



**QUALITY
AGREEMENT
WITH SUPPLIER**

QUALITY AGREEMENT WITH SUPPLIER

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1 INSTRUCTION

We from Dyna understand that our success as a worldwide manufacturer is also directly conditioned to the success of our suppliers and with the objective to transfer the work philosophy and service requirements to our quality policy, we elaborate this present agreement, which looks forward for a bigger integration and a strong partner relationship.

This agreement establish criteria for the qualification of our suppliers (actual and potential) and performance monitoring during the delivery period, and in this context ensures the commitment on continuous improvement on quality of the purchased materials and services provided.

2 OBJECTIVES

This quality agreement has as principal objective inform the suppliers about the quality evaluation criteria for the supply for Dyna.

3 APPLICATION

Applies to the suppliers which involve the productive chain in function to the recognition of its capability on attendance our specification and when it comes to strategic supplier, in which attend to technical and commercial qualification criteria established by Dyna.

4 EVALUATION PROCESS

4.1 System

Dyna has as practice a pre-evaluation visit on the new source and the productive suppliers should have at least the quality system on the norm **NBR ISO 9000** in its latest version. However, reserve the right to make evaluation visits, apply self evaluation questionnaire, in order to develop the supplier to the requirement attendances of the norm IATF 16949.

The questionnaire used is the "Quality Evaluation System" based on the IATF requirements which punctuation classifies the supplier as the following criteria:

Satisfactory: with punctuation ≥ 50 %, no item with punctuation "0"

Unsatisfactory: with punctuation ≤ 50 %, prevented from submitting samples.

4.2 Process

Dyna as the supplier of the main automakers, adopts the process evaluation in its Tier 2 VWB / MAN, according to the criterion of VDA 6.3: 3rd Edition 2016 with the objective of developing the supplier in the good practices of production and process.

Therefore, P1 and P7 are audited in their suppliers for the following purpose:

P1: The P1 Potential Analysis is a general audit of the process, used to develop new supplier, new technology (new product), change LayOut. The positive award does not guarantee the granting of the contract with the supplier, however, the negative report precludes the granting of the contract with the supplier.

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P2 to P7: Audits P2 to P7 are detailed process audits, used for analysis and impartial evaluation of product development and realization, as well as the effectiveness of the defined product. The assessment is carried out globally in accordance with the requirements and risks involved in separating the questions in VDA 6.3 for the following elements of the process:

- P2: Project management
- P3: Product and process development planning
- P4: Execution of product and process development
- P5: Supplier Management
- P6: Process / Production Analysis
- P7: Customer Service / Customer Satisfaction

According to the criterion of VDA 6.3 3ªEdição 2016, the scoring complies with the following criteria for the process audit elements P1:

Assessment of individual issues:

Red: Requirement of questions is not fulfilled

Yellow: Requirement of questions reached conditionally only

Green: Requirement of questions is reached

Classification		Assessment based on the questionnaire	
		Yellow	Red
Supplier blocked	Red	More than 14	One or more
Supplier released conditionally	Yellow	Maximum 14	None
Supplier Released	Green	Maximum 7	None

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According to the criteria of VDA6.3 3rd Edition 2016, the scoring complies with the following criteria for the process audit elements P2 to P7:

Classification	Degree of attendance %	Rating description
A	91- 100	Fulfilled: <ul style="list-style-type: none">➤ Series production attended➤ No weak/serious points
B	90 - 80	Fulfilled in part: <ul style="list-style-type: none">➤ Action plan with <u>defined deadline</u>, realized in acceptable time➤ Establish immediate measures
C	0 – 79	Not fulfilled <ul style="list-style-type: none">➤ No participation in new quotations or➤ Realization of <u>improvements/investments</u> program

4.3 Evaluation CQI 11 / CQI 23 / CQI 27

Dyna as tier 2 of the principal vehicle assemblers ask for superficial treatment evaluation process – electro plating according to the CQI 11 (*Special Progress: Plating System Assessment*), evaluation of the Plastic Parts Molding process according to the requirements of CQI 23 (Special Process: Molding System Assessment) and the evaluation of casting processes according to requirements of CQI 27 (Special Process: Casting System Assessment).

