

VENDORS QUALITY MANUAL

(HIGHLIGHT POINTS)

AUTHORIZATION OF THE DOCUMENT		
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Elaborated	Revised	Autotized

1. QUALITY POLICY

Unicar Plastics Top Management has defined a Quality Policy in order to have a general reference frame as well as the establishment and review of the strategic targets of the organization and the Quality Management System by including in it our Company's commitment to establish it, maintain it and better its continuous efficiency.

"It is our Policy to fully satisfy all the requirements from our customers by supplying products and providing services that fulfill with their requirements and specification through the development of a fully committed organization with quality, productivity and continuous improvement.

In order to achieve the above mentioned, it is mandatory for us to:

- . Keep our Quality Management System based in the ISO 9001 and the Technical Specification ISO/TS 16949 y continuously improve its electivity.
- . Fulfill with all the legal compliance and regulations that apply to our operations
- . Keep a safe work environment and protect the habitat
- . Promote actively our personal development through training and acquisition of the needed skills
- . Do all our activities under the behavior frame that defines our values and our highest ethics standards"

2. PURPOSE OF THIS MANUAL

The vendors of feedstock, products and services, as part of our organization, cooperate to reach our strategic targets, the compliance of our Quality Policy and in general the good performance of our company.

Unicar Plastics SA de CV is looking to increase the development of its vendors and establish solid long relationship based in the respect, trust and mutual trust that allow the organization and vendors to work in profitable conditions fulfilling at all time with the requirements of the final customers of the company.

This Vendor Quality Manual establishes the minimal requirements that must be covered by all our feedstock vendors, products and services that are supplied to Unicar Plastics and forms the agreement frame that rules the commercial and work relationships between the company and its suppliers.

The requirements foreseen in this Manual are complementary to the terms and conditions established in the commercial paperwork (Purchase Orders, commercial agreements, logistics agreements) and technical information (drawings and designs, technical data and/or specifications of Unicar or its customers) given by Unicar Plastics and are not substituted or modified in anyway.

The Manual, as an agreement frame, established a policy and general rules of mandatory observance for all Unicar Plastics vendors; however, when it is necessary, vendors could receive additional information through the involved departments in the purchasing process of a feedstock, product or service: R&D, Quality, Logistics and Sales by using formal written communication that will have a binding role as if they were part of this Manual and rest of documents which are referred to it.

For the correct Unicar Plastics interpretation of the specification and requirements, the following precedence order must be followed:

- Purchase Orders, Purchasing releases, Accord, Contracts and/or Commercial Agreements
- Technical Data (Drawings, Norms, Standards, Material Technical Information Sheets)
- Vendors Quality Manual
- Formal written communication

3. SCOPE

This Manual applies to all feedstocks vendors, products and services including the part manufacture and tooling prototype (softtooling) that are supplied to Unicar Plastics. At the same time, Unicar Plastics vendors must assure that their own supplier know the scope and content of the ruling and requirements of this manual and as well as through all the supply chain.

4. RESPONSABILITIES

The Supply, Logistics and Quality Departments of Unicar Plastics are responsible for the compliance of the rules stated in this Vendors Quality Manual and they are empowered to demand to all vendors to fulfill those requirements.

The proof and approval of the facilities, systems, registers and supplier products by Unicar Plastics does not exempt of its responsibility of supplying a product according to the specifications and technical as well as Quality requirements of Unicar Plastics neither of the responsibilities that are originated in case there is a rejection by the Unicar final customer or by Unicar.

5. VENDOR REQUIREMENTS

5.1 GENERAL REQUIREMENTS

DEFINITION MEETING WITH VENDOR

In order to inform and discuss the quality requirements, inspection and test, the Supply Department coordinates the definition meetings of the product with vendors, with the attendance of the Business Development, Logistics and Quality.

The procedure applies to new products, new vendors and also for production and approved parts that suppliers ship in a regular basis. The target is to review and update the requirements.

