead to abnormal functioning of the vehicle or stop its operation.

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MAJOR QUALITY CHARACTERISTICS - *Quality characteristic whose failure causes the release of operating or functioning outside the specified parameters, leading to failure of the product assembly and / or a repair of it (with relatively high costs in relation to the product price) and / or growing customer dissatisfaction.*

4.5 Design and development (TS 16949 – 7.3)

Design and product development and process will be made by complying with TS 16949 requirements pc.7.3 and APQP Manual - AIAG

4.6 Product approval process (TS 16949 -7.3.6.3.)

All products and materials used by S.C. COMPA S.A. for the manufacture of automotive parts under the regulations ISO / TS 16949 should be developed and approved in accordance with requirements of AIAG-PPAP Manual

- The level of submission for approval will be the one requested by COMPA and will be mentioned in order / contract with supplier.
- The supplier can deliver the goods required under series production only after obtaining the approval of the document "**Application for submission of the piece for approval**".
- All documents in file validation that have not been submitted for approval will be made available promptly upon request from COMPA

4.7 Suppliers selection (TS 16949 – 7.4.1.)

In selecting suppliers, COMPA evaluates the Quality and Environmental System of the supplier. This evaluation is done by filling the supplier of "**Self Assessment provider**" or if necessary an audit at the supplier's facility.

Other selection criteria:

- Compliance with technical requirements (drawings, specifications)
- Compliance with the economic (price target)
- Compliance with the logistics (planning, volume 100% of delivery, delivery on time)
- Compliance with legal requirements and use of regulated materials.

If the supplier meets the selection criteria is placed in the "**COMPA's Accepted Suppliers List**"

4.8 Reglementations conformity (TS 16949 – 7.4.1.1.)

All products and materials delivered to COMPA must meet the applicable regulations.

4.9 Sub-supplier's Quality Management System (TS 16949 – 7.4.1.2.)

The supplier must determine in turn sub-suppliers to develop their own quality management system. ISO 9001 is minimum requirement

COMPA requires for its suppliers to pay attention to their own supply business. This refers in particular to the following aspects:

- supply documents verification for completeness and unambiguity
- establishing and supervising special features
- marking and tracing
- submission of samples for delivery
- selection of sub-suppliers
- supervision of sub-suppliers
- supporting and developing the sub-suppliers (supplier development)
- continuous improvement of sub-supplier

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4.10 Checking the supplied product (TS 16949 – 7.4.3.)

COMPACT expects from its suppliers to supply products which meet the requirements set forth in drawings and specifications. Supplier should provide this through controlled and capable processes and by appropriate verification procedures.

COMPACT periodically performs quality checks by sampling the products supplied. The tendency is to give up control in the reception, except for logistics control (consisting of an identity, verification for external damage identifiable, quantity, quality and reliability documents required), full responsibility for any nonconformity belongs to the supplier.

4.11 Supplier's monitorization. (TS 16949 – 7.4.3.2.)

COMPACT expects from her suppliers to have policy-based processes "0 defect" and deliveries "100% on time". COMPACT will monitor the supplier's performances by "Supplier's Ability Level". It contains the following indicators:

- PPM;
- Nr. quality incidents (non-conforming parts, from customer complaints, improper packaging, lack of quality documentation, etc.)
- Nr. Logistics incidents (terms failure, quantities ordered failure, transport incidents)
- Additional costs
- Repeated incidents
- Delayed answers and refusals to answer.
- The above data is calculated in a score where 100% is perfect.
- 90% - 100% grade ABLE (Green)
- 70% - 90% grade ACCEPTABLE (Yellow)
- Less than 70% grade UNABLE (Red)

COMPACT's suppliers will be submitted to six months the grade and the points earned. COMPACT expects all suppliers to achieve and maintain grade ABLE (Green) If grade ABLE (Green) is not achieved the supplier should establish corrective and improvement plans to achieve grade APT (Green). These plans will be submitted to COMPACT.

