



Automóveis S.A.



Betim, March 27th, 2009.

LETTER OF SPECIFIC REQUIREMENTS ACCORDING TO ISO / TS 16949 APPLICABLE TO FIAT / FPT SUPPLIERS

This document can be used as evidence of your repeal and additions to the Specification Technique, attending FIAT and FPT.

It brings up to date and it replaces, from 27/03/2009, the "LETTER OF SPECIFIC REQUIREMENTS" of the FIAT; FPT dated in 31/12/2007.

The numbering of this requirements letter, into parenthesis, is related to the numbering of ISO/TS 16949.

The changes and inclusions are highlighted on the text with a lateral bar to the left. This pointing is only a reference, because all the described requirements must be analyzed and implemented by suppliers.

SECTION I - ADDITIONS

1) Procedures added to the effective Norms and "Capitolatos" for FIAT and FPT (ISO/TS 16949, item 4.2.3)

The procedures are listed below.

- Capitolato FIAT 9,01102 (Suppliers Quality);
- Capitolato FIAT 9,01103 (Certificate of Quality and Conformity - CQC);
- Capitolato FIAT 9,01107 (Use of System IMDS – heavy metals);
- Norm FIAT 07740 (Qualification of components for new products);
- Norm FIAT 08018 (Monitoring the Supplier Quality);
- Test Plan - Attached 1;
- Test Report - Attached 2 (only for FIAT)/PSW of the PPAP 4^a Edition (only for FPT);
- Certificate of Quality and Conformity (CQC) - Attached 3, (according to 9.011.03) (for FIAT and FPT) / PSW of PPAP 4th Edition - (only for FPT);
- Characteristics for development, changes and keeping of tooling – Attached 4;
- Capitolato FIAT 07171 (Tools of aggressive containment);
- Approval of repeal - Attached 5;
- One Day Production Test (ODPT) - Attached 6;
- Program Review - Attached 7;
- PCPA - Attached 8;
- Controlled shipment levels 1 and 2 - Procedure FGP 16 (Level 3 does not apply to Suppliers BRAZIL) Attached 23;
- Sample Plan for finished product, product in process and receiving of materials - Attached 9;
- Check List QSB (Quality System Basics) Audit- Attached 10;
- 30 steps Planning - Attached 11(or electronic document which includes all tasks);;
- Global Action Plan of the Supplier approved by SQE - Master Dot - Attached 12;
- Certificate cover of Quality and Conformance of Prototype - Attached 13A (Only for FIAT) /Customer Requirement - CR-001: Verification of the Prototype (Only for FPT) - Attached 13B;

- Definition of Key Product Characteristics (KPC's) - FPT.IFP053 - Attached 14;
- Validation of Product Change - PTR (Production Trial Run) - CR-003 - Attached 15 (Only for FPT);
- Package; Containers Manual - Attached 16A (For the FIAT) and CR-004 - Attached 16B (For FPT);
- Identification Label of Raw Material - CR-005 - Attached 17 (Only for FPT);
- Special Customer Notifications to the OCC - FQF 04 - Attached 18;
- Products traceability in Development - Attached 19;
- Traceability of Current Products in Development - Attached 19.
- Interim Request Form - Attached 20
- Product Approval of out coming production area - FPT.IFP059 – Attached 21;

These procedures are available in the Portal FIAT (<http://www.portalfiat.com.br>) and in the web site of IAOB (<http://www.iaob.org>). Also can be directly requested by telephone 55 31 2123- 2737 or with the respective analyst of SQE FIAT/FPT. It is the supplier responsibility to bring up to date the versions before the use.

All these procedures and capitulos to which the drawings FIAT presented, are available in the site: <http://norme.orange.fiat.it>. In case of printed documentation, it's important to remember that all the norms must be frequently verified its updates.

The FIAT will accept and use, when necessary, the Manuals of the AIAG (APQP, CEP, MSA, PPAP, and FMEA). For FPT these manuals are mandatory.

The supplier must implement all the specific requirements from this letter and ensure their effective use, in developing of new products for FIAT / FPT and also in the keeping of current products.