The details are in manual CQI 11, CQI 23 and CQI 27 of the AIAG, which defines the evaluation criteria and the qualification of the evaluator for suppliers working in these product categories (machineries including surface treatments, polymer parts manufacturing and cast parts manufacturing).

For suppliers that the production processes are to be applied CQI Manuals cited, audits should be performed annually and reports of these should be forwarded to Dyna, when requested.

4.4 Environmental Evaluation

According to the product provided, Dyna will be able to request to the supplier the completion of the environmental questionnaire, except those who have the ISO 14000 certification.

4.5 Contingency Plan

Dyna requires its suppliers to maintain formal contingency plans for supply and analysis of shortage risks, in order to inform any deviations or interruptions of the normal processes of the supply process, such as: transport changes, packaging, identification instructions.

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4.6 MMOG

Dyna as tier 2 of the principal vehicle assemblers, adopts the MMOG / LE (Global Materials Management Operational) application in the selection process of its suppliers as part of the selection process.

Therefore, Dyna may carry out evaluation visits and apply the self-assessment questionnaire in order to develop the supplier to meet requirements based on MMOG.

The questionnaire used is "MMOG - Global Materials Management Operations" based on questions F3 of the Global MMOG / LE V4 manual and the score classifies the supplier according to the following criteria:

Satisfactory: with score $\geq 50\%$, without item with a score of "0".

Unsatisfactory: with score $\leq 50\%$, s blocked from submitting samples..

For a qualified supplier, class A of the evaluation criteria mentioned below is adopted.

Class	Degree of attendance %	Classification description
A	> 50%	Fulfilled the requirements
B	< 50%	Not fulfilled > Provide improvement/ investments plan

4.7 Assessment of supply risks

The supplier must use a process of risk assessment of supply. Ex: LFMEA (FMEA Logistic)

5 PARTS APPROVAL PROCESS

Dyna asks from its suppliers the submission of the PPAP 4th Ed. (Production parts approval process), since not otherwise specified, the level 5. Dyna is responsible by the PPAP submission indication. We use as rule to prioritize the decision take in FMEA the following values:

- Occurrence 8, 9,10
- Severity 9,10.

The submission of PPAP is always necessary before the first supply, in the following situations:

- New part or set;
- Correction of discrepancies;
- Engineering or material change;
- New or inactive tooling for more than 12 months;
- Sub suppliers changes;
- Process or fabrication unity change;
- Periodical update requested by Dyna.

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*The tool supply is conditioned to PPAP approval and pilot lot approval when requested.
For current parts may present just functional characteristics on the dimensional report.*

5.1 Samples

The samples provided for Dyna must contain the use of an additional alert label, identified at the four corners of the package, with the following information: "Sample" identification, material code, quantity, Dyna code, supplier name, the name / area / telephone number of the requester.

5.2 Notifications and resubmissions

All significant modification in the productive process or in the product specification must be informed to Dyna.

The formal alterations (documented) made by Dyna, related to project data and supplier request to lower cost / process improvement must be considered to the resubmission of PPAP.

5.3 IMDS

The worldwide WEB registry where it must submit the content of any substance present in the product provided, originally to assemblers.

Must be submitted the items in all of the new PPAP which should contain the corresponding ID to be presented to Dyna and when there is material or supplier change.

Heavy metals like: Cr6, Lead, Cadmium can no longer be used, under penalties of heavy fines.

6 REQUIREMENTS FOR THE QUALITY

6.1 Attendance to specifications

The supplier assures that all supplies will be at required standards by Dyna's technical documentation, the monitoring of the characteristics can be agreed in PPAP phase.

Is responsibility of the supplier, unconformities on all provided items, even with not used in 12 months, since obeyed the storage condition, counting from the fiscal note. The failures must be clearly characterized as supplier responsibility to be returned for reset.