4.12 Identification and trasability (TS 16949 – 7.5.3.)

All parts must have a documented traceability from raw materials stage to finished products and shipment of components. The supplier must also ensure the traceability in the larger batches, which are delivered as partial deliveries at COMPACT.

Appropriate measures must be provided by the supplier for the requirements above. The traceability documentation for all the parts supplied must be agreed with COMPACT.

Supplier must agree with the responsible departments COMPACT the packaging methods (ex.: Euroboxes, containers, pallets).

The choice of sub-packing, to the extent it's not provided in the instructions for packing, is also the supplier's duty and must be done so:

- goods to be protected against damage, dirt or environmental influences that could negatively influence the quality of goods
- packaging to meet environmental legal prescriptions (returnable packaging)
- to be excluded a possible corrosion of goods delivered

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- it prevents an electrostatic charge of the goods delivered
 - containers, packaging that can be stored and stacked
- Marking of goods for delivery of series shall be so made in order to:
- provide an unequivocal identification
 - provide traceability
 - needs to be done properly (ex.: bar code, if required)

4.13 Tools owned by Customer (TS16949 – 7.5.4.)

- Maintenance

Tools should be stored properly and protected from any damage. The supplier must perform the actual maintenance work at their own expense tool for maintaining their permanent functionality, to ensure delivery at any time properly. This includes all work related to maintaining the functionality and tools to remove all defects and damage, and all changes and their wear from use. Supplier must show them by completing a maintenance plan, submitted on request to COMPA.

- Tools Modification

Tool changes can be made only after receiving prior written consent of COMP. If tool changes based on the technical requirements of COMPA are required, an modification amendment is to be made in advance.

- The refund obligation

On completion of the delivery period, or anytime at the request of COMPA, the supplier must provide the tools to COMPA in a state that allows a series production without any problems.

- Limitation on the use/Marking

Tools can be used exclusively by the supplier to meet delivery obligations to COMPA and, upon request, they must be marked accordingly.

- SDV's Ensurance

Supplier is obliged to ensure, as appropriate, the SDV's paid by the client, against fire, theft, water damage, etc. and give proof of insurance on their own initiative.

4.14 Measurement systems analisys (TS 16949 – 7.6.1)

Supplier should take measures so that its means of measurement capability to be at any time assured and that actual value are known. This requirement refers specifically to:

- measuring instruments that are appropriate for the application
- precision and accuracy
- means of measurement capability, repeatability and comparability (Reference: MSA), especially for special features.

Supplier organizes its measurement control means in such a form, that at any time to submit credible evidence of capability and good functioning.

4.15 External laboratory (TS 16949 – 7.6.3.2.)

If the provider appeals to conduct inspection services, testing or calibration in an external laboratory, it must be accredited according to ISO 17025 or a national equivalent.

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5 MEASUREMENT, ANALYSIS and IMPROVEMENT

5.1 Process monitoring and measurement (TS 16949 -8.2.3.1)

In order to attain and prove process control and capable processes as well, process analysis and appropriate capability studies must be performed on both, short and long term.

This is to be applied in the case of special features mostly.

- For temporary process capability (ppk)/ 1.67 cmk level
- 1,33 cpk level
- Critical features in terms of safety must be individually defined, along with COMPA
- Equivalent indexes for attributive features must be established along with COMPA

Process capability must be documented here by controlling the parameters which define the process. The level of acceptance for such characteristics is "zero defects".

Adequate actions should be stipulated for the processes which cannot be documented as stable or capable, in order to achieve and ensure conformity to product requirements. (for instance, 100% inspection for significant characteristics in terms of security or important to proper functioning).

Machining processes adjustment should include the surveillance over the product's characteristics, as well as, over the parameters which influence the process. To serve such purposes, where it's possible and adequate, methods like SPC should be implemented. Process parameters and product characteristics which are to be controlled must be documented within control plans.

COMPA requires traceability and process capability evidence at least in terms of critical characteristics from the security and other special features point of view.