All suppliers and sub suppliers of FPT should look for the certification ISO TS 16949:2002 within a maximum of 3 years after the first delivery. These suppliers and sub suppliers must be certified in ISO 9001 at least.

2) Characteristics for development, changes and keeping of tools (ISO / TS 16949, item 7.5.4.1)

The criteria for development, changes and keeping of the tools are available to the supplier park of FIAT and FPT through contract "commodatum", they must comply to the requirements set out in Attached 4 (stamping and plastic injection molds).

3) Process of products approval for FIASA/FPT (ISO/TS 16949, item 7.3.6.3)

- The samples delivered should be followed to the Certificate of Quality and Conformity (CQC) - Attached 3 – also check Norm FIAT 9.01102 and 9.01103, (FIAT;FPT) and FPT.IFP059 – Attached 23 (FPT);
- The samples delivered should be followed to the Test Report (for FIAT) and the PSW of PPAP, (for FPT);
- The PSW (requirement 18 of the PPAP 4th Edition) must be emitted at the moment of the self-qualification;
- The Tests Report is emitted at the moment of self-qualification conclusion - Attached 2;
- The supplier must use the development process of parts, according to the Norm 07740 FIAT and Program Review - Attached 7;
- The process in the step of sample production, must be evaluated according to the PCPA - Attached 8;
- For all the supplied products, are taxing that the ones are duly approved (CCQ;PPAP and/or PB – Benestare) and for exceptions check the procedures for Interim management (for FIAT) and the PPAP approval form (for FPT);
- Extensions of Qualification, when applicable, should be previously waked up and authorized by the SQE FIAT/FPT analyst, at the moment of the Test plan approval;
- The supplier must insert the information related to all products which are sent to FIASA/FPT in IMDS system, according to the Capitulos 9.01102, 9.01107 and Manual of the PPAP 4th

Edition. These information must be included in the Book of PPAP for FPT and in the CQC for FIAT;

4) Requalification - FIASA/ Resubmission PPAP - FPT (ISO/TS16949, item 8.2.4)

The system/products self qualification, including the sub-components, should be remade within an inferior frequency of 2 years, except customer repeals, and the results must be presented for a review of SQE analyst FIAT/FPT.

The layout inspection (Dimensional verification and raw material) should happen within an inferior frequency of 1 year. This frequency must be validated by SQE Business Plan and supplier.

5) Prototype Program (ISO/TS 16949, item 7.3.6.2)

All prototype parts delivered should follow the Certificate of Quality and Conformity of Prototype - Attached 13A – Also check the Capitolato FIAT 9.01102 for the FIAT.

For the FPT should be remarked - noted the CR – 001 requirements. Attached 13B; It needs to be used the form Prototype Verification Warranty.

6) Customer Special Problems Notifications (ISO/TS 16949, item 8.2.1.1)

The supplier needs to inform to its respective OCC within 5 (five) working days in cases of Quality notification of indicated problems - pointed on the "Score Card - Bid list":

- Supplier in NBH (New Business Hold);
- Supplier with Controlled Shipment Level 2 (opened);
- Supplier with Controlled Shipment Level 1 (opened which exceed 90 days);
- Supplier with the responsibility on "Recall" or field interventions.

6.1) Process and product changes approved in advance by FIAT / FPT

Suppliers and sub-suppliers must not make any unauthorized changes on the product or process used for production which has already the approval FIAT / FPT (CCQ / PB / PPAP) in advance.

This includes changes on the plans of process control.

The requirements for notification and delivery to FIAT / FPT are clearly described in section 1.3 of the manual AIAG's PPAP. If there is any intention to product and process change, they must be notified in advance to SQE FIAT / FPT.

The modification effect may only happen after written permission of SQE FIAT / FPT.

Any change which have made without written permission from FIAT / FPT is not only a terms breach of our General Conditions of Purchase, but also a serious contempt to the usual automotive sector practices. The non meeting to this requirement will automatically cause losses, damages and responsibilities assigned to any non – approved change made by supplier, or one of its sub-suppliers (examples: costs of failures in the field, spending on guarantee, rejection, fines etc). FIAT / FPT can also include the OCC certifier.