LMD (Project Modification Release): The PPAP review shall be performed and forwarded to the DYNA within the stipulated timeframe provided that the supplier receives LMD project revisions

LPD (drawing provisional release): It is not the responsibility of the supplier to send PPAP when the design is received in the LPD review. However, it does not exclude the responsibility of the supplier to analyze the impact of the modification and inform the client if it is impossible to attend. If the modification is possible, the supplier must notify Dyna for the scheduling of the Try Out and validation of the modification proposal.

It is the responsibility of the supplier, non-conformities of every item supplied, even if not used within 12 months, provided they obeyed the storage conditions, from the date of invoice. Failures must be clearly characterized as being the responsibility of the supplier to be returned for replacement.

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6.2 Immediate actions and restrains

The supplier must notify Dyna in the event of any misuse of supply (quality deviations and logistics) before shipments to Dyna.

The no conform materials could be: selected, reworked, or accepted under deviation. The deviation is emitted when there is the possibility and necessity of use, and must contain:

- No conform quantity to be accepted;
- Description of non-conformity;
- Prediction of sending material conform;
- Additional alert label for modified products (all non-conforming material must be identified).

Observations:

- The supplier can not introduce other discrepant items during rework;
- Only after the written notification of the deviation acceptance, the lot can be sent;
- The additional alert label must contain the following information: "Selection" or "Rework" identification, item code, item description, quantity, description of nonconformance and deviation number;
- All deviation conceded does not imply on the automatic acceptance of the others no conform lot.

Dyna may reprove, all or in part, the supply received by non-conformity with applicable specifications or purchase order, and expenses originated from supplier return will be payable by the supplier. According to the rules of Dyna's financial sector the material may only be returned with fiscal devolution (shipping for rework and repair is not allowed).

For this contention actions Dyna awaits supplier readiness in the case of immediate presence, otherwise quality can request a rework company and third party selection for contention and the costs will be passed on to the supplier previously agreed.

The supplier's staff that will do the rework or selection of our productive area must be registered and effected to the Dyna's security norms. During the validity of this integration, the registered person has immediate access for this works that might occur.

6.3 Debits of nonconforming parts

If the non-conformity is detected in our client and the product involved can be reworked, the costs of this rework should be on account of the supplier. If the rework is not possible, all original expenses will be passed on to the supplier.

Supplier problems that are detected after the ready or processed piece that is not possible to rework will be accounted and forwarded a report with the costs to our commercial area to make the commercial adjustment with the respective supplier. This costs involve rejected parts, labor involved in selection/rework, costs in the involved technical area.

The supplier is responsable to any expense due to performance or defect in the final product provided to our clients including fines, recalls and vehycle assemblers campains, in consequence of the no attendance of the specifications previously agreed with Dyna.

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6.4 Claims and corrective actions

When the non-conformity is detected in the product, Dyna will request corrective actions which will eliminate the root cause and prevent the non-conformity recidivism for the supplier. For that, the following tools are used:

- **Non-Conformity Notification** with the description of Non-Conformity / occurrence, illustration of the problem evidenced, informative of the disposition given to the parts in the Dyna receiving process, such as: Use as is, Select, Return or Rework.

The response of the CNP should contain at least the basic cause of nonconformity, containment action, corrective and preventive action with responsible and deadline implementation.

If it is not possible for the supplier to be present to provide technical support to Dyna by the agreed date, the supplier must appoint a third party local inspection team to represent it in the containment plan activities.

- **Answer report 8D** with complete support spreadsheets (brainstorm, cause analysis, 5 reasons why).

- **Specific action plan** for chronic problems or for long term actions which involves investment and structural changes in the company.

The 8D report must be completed as follows:

- D3 (containment) up to 24 hours evidencing the return of formal and documented information, noting the containment actions for the material and / or nonconforming product, including the parts in Dyna, in transit and internally in the supplier. If the supplier is prevented from being present to provide technical support to Dyna on the agreed date, carry out negotiation as quoted in the contention in the NNC tool.