5.2 Control of nonconforming product (TS 16949 – 8.3)

a) Potential nonconformities and deviations detected before delivery to COMPA

In the case of potential nonconformities or deviations from the established object of delivery which the supplier discovers or suspects prior or subsequent to the shipment, but before delivery to COMPA (risk transfer), an immediate reaction on the supplier's behalf should be noted.

In such cases, the supplier should take action, in the order given below:

- informing COMPA about the nature and volume of nonconformities and/ or suspected or discovered deviations. This also applies to delayed or not performed deliveries, as well as to larger or smaller quantities than the ones required; such information should be immediately directed to the Logistics Dept. in COMPA.

- shipment/delivery stopping and immediate 1:1 substitution with conforming parts, within the agreed delivery term.

In this context, it is necessary to ensure at all times supplier traceability and its documentation, so that it can be proven on demand.

If a proper delivery cannot be replaced within the agreed delivery date, then the supplier needs to receive a written derogation from COMPA, for a limited delivery volume and delivery must be delayed, until a confirmation from COMPA technical department is obtained.

COMPA reserves the right to impute the supplier costs from the appropriate actions.

b) Deviations identified at control in the reception at COMPA

COMPA periodically performs quality checks by sampling the products supplied. COMPA's tendency is that of giving up control in the reception, except for logistics control (consisting of an identity verification, identifiable external damage, quantity, as well as reliability

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of the quality documents required), so that the supplier must accept full responsibility for the costs consequent to the corrective actions applied.

In cases where there is a check in the reception at COMPA and deviations are identified, a 8D Report will be sent to the supplier, which must retransmit with immediate and complete way to settle within 24 hours. COMPA normally prefers solving by replacing nonconforming products on time.

In extreme cases, in order to avoid stoppages in manufacturing, sorting and reshuffling products may be applied. These operations can be performed by supplier, by COMPA or a specialized company agreed to by COMPA.

The costs of these actions will be borne by the supplier.

Within 15 days, supplier shall retransmit the 8D report completely filled in. Complaint is considered closed only if irregularities do not repeat within 60 days, as evidence that the actions transmitted in the 8D report have been effective.

COMP A fills in these sections when creating a new 8D Report

The supplier fills in these sections in 24h term after receiving the 8D Report

The supplier fills in these sections in 15 days term maximum after receiving the 8D Report