As described in the FQF-04 - Attached 18 - (Customer Special Notifications to the OCC).

7) Specific Conditions for Raw materials Manufactures (ISO/TS16949, item 7.1.1)

For raw materials, the procedures above presented on the item 1of this letter are not applicable, excepting to the Norms FIAT 08018, 9,01102 and 9.01107.

8) Key Characteristics and Report (ISO/TS16949, item 7.3.2.3)

For items of characteristics definite as key and "Report" by FIAT/FPT, the Supplier must control Stability and Capability, as request in the Capitolato FIAT 9.01102 (Supplier Quality) and in the procedure FPT. IFP053 – attached 14 - Key Characteristics Designation System – KCDS, with a special attention to the CP and CPK rate request in these procedures for each sorts of characteristics as a minimum rate.

9) Management Review (ISO/TS16949, item 5.6)

The Supplier Management must carry about the monthly review, which includes at least:

1. The results evaluation of its Qualitative Performance (Score Card - Bid List and 6 panel's Quality and services);
2. The monitoring of action plans agreed and approved by the SQE Analyst - FIAT/FPT, including these ones in only one Master Dot , with special attention, pointing the overview analysis of the actions, the process-products standardization and the actions effectiveness;
3. The evaluation of the non conformity quality costs, (According to the Checklist - QSB).
4. The supplier must monitor the scrap cost, rework, containment action, incidents of special freights and customer stops of production due to Qualitative problems (Internal Failure).
5. The supplier must still monitor the cost of devolutions, claims, services of technical assistance and guarantee, including fines and penalties applied by FIAT/FPT (External Failure).

Several treatment of FIAT/FPT related to its suppliers are possible to be modified through actions plan which should be included in the SQE Supplier Business Plan. It is also the supplier responsibility brings up to date systematically. E.g.: Results of Program Review audit, Actions about controlled shipment levels 1 or 2, PPAP audit, Analyses of PPAP, Results of One Day Production (1DP), Results of QSB audit, Top Focus, *Boleta Voz* # 6 (Program Mngt. – Problems of product development), among others.

10) QSB Implementation (Quality System Basics)

The supplier must implement the requirements of the keys strategies which are in the checklist of the verification program QSB (Quality System Basics – Attached 10). This implementation is according to the Supplier Business Plan. It can also be monitored by the supplier development; performance with regular keeping audits each semester.

11) APQP Management Implementation

The supplier must implement methodologies of Management according to the APQP Program Management FIAT. This implementation is based on the adoption of a Project Manager (Program Manager) and development / validation of actions to implement the strategies of APQP Management FIAT.

SECTION II - REPEAL

1) Approval of the Test Plan, Control Plans, FMEA's and Dimensional Reports, Materials and Tests. (ISO/TS 16949, item 7.5.1)

Only the Test Plan will be submitted by the supplier to the approval of the SQE Analyst of FIAT/FPT. Control Plans, FMEA, dimensional reports, materials and tests are validated when they get the approval of the PPAP, Program Review's and CQC's.

2) List of Sub Suppliers approved (ISO/TS 16949, item 7.4.1.3)

FIAT/FPT does not have a general list of approved sub suppliers. The sub supplier's definition is a supplier responsibility, except when the sub suppliers has specified in drawing.

3) Use of supplier Symbology for the Special Characteristics identification in replacing to symbology FIAT/FPT. (ISO/TS 16949, item 7.2.1.1)

The supplier can use its own symbology for the identification of special characteristics. However, one correlation table must be established in the documentary system of the supplier and for the drawings

sent to FIAT, must be used the symbology FIAT or must be inserted the correlation table in each document.

For the FPT the disposals above are also respected, but it still must be considered the procedure FPT. IFP053 – Attached 14 – Key Characteristics designation System – KCDS.