- D4 and D5 (causes and actions) verifying the occurrence and detection actions within 5 business days of the issue.

Note: After 30 days of the issue of non-compliance report with no supplier response analysis, the demerit for "days of delay" is interrupted and a new 8D is issued for the problem of "non-response of occurrence".

6.5 Controlled boarding

The controlled boarding is an aggressive contention looking forward to block the entrance of the not in accordance products in Dyna. The quality area in Dyna may ask the Supplier's **EC** through analysis of qualitative data in order to define the applicable materials and products. As a guideline for the **EC** implementation the following can be considerate:

- Qualitative problem;
- Repetitive problems in the quality;
- Problem duration and severity;
- Process without capability;
- Contention actions and not appropriate correctives;
- Audit process with inefficiency;

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The necessary entrances for the beginning of the controlled boarding are the following:

1. The quality identifies the appropriate product to enter in EC.
2. The quality sends a EC enter letter to the supplier containing the following information:
supplier name, product code, product description, EC activity initial date, EC level and reason, EC expected duration (at least 5 weeks), exit criteria (which must correspond as minimum in a supplier action plan 8D/5Steps, verification of such plan can be through a audit to measure the efficiency of the implemented actions or evidence of the respective actions taken or satisfactory supply history).

Conclusion of the contention process:

- Satisfactory audit results;
- Corrective action plan (8D/5Steps) implemented by the supplier and approved by Quality;
- Other additional exit criteria defined case by case;
- The Quality prepares the EC exit letter;
- The Quality distributes the EC exist latter according to the list;
- The Quality updates the data base removing the supplier from the EC.

6.6 Identification and traceability

The material must contain clear identifications that prove lot conformity. In the labels present at least:

- supplier name;
- description of the material;
- code Dyna;
- amount;
- number of the Supplier fiscal note;
- expiration date (when applicable).

The supplier must establish a trustworthy traceability procedure that can guarantee the following information, when requested by Dyna:

- lot number;
- date and local of the production and tests
- quality registers.

6.7 Quality Standarts

Dyna represented by properly accredited workers will have the right to the access of the supplier and third-party facilities.

Can realize quality system audits or visits, when it judges necessary, either because recidivism of not in accordance or for supplier development monitoring.

The supplier should communicate Dyna, any alteration referred, to draw changes, production place or productive process.

The supplier must guarantee that the product will be delivered without defect, always attending the technical specification and quality patterns required by Dyna.

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7 LOGISTICS

7.1 Packing

The packaging required by Dyna must be in conditions that guarantee the product quality. Can be returned or not, according to Dyna in the start of the delivery.

7.2 Transport

When the delivery service is the responsibility of the supplier, it must assure its capacity and competence to do so, as well as meeting the IV requirements of item 8.3-Supply Conditions. In the case of suppliers with delivery window, it must be respected as agreed between Dyna and the supplier. The other must obey the reception time as determinate by Dyna.

7.3 Materials with expiration date

Materials with expiration date must be delivered in the deadlines agreed with our logistic, looking forward for the utilization before the expiration date. Will only be accepted the materials that attend the specification or that have deviation authorized by Dyna.

7.4 Raw material programming

- **Program:** sent by the respective logistics analysts in spreadsheets, PDF archives or supplier portal, by EDI, containing, at least, the program of the month and the prevision for the next. For specifics raw material cases with lead time of fabrication over 60 days, send of future predictions that can be altered before the official request depending on Dyna's necessities.

Emission of programs and/or requests must obey to the lead time informed by the supplier for production and delivery of materials

After the acceptance, the programming attendance will be on quantities and deadlines requested by Dyna.