SC COMP A SA Sibiu		8D REPORT		8D REPORT CLOSE DATE:																					
<input type="checkbox"/> Complete form	Launch date:	Initiated by:	Recommende:	YES <input type="checkbox"/> NO <input type="checkbox"/>	Analysed team (P4 - P7)																				
<input type="checkbox"/> Short form (only P2 and P4)	24h Stage	8D report no.:	Supplier:	OB 8D report no.:																					
1 PROBLEM DETAIL		4 IMMEDIATE ACTIONS		6 PREVENTIVE/CORRECTIVE ACTIONS																					
Product Name:	Delivered quantity:	Check Production:	OK <input type="checkbox"/> NOK <input type="checkbox"/>	Corrective actions - permanent																					
Invoice no.:	Rejected quantity:	Prod. Stock:		Responsible: _____ Term: _____																					
Quantity certificate no.:	Charge lot:	Ware house stock:		Review of the working instructions <input type="checkbox"/>																					
Where the defect was found:		Reserve stock:		Review of the control plan <input type="checkbox"/>																					
<input type="checkbox"/> reception <input type="checkbox"/> on line <input type="checkbox"/> final customer		Others:		Review of the AMDEC/FMEA <input type="checkbox"/>																					
2 IMMEDIATE CORRECTIONS		Immediate actions - temporary	Date:	Check the measuring devices precision <input type="checkbox"/>																					
Comment:		5 ROOT CAUSE		Others <input type="checkbox"/>																					
<input type="checkbox"/> Immediate corrections: _____ Term: _____ <input type="checkbox"/> Replace or rejected quantity <input type="checkbox"/> Sorting and/or reworking by the supplier rat. Compa <input type="checkbox"/> Sorting and/or reworking by Compa with the accord of the supplier in the costs <input type="checkbox"/> Other actions: _____		Find their occurrence applying the 5 whys or fishbone effect or 5 why analysis CAUSE-EFFECT YES <input type="checkbox"/> OTHER ANALYSIS? YES <input type="checkbox"/> WHY <input type="checkbox"/>		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Action</th> <th>Date</th> <th>Stage</th> <th>Efficient</th> <th>Non-efficient</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> Observations: Responsible: _____ Signature: _____ (Attached documents (material report, measurement sheet, capability)		Action	Date	Stage	Efficient	Non-efficient				<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>				<input type="checkbox"/>	<input type="checkbox"/>
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3 EXTRA COSTS SUPPORTED BY THE SUPPLIER		ROOT CAUSE:		8 SUPPLIER SURVEILLANCE																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Are there extra costs?</th> <th>YES</th> <th>NO</th> </tr> </thead> <tbody> <tr> <td>Sorting costs</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Reworking costs</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Line stop costs</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Costs from final customer</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Other costs:</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> The supplier is agree with the 8D report and will pay all costs requested by Compa Name: _____ Signature: _____ TOTAL: _____		Are there extra costs?	YES	NO	Sorting costs	<input type="checkbox"/>	<input type="checkbox"/>	Reworking costs	<input type="checkbox"/>	<input type="checkbox"/>	Line stop costs	<input type="checkbox"/>	<input type="checkbox"/>	Costs from final customer	<input type="checkbox"/>	<input type="checkbox"/>	Other costs:	<input type="checkbox"/>	<input type="checkbox"/>	Does the supplier need surveillance? YES <input type="checkbox"/> NO <input type="checkbox"/> Surveillance a short plan: Surveillance stage: _____ Date: _____ The result of surveillance: _____ Responsible: _____ Effect <input type="checkbox"/> Non-efficient <input type="checkbox"/> Date: _____ Signature: _____					
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Other costs:	<input type="checkbox"/>	<input type="checkbox"/>																							
!!!PLEASE PUT ATTACHED LABEL (see instructions and label sheet) ON EVERY PRODUCT LOT SENT TO S.C. COMP A S.A. UNTILL NEXT NOTIFICATION																									
COMP A 9-50-1039;A4;fed. b/2008																									

If costs are known, COMPA fills in this section when the 8D Report is created. If not, it will be filled in at the time when all the costs are known

This section will be filled in by the supplier in 10 days term maximum since the cost were first transmitted.

The suppliers fills in this section and should transmit it according to the terms from Po. 8

After 60 days term, monitorization time, since the date of 8D Report, COMPA fills in this section



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c) Deviations identified in the technological flow in COMPA

For irregularities which were identified during processing, assembly, respectively, 8D Report will be sent to the provider is obliged to respond within 24 hours
Modes can be solved:

- immediately deliver a flawless replacement batch or
- to conduct / organize the sorting on its own expense, or
- to obtain a deviation

Within 15 days, supplier shall retransmit the 8D report completely filled in . Complaint is considered closed only if irregularities do not repeat within 60 days, as evidence that the actions transmitted in the 8D report have been effective.

In cases a) and b), nonconforming quantities become relevant by ppm. calculation and are included in the supplier evaluation.

COMPA reserves the right to impute the supplier all the costs for the corresponding actions.

d) Cost Recovery

Recovery mode

COMPA will recover the costs of all non-conformities (as incidents) due to suppliers.

It will follow these steps:

Step 1: The Quality Department in COMPA issues the 8D report which is being sent to the supplier

The report may also contain (if known at this stage) the costs due to the Supplier

Step 2: COMPA identifies and collects all costs generated by the occurrence and reshuffling of the nonconforming parts.

All costs must be documented.

Step 3: The Quality Department in COMPA forwards these costs to the supplier.