CERTIFICATION

Unicar Plastics needs that all the direct feedstock supplier are certified under an established and efficient formal quality system according to the following criteria. They must provide to Unicar a copy of the certificate issued by an authorized third party.

Vendor is committed to inform to Unicar about the result of the renewals of the certification before the current certification expires.

When a vendor is authorized by the customer and does not meet the certification rules it will be necessary to have a formal repeal from customer.

Vendor Type	ISO 9001	ISO TS16949	ISO 17025	Audit by Unicar
Resins/Master Batches	X			
Parts and Components for Electrodomeestic Appliance Ind, Tools, etc	X			
Parts and Components for Automotive Industry		X		
Maquila Vendors	X			
Measurement Lab, Calibration and Tests			X	
Materials that do not impact product quality				X

Tooling, molds and fixtures need an implemented and trustable Quality Assurance Management. It is desirable that they are certified.

For these suppliers, the dimensional evaluation is needed to be done with certified devices by a trustable lab. In case of an internal approval by the vendor, it needs that:

The measure lab must have de ISO/IEC 17025 with no obligation of being certified

One of the requirements is the training of the staff involved in the measurements.

The checking fixtures must be included in a control Fixture Control Program, be certified and fulfill the requirements of a measure system.

Indirect material suppliers and service suppliers that do not affect the material quality and products, do not need to be certified. It is desirable, as minimum, that they have an implemented and maintained Quality System and provide enough evidence.

The suppliers of feedstock, products and services must consider their staff training of show evidence of this so they have capable staff to make the operations in their processes.

All Unicar Plastics vendors must:

- Know, review and accept the Purchase Order requirements. The acceptance of this order means that the vendor understands the terms and conditions, as well as this manual requirements and specific requirements defined for materials, products and services that must supply and are stated in the given technical specs.
- Supply materials of premium quality delivering the required quantity in the required dated with the complete documentation and the defined packaging
- Implement efforts and initiatives to better the material quality, products, services and the conditions and the way in which they are supplied to Unicar Plastics in a continuous and permanent way.
- Provide to Unicar Plastics the technical assistance through qualified staff and field support in order to correct and eliminate any non-conformity shown in the materials. Products and services supplied.
- Accept responsibility of expenses incurred of any quality issue of the material, product or service supplied, as well as its performance related with its supply. These expenses include in a not limited way, the charges made by the final customer due to a poor performance, customer claims and /or parts not according to requirements and spec of quality, the ones incurred in Unicar Plastics for containment issues , re-certifications, re-works, extra freights, supervision, etc.
- Design, implement and maintain a control system to assure the requirements compliance in the PO and specs and quality requirements through its processes and the vendor's processes.
- Do inspections and tests needed to verify the spec compliance of the materials, products and services as per the PO requirements, specifications -and technical drawings provided.
- Allow system, process and products audits by Unicar Plastics and the final customer, if needed, at the vendor location regarding the products and critical processes that are supplied to Unicar

Plastics. These audits might be based on the ISO 9001, ISO TS 16949, VDA 6.1 and VDA 6.3 requirements.

5.2 ADVANCED PRODUCT QUALITY PLANNING

All Unicar Plastics vendor must:

- Prove the usage of methodologies of advanced product quality planning (APQP) for every new product launched, material or part changes in order assure the prevention of non-conformity issues during the supply for the series production at Unicar Plastics.
- Prepare and deliver a PPAP package for every new product and/or material or when there's a change in a product that is supplied to Unicar Plastics in which there's evidence of its compliance to the requirements and technical specs given.

For vendors that supply products, parts or materials that are related to the automotive industry the delivery of a PPAP package is a must.

This package must be reviewed and approved by Unicar previous to any product shipment for series production. Otherwise, vendor must request and obtain a temporary approval by Unicar Plastics for the part and material supply for production series.