- **Reprogram:** after accepted by the supplier must be followed according to logistics planning.
- **Evaluation of the supplier's productive capacity:** can be requested by Dyna independent of new products or supply changes.
- **Third-parties:** supplier must provide material in the hands of Dyna at any time to the inventory and/or conference. In the annual inventory, the supplier must provide qualified people, scale, maintain the material in good conditions (labeled), attend the deadline stipulated by Dyna and other needs relevant to the count.

7.5 Reception

7.5.1 Times

Delivery time from Monday to Friday:

Morning – from 7:30 to 12:00 hours

Afternoon – from 13:00 to 17:30 hours

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Some strategic suppliers must obey to its preferential window.

In the case of the delivery do not occur within the combined, the supplier must inform in advance the logistics department for evaluation of need and authorization from Dyna's directory. Dyna reserves the right to request extra deliveries in the weekends if necessary.

7.5.2 Tax receipt

Supplier must initially go to fiscal reception sector in Dyna's entrance (Concierge 1) for conference of the fiscal notes, XML archives, verification of the commercial condition pre agreed and orders issued by the logistics department.

7.5.3 XML Archive

Required dispatch before the arrival of the material for conference and solution of possible problems. Address:

fiscal@dyna.com.br

www.dyna.com.br/portalnfe

7.5.4 Physical Reception

After accounting release, the supplier, in possession of the fiscal note, must go to the concierge to schedule record and wait the call to enter the docks.

The lecturer Dyna, together with the driver and/or helper, confronts nf x material x amount, following the criteria of item 6.6.

Supplier must demand the signature in the fiscal note signed in a readable form containing the document number of the lecturer and Dyna's stamp.

7.6 Logistics Debits

All the financial expenses will be debited from supplier in the case of not attending the programming, respecting lead time, productive capability and, in the case of third-parties, the material delivery by Dyna.

7.7 Material shipped to outsourcing

The supplier provides to Dyna or to whom it indicates, the material waste remitted by Dyna to industrialization in similar quantity estimated by Dyna.

The supplier will reimburse Dyna the amount calculated as a result of the inferior quantity delivery to the expected waste volume, if it does not provide such divergence, in the time of 30 (Thirty) days.

8 COMERCIAL

In the commercial and technical relations between Dyna and its suppliers the preferred language to be used is Portuguese and alternative English.

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8.1 Financial Situation

To be a homologated supplier, the Dyna considers the financial situation of the supplier consulting on the data of the credit center in the company. In case there are pending Dyna can block the supplier.

8.2 Supply Agreement

In general is accomplished the supply agreement along with the mother request between Dyna and the supplier. For outsources are signed an exclusive agreement, like: "Lending Agreement" when involve the transfer of molds and parts for the supplier; and "Provision of Services Agreement" where are defined the responsibilities between Dyna and supplier. Dyna follows the principle of helping technically on the maintenance, tooling, production and quality areas while the supplier must guaranty zeal and daily maintenances.

8.3 Supply conditions

I - Formalization and Acceptance of the Request

I.1 - The acceptance will be automatic if the supplier does not make a partial or total refusal in writing within two days after receiving this request.

I.2 - For all purposes and effects of law, all conditions and prices and their subsequent modifications (through documents signed by the buyer) mentioned in this merchandise order will always prevail over the text of any acceptance form or any other document issued by the seller.

II - Prices and Adjustments

II.1 - The price stated in the order is firm and can only be changed with the agreement, in writing, of the buyer, through an additive term of this.

II.2 - Price adjustments will only be studied by the buyer if submitted to their appreciation at least 30 (thirty) days after the date of effectiveness intended by the seller.

II.3 - The buyer may modify or cancel the order, and their respective "Delivery Authorizations", if not convenient, even if justified, the new price intended by the seller.

II.4 - Any price adjustments, automatically update the economic level to the date when the new prices begin to be practiced, not being allowed retroactive charge or earlier claims.

III – Supply

III.1 - The delivery program, object of the request, shall be established by the "Delivery Authorization", that the purchaser shall issue automatically and consecutively, the measure of your supply needs.