Step 4:

4a. If the supplier agrees with the costs submitted or does not answer within 5 days, the Financial Department issues and sends the financial cost recovery document to the supplier.

4b. If the supplier disagrees with the costs submitted, all departments concerned will provide the supplier with all the details and documents which served as the basis for calculating the costs.

Within 5 days, the supplier must send the decision of acceptance or non-acceptance of costs. In the case of non-acceptance, the supplier must provide the reason for not accepting those costs.

Step 5: by the departments concerned, COMPA will make all necessary steps in presenting the effects arising from non-conformity and will make available to suppliers all documents related to this drill. The supplier may perform an investigation in COMPA and may issue solid arguments against the complaint to be negotiated.

Negotiation period may not exceed 15 days from issuance of the costs and by that time, the supplier must notify its clear decision.

Step 6: If within 15 days from the issuance of the costs, an agreement with the supplier is not reached, the Resort Manager in COMPA together with the supplier's Sales Manager will involve themselves in unblocking the situation.

Consequent to the negotiations, a final decision will be taken, by mutual agreement, to conclude the incident.

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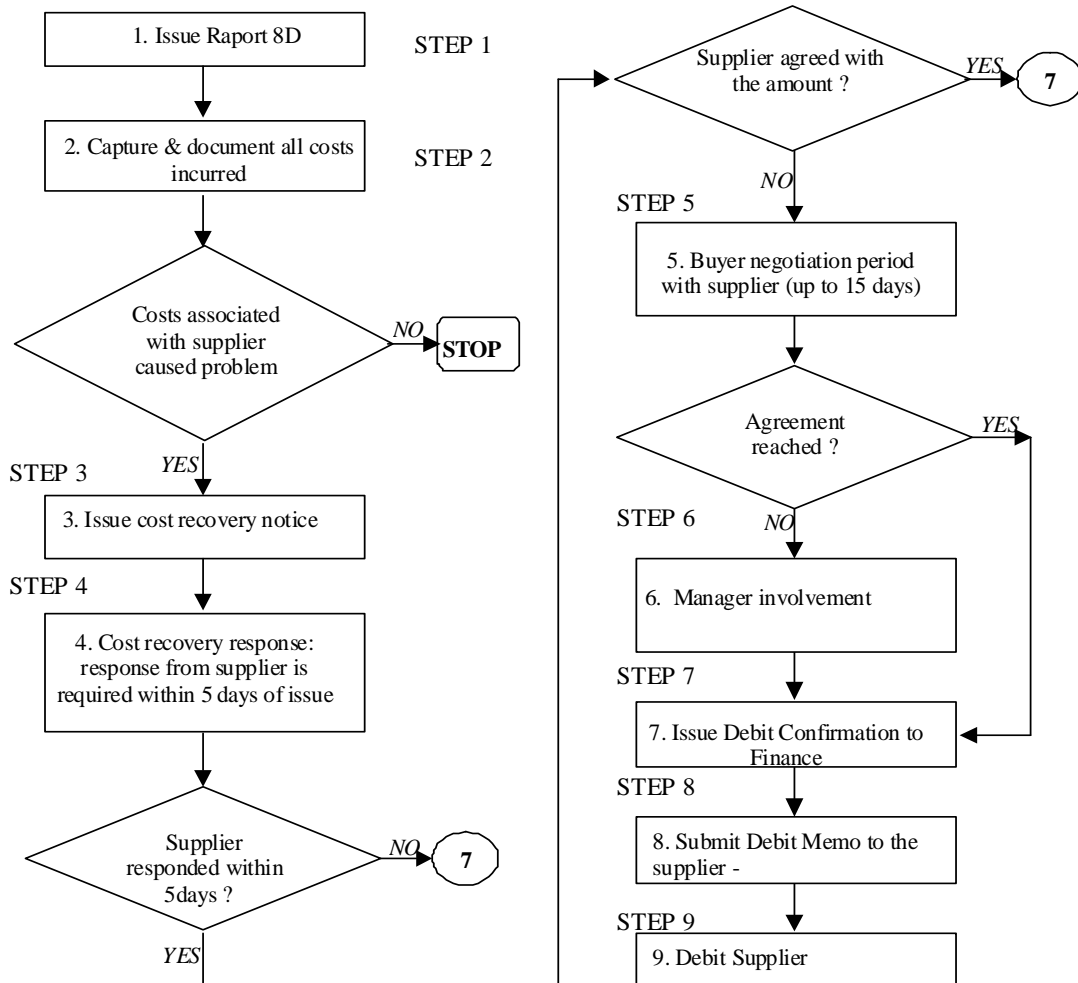
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Step 7: Throughout the process of recovering the costs due to the supplier, when the provider accepts the costs imputed, the Financial Service in COMPAs issues and sends the cost recovery financial document.