Unicar Plastics vendors must have a complete approval in the following cases:

- A new part of product (component, feedstock, master batches)
- Correct a discrepancy of a previous PPAP issuance of a part, material or component
- Modification of a product, material or component as a result of Engineering Changes, specs or materials

All delivered PPAP must be according to the established requirements valid in the PPAP Manual of the AIAG for the first sample approval to the level that the SQE establishes based on the above mentioned manual and will be accepted or conditioned by him and he'll keep it for its control and follow-up.

For the materials and/or components that are supplied to Unicar Plastics every year supplier must deliver counterevidence that guarantee the quality and characteristics of the materials and/or products which were supplied at the beginning. These counterevidence must be defined in the kick-off of every project.

5.3 IDENTIFICATION AND TRACEABILITY

5.4 INSPECTION OF THE PURCHASED PRODUCT

Unicar Plastics reserves the right to verify the quality of the material purchased to vendor and to issue a claim for a non-detected non-conformity even if the material or product has been previously identified as accepted by the company.

Payment of the products, materials and services delivered must no be considered as acceptance of those.

Unicar Plastics has the right to reject all and every one of the products, materials and services purchased to vendors including those directed by the customer that are defective or not according to the specifications, requirements, established quantities, supplied previously or late or that are identified incorrectly and will be returned to the vendor's expense and risk. Unicar Plastics might charge the vendor for all the expenses of unpacking, revision, re-packaging, return, etc of the products, material and services that are defective or not according to spec.

Vendor must issue a credit note for the total amount of expenses of the claim.
If Unicar Plastics receives products, materials or services which specifications were not met, the company reserves the rights to ask for a replacement of those to the vendor, as well as payment for the damages in a 60 days term after the delivery.

6. PACKING, PACKAGING AND TRANSPORTATION

The materials and products supplied to Unicar Plastics must be packaged in a way that they do not suffer damage during the transportation and handling so they arrive clean and polluted free.

7. ANALYSIS AND PROBLEM SOLUTION, CORRECTIVE AND PREVENTIVE ACTIONS

All Unicar Plastics vendor must establish a basic system of quality assurance.

8. LOGISTICS REQUIREMENTS

8.1 MATERIAL, PRODUCTS AND SERVICE RECEIPT

Vendor must deliver products, materials and services requested by Unicar Plastics with the quantity, quality and on the requested date stated in the valid PO and/or purchasing releases placed by Unicar Plastics.

9. PRICE REVISION

The price agreed for any material, product and/or service between Unicar Plastics and the vendor will be valid while there's not a previous agreement and written between both parties that changes it.

Unicar Plastics General Direction or Supply Department are the only ones authorized by Unicar Plastics to negotiate agreements in case they apply.

As part of the business ethics, values and philosophy of Unicar Plastics, the company does not practice neither uses negotiation methods that harm the profitability or that jeopardy the good progress and the operation continuity or the vendor supply or delay in an unnecessary way or unjustified the price adjustment agreed for a material, product or service.

Keeping this in mind, Unicar Plastics is committed to make the price revision in a professional and expedite mode based on solid, reliable and sufficient information provided by vendor that places the need and/or convenience of making an adjustment in the agreed price.

Under no circumstance, Unicar Plastics will accept changes in the agreed price for a material, product or service under the scenario of supply disruption of those.

Also, under no circumstance Unicar Plastics will accept price modifications of the materials, products or services that will be reflected in the invoices of those supplies and that were not previously agreed neither the backdated of a price change when this situation has not been previously agreed between both parties.

All price revision or adjustment agreed for any material, product and/or service between Unicar Plastics and the vendor must be requested by written to the General Director or to the Supply Department and must come along with solid, reliable and sufficient information that justifies the need of making the requested price adjustment.

Unicar Plastics reserves the right to accept or reject at any time any request of price revision that was agreed for any material, product and/or service.

10. INVOICE AND INVOICE PAYMENT

In all cases the agreed credit terms will start to count on the date the original invoiced is received at Unicar Plastics' Accounting Department.