4) PPAP in sub suppliers (ISO/TS 16949, item 7.3.6.3)

Suppliers must use the Production Parts Approval Process (PPAP) in all the sub supplier of raw material for approval of parts since 01/01/2005.

If the supplier has sub suppliers with quality system in development which do not take care of the minimum requirements for the attendance of the PPAP, the supplier must proved, besides the implementation Plan of PPAP, it has to prove evidences at least about: Enhanced Control Plan (early Containment / Capitolo FIAT 07171), PFMEA, records of test results of field and performance, dimensional results, initial studies of process (rates of PP and PPK) and keeping of standard sample before delivering any parts of production.

The application of PPAP in sub suppliers of raw materials, indirect material and bulk material (except similar fixing and parts) is a supplier decision.

5) Use of Commercial and/or External Laboratory for Analyses and Calibration Services. (ISO/TS 16949, item 7.6.3.2)

The supplier must use laboratories of analyses and calibrations belong to the RBLE (Brazilian Network of Analyses Laboratories) and to the RBC (Brazilian Network of Calibration) and/or has certification ISO/IEC-17025.

If does not have any credential laboratory available, the supplier will be able to use the laboratories approved in audit of second or third part with a recognized customer, for example, the laboratories approved by the "Work group Calibration" of ANFAVEA. When is appropriate the manufacture use or its legal representative, they must attend the request of an internal laboratory 7.6.1 of ISO; TS 16949.2002 and the supplier needs to be an evidence in the dealing.

For laboratories which do not fit in the cases above, its use must be submitted to repeal and also to SQE FIAT/FPT.

In case of product requalification and qualification laboratories, the laboratories of suppliers approved in the tests plan also are recognized by FIAT /FPT, otherwise they are certificated INMETRO.

The approved laboratories and quantities related are available in the site of the IQA (*Instituto de Qualidade Automotiva*) as below:

http://www.iqa.org.br/website/abertura.asp?arg1=certifica&arg2=cerlab&arg3=cerlab_labcalib&ext=asp

6) Approval Process of Bulk Material (except similar fixing and parts), and Raw Material (BMAP) (ISO/TS 16949, item 7.3.6.3)

At the moment, it will not take place the process approval of bulk Material and raw material (Bulk Material Process Approval). However the supplier is responsible for creating and keeping conditions for its accomplishment.

7) Doubts about Requirement

Answers and doubts are compiled periodically through the document FAQ (More Frequent Questions), which can directly be gotten by telephone 31 2123-2737 or with the respective SQE analyst of FIAT/FPT.

7) Specific Repeals

From 01/07/2005, eventual requests of your specific repeal will have to be directed sent to SQE FIAT/FPT according to the form - attached 5, supported for the necessary documentation, for technical analysis, as well as details for adequacy to the requirement (Responsible, Action Plan and Stated periods).

The only repeals will be given following the standard:

* Request in advance within at least (01) a month, the certification audits and / or keeping of the Supplier Quality System.

*Average time of analysis, 05 days, after receiving and validation of SQE Supervision

Analysis of repeals should be made by the analyst EQF FIAT / FPT and supervision, and also approved by the Business Processes - SQE.

The analysis of repeals will be made by the SQE Analyst of FIAT/FPT and it needs to be approved by Business Process – SQE.

THE ITENS PRESENTED IN THIS LETTER HAVE VALIDITY UP UNTIL SUBMISSION OF THE NEW PARK LAYOUT OF SUPPLIERS FIAT/ FPT AND ITS RELATED OCC CERTIFIER.

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FORM FOR REPEAL APPROVAL

Supplier Information:	
Corporate name:	
FISA / FPT code:	
Address:	
Drawing involved:	
Required repeal/ Items of involved norms -	
Notes – Justifications *	
Actions Proposal -	
Responsables -	
Analyst (s):	
Validation control:	
Approved by:	
Record number**	THESE ITENS HAVE VALIDITY UP UNTIL :
Protocolo :	

Betim, _____, _____ 2009.
(Month) (day)

* -These items must be clearly specified.

** - This number will be assigned in the offering act.