Step 8: The supplier shall send the confirmation of accepting the cost recovery financial document.

Step 9: Payment consequent to the agreement.





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7.6.2 Method of costing

Incidents that generate costs and may be due supplier:

- COMPA reception sorting.
- COMPA Production flow-sorting.
- COMPA customers sorting.
- Reprocessing non-conforming products.
- Sorting and / or reprocessing by other specialized companies.
- Scrap parts identified at the reception in COMPA.
- Scrap-parts after machining in COMPA
- Tools-and / or broken equipment
- Malfunctions or stoppages in COMPA manufacturing.
- COMPA penalties levied by customers due to failure to meet the delivery terms agreed or quantity ordered.

The total cost of an incident will include all actual costs incurred, using prices and tariffs of the date when the incident.

Calculating the total cost will be based on the documents issued by the departments concerned (Ex: scrap notes, technological plugs, additional materials required, additional penalties from the clients, etc.).

All these documents and the calculation will be presented to the provider, on demand.

5.2 The deviation given by the client (TS 16949 - 8.3.4.)

The supplier must deliver as according to the drawings and specifications. If, because of minor deviations, it is not able, on a limited time, to do so, a written request for deviation from COMPA may be sent. Deviations can be accepted only if security operation, durability, workability and usage of the parts are not influenced. An exception is always valid only with written permission from COMPA and is limited to an agreed number of products or an agreed delivery period.

6 ENVIRONMENT

6.1 For all products

- For products delivered, it is recommended that the supplier should work in an environmental management system (ISO 14001), or meet the requirements covered by this standard.
- The supplier must comply with the requirements of Regulation (EC) No.1907/2006 (REACH) depending on the role it has on the supply chain.
- The supplier must provide a packaging management for the products delivered in accordance with the requirements of HG 621/2005 with subsequent amendments and Ord. 578/2006 with subsequent amendments.
- The supplier must send his statement confirming that the materials mentioned in the Directive 2000/53/EC are not being used on the products.

6.2 All chemicals included

- The supplier must send the Safety Data Sheet (SDS) for hazardous chemicals (either before or during the first deliveries), a document which must be written in Romanian and be drawn according to Regulation 1907/2006 (REACH).

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- The supplier must send, on its own initiative, the available security data sheet (SDS) edition at each update, according to Regulation 1907/2006 (REACH).
- Labeling the packaging of dangerous chemicals must be made in accordance with the requirements of GD 1408/2008.
- The supplier must comply with the regulations of GD 347/2003, with subsequent amendments, on restricting the marketing and use of certain dangerous substances and chemicals.
- The supplier must send, upon request, "The Certificate of Compliance with COMPACT Environmental Requirements" and " The Supplier Declaration on Prohibited and Notifiable Substances", on the first delivery.

7 ABBREVIATIONS

- APQP - Advanced Product Quality Planning and Control Plan;
- PPAP - Production Part Approval Process;
- FMEA - Potential Failure Mode and Effects Analysis;
- MSA - Measurement Systems Analysis;
- QSA - Quality System Assessment;
- SPC - Statistical Process Control.
- FEM - Finite Element Method
- CAD - Computer Aided Design
- DCV – Controlling Devices, Verifiers

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