In case the invoice has an error in price or in the information, it will be considered for payment once it is amended and delivered to Unicar Plastics' Accounting Department.

11. LAW COMPLIANCE AND REGULATIONS

It is the vendor's responsibility to immediately inform to Unicar Plastics of any change in the danger of the material supplied. The MSDS for dangerous materials must be valid and must be delivered periodically to Unicar Plastics Supply Area and controlled by the Environmental and Safe Areas.

12. CONFIDENTIALITY

All the information or the data given by Unicar Plastics to the vendor related to products, materials and services supplied included in the technical specs, drawings, CAD files, electronic files, information for the part manufacture, products and materials, packaging, methods and tools, purchase orders, purchasing releases just main the main are Unicar Plastics and customers exclusive property.

13. BUSINESS ETHICS

Vendors must reveal any possible interest conflict to the Unicar employee vendor is negotiating with or if the conflict involves this Unicar person vendor must inform the Unicar General Director or the Manager of Human Resources Department.

14. END OF THE QUALITY AGREEMENT FRAME

If for any reason, the commercial relationship between Unicar Plastics and the vendor is over as a consequence of the cancelation of the purchasing contract and/or the POs between the supplier and Unicar Plastics, this agreement frame will be ended with no damage of the obligation to the vendor.

15. ASSESSMENT AND POTENTIAL VENDOR GRADE

Before being part of the supplier base of Unicar Plastics, vendor is subject to a general evaluation/assessment to know the financial, operation and administrative capabilities.

15.1 CAPACITY ASSESSMENT

The Unicar Plastics' Supply Department sends and requests to vendor all the information by using the Feedstock Vendor Assessment and Selection Format, depending on the assessment, the Supply Department request a self-audit and/or a capacity assessment at the vendor production facility.

15.2 AUDIT

The audit is made in a general way under the red light system:

Questions for Assessment Criteria	
Fail to fulfill the question requirements	
The requirement of the question is partially fulfilled if and when there's no product risk	
Total fulfill of the requirement of the question	

Vendor Type	Assessment Questions
Blocked Vendor	>14 assessed questions in yellow or one in red
Conditioned Vendor	<=14 assessed questions in yellow and none in red
Released Vendor	<=7 assessed questions in yellow and none in red

NB: In case vendor cannot be audited at the production facility due to an external situation not related to Unicar such as location, policy or any other, vendor must support the product quality by sending to Unicar Plastics evidence of the valid certifications or audit results made by any authorized organism.

15.3 ASSESSMENT AND VENDOR MONTHLY PERFORMANCE GRADE

Vendors that supply feedstock, products and components that are added in the production series will be assessed in a monthly fashion way by the Unicar Plastics Quality and Logistics Areas.

The Vendor Quality performance will be assessed and informed using the following criteria:

Quality Assessment	
Element	Percentage
PPMs	30.0%
Events at Receiving and Inspection	20.0%
Released PPAPs	10.0%

Each assessed element is formed as follows:

PPMs Quality Assessment		
Corrective Actions Delivery	Points	Percentage
8Ds Delivery	100 pts to be validated by Unicar	30%
6Ds Delivery	80 pts Deliver	20%
3Ds Delivery	30 pts	10%

Quality Assessment Events at Receiving and Inspection		
Element	Grade	Percentage
0 Non Corrective Actions	100 pts	20.0%
1 Non Corrective Actions	10 pts	10.0%
>= 2 Non Corrective Actions	1 pt	1.0%

Quality Assessment Released PPAPs		
Element	Grade	Percentage
Accepted	100 pts	10.0%
Conditioned	10 pts	8.0%
Rejected	1 pt	0.0%

LEVEL OF PERFORMANCE

Unicar Plastics' Quality target for all vendors is Zero defects. In the search of this goal it has been defined as an acceptable minimum for every vendor the following performance levels:

- Maximum of 100 PPMs per year
- Zero complaints at the Receiving
- 100% on time deliveries
- PPAP approval at the first attempt

The Logistics performance of the vendor will be assessed and informed using the following criteria:

LOGISTICS ASSESSMENT	
Element	Percentage
On time and Complete Deliveries on requested date	30.0%
Delivery documentation on time, correct and complete	10.0%

The Unicar Plastics' Logistics' goal is 100% compliance.