III.2 - The "Delivery Authorization" establishes the quantities considered as "firm order" or "Estimated forecast" and the deadlines and / or delivery dates, which conditions become an integral part of the order.

III.3 - The material will be delivered to the address and in the area stipulated by the buyer

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It is guaranteed to the buyer not to receive material with a different amount from the established or to return quantities sent in excess, out of time and outside the time of receipt, or even, at its exclusive criteria, cancel, suspend or interrupt the execution of this request in which cases it will be discharged of any responsibility.

For a three-fold recurrence of material with a quantity divergence above 5%, the buyer is entitled to send the debit notification and the receipt of the parts of the next order plus the quantity of parts referring to the previous order, without additional charge.

Is ensured for the buyer and for seller the authorization to perform the verification at the vendor's premises to ensure that the product purchased meets the specified procurement requirements. Through a written notice, the buyer will inform the seller of the verification arrangements and the method of product release, as the case.

IV- Packaging, Transportation and Risks

IV.1 - The material must be packaged according to the specifications of the buyer.

IV.2 - It is the responsibility of the seller the expenses of packaging, freight, insurance, as well as the costs generated by buyer with the devolution, correction or recovery of the material which, by production efficiency, transportation damage, inadequate packaging, etc, not at the discretion of the buyer in perfect conditions of use.

IV.3 - It is the responsibility of the seller, all transportation risks and the preservation of the merchandise, until its actual delivery to the buyer.

IV.4 - The buyer is not responsible for accidents of any kind that may occur inside your factory or warehouse, as the seller, by its agents or who by its order makes the delivery of goods contained in this request.

V- Debit, Billing and Charge

V.1 - The seller should carefully attend to the place of delivery of the material, number of registration in the state, taxpayer general register and billing address, indicated in the request and / or the "Delivery Authorization".

V.2 - The Invoices should be issued with absolute clarity and with strict observance of the legal and tax provisions.

V.3 - No material will be received by the buyer without being duly accompanied of invoice.

V.4 - The seller must always indicate in the Invoice:

- A) The complete request number and "Delivery Authorization" number;
- B) The number of the "Supplier Code" designating the seller, before the social name of the seller;
- C) The part number and description.

V.5 - The Invoices may contain several items of various orders, provided they are of the same tax classification and must be unloaded in the same receiving area.

V.6 - The invoice can not be divided into duplicates, unless otherwise stated in the application, or where required by law.

V.7 - The titles of responsibility of the buyer will be payable exclusively in Guarulhos – SP and exhibit for charge and / or payment only at the address of the buyer indicated. The buyer may charge the seller for any additional freight cost with the customer due to non-compliance within the agreed time limit.

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VI - Technical Norms, Previous Inspection and Examination of Acceptance of Re-mittances

VI.1 - The seller undertakes to prepare and send the quantity of sample requested in the order, free of any debit, including taxes, renewing such consignment as many times as necessary for the initial approval of merchandise.

VI.2 - The buyer may condition the acceptance of any material to its previous examination, in whole or in part, and shall have a period of 60 (sixty) days to claim and / or return, totally or partially, the merchandise due to defects or hidden defects and or failure to comply with the specifications, norms, designs, current laws applicable to the products, samples, descriptions or other indications of the purchaser, without prejudice to its right to do so at any time after this period, even after accepting or paying for the merchandise from that only by use may or occur such addiction, defects and / or non-observance.

VI.3 - The addiction and hidden defects / or non-observance of specifications and other technical indications found in part of a shipment will justify rejection and return of the entire shipment at the sole discretion of the purchaser.

VI.4 - When return of the merchandise, in accordance with the above mentioned items, the purchaser will not be subject to payment or replacement of the used materials in the tests and examinations made.

VI.5 - Rejected merchandise shall be made available to the seller or returned to her at her own cost and transportation risk.

VI.6 - It is also for the exclusive account of the seller the risks arising from the possibility of recovering or not the taxes due or already collected on the returned merchandise.

VI.7 - If, in the hypotheses referred to in item 6.4 above, the raw material is owned by the purchaser, the same technical specification is obliged or accepted, or to accept, against presentation, the debit of the value of that raw material at the prices prevailing at that occasion.

VI.8 - All returns of the buyer will be considered definitive, and no merchandise will be accepted as a replacement. The returned merchandise will only be able to return to the buyer under new debit and within the normal process of sale, obeying all the terms of the request and provided the proper authorization by the competent "Authorization of Delivery".

VI.9 - Buyer is authorized to deduct from the first payment to the seller, the value of materials that have already been paid, the value of the costs resulting from the devolution (freight, packaging, etc.), differences in prices or quantities and payment advance.

VI.10 - The seller undertakes to regularize, with banks or third parties, the duplicate bearers whose value is modified by virtue of the provisions of item VI.9, under penalty of civilly and criminally liable for moral damages or damages that, due to its omission, are caused to the buyer, with the collection, protests or execution of such titles.

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VII - Property Rights

VII.1 - The merchandise manufactured under the trademarks, drawings and specifications provided by the buyer, may only be manufactured for this purpose and not for third parties, under any pretext, and the seller is also required to maintain absolute confidentiality on the technical data entrusted to him and revealing to its subcontractors to the extent strictly necessary and ensuring compliance with at least the conditions stipulated herein.

VII.2 - Any and all material delivered by the buyer to the seller to fulfill the order, as well as that ordered or paid, either separately or in the form of amortization on the price of the unit such as samples, models, drawings, equipment, tooling, material technical, specifications, etc., are the exclusive property of the buyer and are held by the seller in relation to a simple lending, and the seller is obliged to return it, after execution of the order or when requested, under the conditions in that received them, highlighting the wear and tear resulting from their normal use

VII.3 - All supply must contain the identification of the manufacturer, as well as, whenever requested, the acronyms or trademarks of the purchaser, not implying such a request, in any way, in assigning the right to use and / or use such acronyms or trademarks .

VII.4 - The seller guarantees not to use any judicial or extrajudicial doubt about patents, trademarks, designs, industrial models or any other claims on infringements, real or alleged, including the defense of the purchaser, yours successors and assigns

VIII - Warranty Term

VIII.1 - The seller guarantees to the buyer that the merchandise contained in this order will be delivered in perfect conditions of use, without any addition or defects, and that this will be maintained during the warranty period normally offered by the buyer to the products sold by the buyer, declares to know.

VIII.2 - The seller agrees to accept the prices in effect at the time relating to the debits of the goods under warranty returned by users of the products of the buyer, provided that such returns are to defects of responsibility of the seller.

IX - Termination

In the event that the seller, for reasons of convenience, interrupts his activities or fails to deliver the goods object of this request, will have the responsibility to indemnify the buyer. This indemnity will be negotiated and agreed with the buyer, considering the seriousness of the case.

9 PERFORMANCE MONITORING

Dyna determines the supplier performance monitoring through the following indicators:

9.1 Quality

PPM

- Global PPM of the month (**suppliers** items reprovred / items provided from all of the suppliers) *10⁶
 - **Goals for global PMM (month and year): 50 PPM**
- Individual PPM (all items reprovred from the **supplier** / all items provided from **the suppliers**) *10⁶

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- **Goal for individual PMM: 350 PPM**
- Number of 5 steps report answered late
- QSB participation (client claims in Dyna caused by the supplier)
- PPAP out of time
- Quality system certificate
- Process audit VDA
- Environmental certificate
- Evaluation CQI11 / CQI 12 / CQI 23 / CQI 27

9.2 Logistics

- On time delivery = (%) = **100 – 1,0 (EA) – 0,8 (EP) – 0,6 (FE) – 0,4 (FH)** where:
EA= Delayed deliveries according to schedule
EP= Partial deliveries according to schedule
FE= Extra freight paid by Dyna
FH= Deliveries out of time of Monday to Friday from 8:00 to 21:00 or from supplier preferential window.
- **Goals:** from 99 to 100 (OK - green); 97 to 98,9 (Good - yellow); Bellow 97 (Bad - Red)
- There is no demerit: reprograms out of lead time of the supplier and/or extra solicitations issued by Dyna.

The supplier performance will be available to consultation monthly in Dyna's website (www.dyna.com.br on Aplicativo\ Fornecedores)

The supplier will be excluded from new projects in the proven case of noncompliance of the goals established after analysis between the logistics, quality, commercial and tooling departments. The frequent recidivism may cause disqualification.

Suppliers with individual PPM off goal for 3 consecutives months will be included in the critical suppliers list, being necessary periodical visits for monitoring the products provided.

10 QUALITY GOALS

As the goal is establish a continuous improvement process, the goals are annually revised and will be communicated when it get reviewed through official communicate.

11 CRITERIA FOR DISQUALIFICATION FOR SUPPLIERS

To the not qualified source material supply, is necessary the approval by Dyna's administration or by the involved client till the development of a new supply source.

Are established the following criteria for supplier's disqualification:

- Not attending the deadline frequently;
- Punctuation got in the evaluation under 50%;
- No submission to PPAP;
- Unsatisfactory quality performance by PPM;
- Financial problems (according to the data of the consultation from central credit risk).
- Not attending the social responsibility requests.

12 SUSTAINABILITY AND CONDUCT OF SOCIAL RESPONSABILITY

QUALITY AGREEMENT WITH SUPPLIER

12.1 Association to class entity

The association liberty and collective negotiation rights must be respected by the entity.

12.2 No discrimination

The organization must take necessary measurements to avoid or eradicate the discrimination on the workplace.

12.3 Workers remuneration

The supplier must be in conformity with the government minimum wage legislation or the industry pattern approved by collective negotiation (if applicable).

12.4 Work Hours

The supplier must concede to the worker the right to rest breaks in all business days.

12.5 Health and Job Security

The supplier should respect the worker rights to get out of imminent danger, without asking permission.

The supplier must have installed an adequate number of fire combat equipment, which works correctly. Ensure that the escape routes, hallways and emergency exits in the production site are easily accessible, clearly marked and not blocked.

Must guarantee qualified and available first aid at all times. And guarantee potable water supply to the workers at all time.

12.6 Absence of child labor

The organization must not get involved in illegal child labor, directly or indirectly.

12.7 Special protection for young workers

The work schedule of the young workers must not prejudice its frequency in school, participation in vocational orientation approved by a competent authority, capability to benefit from training and instruction programs.

12.8 Precarious employment

The organization must not work in a deliberately way that conflicts with the true purpose of the law.

12.9 Forced labor

The organization must not involve the worker under any kind of bondage or forced labor, slavery, smuggling or not volunteer, inhuman or degrading treatment to workers. Corporal or mental punishment, physical coercion and/or verbal abuse are prohibited.

12.10 Protection to the environment

QUALITY AGREEMENT WITH SUPPLIER

The organization must avoid actions that degrade the environment.

12.11 Ethical/Business behavior

The auditor must take necessary measures to stop forgery of information related to its activities, structure, performance or any such act.

13 ENVIRONMENT

The supplier must accomplish all legal and normative provisions related to environmental protection, as long as constant provision of the environmental management system from Dyna.

14 COMMUNICATION

The contact list must be maintained and updated to Dyna containing: name, function, communication method (example: office phone, cell phone, fax, e-mail address etc.), available hours, substitutes for each SCM function. The contact is able to communicate in the business language chosen by Dyna.

The Dyna contact list is available for consultation on the Dyna website (www.dyna.com at the Application \ Suppliers link.

15 FINAL CONSIDERATIONS

Dyna expects that each supplier realize the importance of this system and advantages that will result for both parts after joining together to achieve a common objective. By that, Dyna is always with its doors opened to maintain this relationship on a frank and healthy way.

Name readable

Signature

____/____/_____
Date