DISCREDIT FOR EXTRAORDINARY EVENTS

In the vendor assessment the following discredits will apply:

Production Line Stop at Unicar	Production Line Stop related with feedstock at customer facility	Field Claims caused by feedstock	Lack of Consecutive Deliveries	Lack of delivery of Corrective actions
-5.0%	-10.0%	-15.0%	-10.0%	-5.0%

The total of the monthly vendor assessment of 60% Quality and 40% Logistics will be done according to the following chart:

PPMs	Released PPAP	Receiving & Inspection	Delivery	Delivered Documents	Month Grade	Discredit
30.0%	10.0%	20.0%	30.0%	10.0%	100.0%	from -5.0% to -15.0%

The result of the vendor monthly assessment will be moved to the following points in order to determine the grade of every vendor:

Assessment %	Grade
91% to 100%	A
80% to 90%	B
60% to 79%	C

The total vendor monthly assessment will be sent to the suppliers by the Supply Department within the first 10 days of the following month.

Vendors that do not obtain a B grade in their performance must define and implement improvement plans by following the methodology as 8Ds, 5 Why?, PDCA, etc having a deadline of no more than 10 days for sending their report.

Follow-up will be made for the compliance of the corrective actions or action plans asking vendors for evidence.

Supply Department will prefer to purchase from vendors with an A or B Grade.

If a vendor keeps a C grade for three consecutive months and does not deliver corrective actions, a meeting will be requested with the parties involved to decide having evidence in written the development of a new vendor.

If a vendor causes quality problems in our customers facility the vendor grade will be C in automatic.

15.4 VENDOR RE-ASSESSMENT

The vendor re-assessment will done every year.

The re-assessment will be done by the Supply, Logistics and Quality Team on the first quarter of the year and will be based in the 12 previous vendor assessments.

The re-assessment will be set as follows:

Ranking	Action Line
>= of 8 months with A	Assign grade "A" in the vendor control chart
From 5 to 7 months with A	Assign grade "B" in the vendor control chart Ask for the last audit made by a third party Define the working plan to reach the "A" grade
< of 6 months with A	Assign grade "C" in the vendor control chart Define the working plan to reach the "B" grade Audit in vendor facility

16. ESCALATION PROCESS

A negative trend in the monthly assessment will start an escalation process which consists in three levels and in every one of them action plans are defined between the vendor and Unicar Plastics.

The target is that vendor fulfills the established action plans and vendor returns asap to the performance needed by Unicar Plastics.

Containment	Criteria	Actions	Validation/Department	
			Quality	Supply
Level 1	Month Assesment < 80%	Meeting with vendor and obtain an action plan based on 8Ds	SQE Logistics	NA
	Event that will impact the project planning			
Level 2	Month Assesment < 80% in a period of 3 months	Meeting with Vendors Quality Assurance and Sales Dept Mngrs	SQA Manager/Head of SQA Logistcs Mngr/Head of Logistics	NA
	Quality Agreements of the meeting of Level 1 are not fulfilled	Stop negotiations/commercial relationship		
Level 3	Quality Agreements of the meeting of Level 2 are not fulfilled	Internal meeting to define vendor's fade out of Unicar's supplier base	SQA Manager/Head of SQA Logistcs Mngr/Head of Logistics	Supply Manager
	Risk of line stop at customers facility			

We reviewed, we understand and we agree with the guidelines, policy, procedures and targets established in this Vendors Quality Manual (English version).

Vendor's Name: _____

Vendor's Number: _____

Vendor's Representative:

Vendor's Quality Representative:

Name:
Position:
Date:

Name:
Position:
Date: