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1. PREFACE

The purpose of this manual is to establish criteria that serve as guidance for CELO suppliers (hereinafter CELO), in order to guarantee the satisfaction of its customers.

CELO products play an important role in automotive components, among other industrial applications; therefore, the products, processes and services supplied by suppliers (hereinafter supplies) must aim for 0 defects, complying with CELO's requirements and those of its end customers.

2. SCOPE

This manual applies to all CELO suppliers (hereinafter suppliers) that supply wire, tooling, auxiliary products, surface finishes and other subcontracted services.

3. QUALITY

3.1. REQUIREMENTS

3.1.1. AGREED QUALITY

Supplies from suppliers are subject to an Agreed Quality agreement, ensuring that the supplied products meet CELO's requirements. All quality controls must be carried out by the supplier.

In the event of poor quality, CELO shall have the right to claim reimbursement of costs associated with resulting actions such as rework and inspections, sometimes contracted to a third party.

Product liability and recall insurance. See the document "Terms and Conditions" (section 12) as defined in point 5.1 of this manual.

3.1.2. COMPLIANCE WITH LEGISLATION AND REGULATIONS

Supplier supplies must comply with current legislation, as well as environmental and social responsibility regulations such as REACH, RoHS, Conflict Minerals, or any other applicable regulation according to its latest revision.

CELO may request information on other regulations of interest such as Proposition 65.

To facilitate this management, the document "General Requirements of CELO Industria for Suppliers" is attached. This document also includes useful information on these regulations.

3.1.3. CERTIFICATIONS

Every supplier should preferably hold IATF 16949 certification; if it does not have it (or the applicable standard does not allow it), it must at least hold ISO 9001 certification. Cases of suppliers without ISO 9001 certification but currently implementing it will be analyzed.

CELO also requires that one of the supplier's responsible persons be trained in VDA 6.3 (Process Audit).

3.1.4. QUALITY CERTIFICATES AND PPAP DOCUMENTATION

The supplier shall send a 3.1 Quality Certificate according to EN 10204 for each supply, unless otherwise agreed with the purchasing department.

For new supplies, CELO may request a PPAP (sometimes also an annual revalidation). Detailed information is provided in the attached document "General Requirements of CELO Industria for Suppliers".

3.1.5. DEVIATIONS AND CONTINGENCY PLAN

Suppliers undertake to work with CELO's current specifications and to report any deviation, and never to send non-conforming material without a deviation document signed by CELO.

Suppliers must have a contingency plan to guarantee supply to CELO. The document of this contingency plan may be requested.

3.2. SUPPLIER SELECTION

The potential supplier shall complete the form "F-PUIN.WI.003-01 Supplier Selection Criteria", which will be evaluated by CELO.

The supplier will be classified as A, B or C, as follows:

>75% A Accepted:

Optimal result for working with CELO.

If the supplier does not have ISO 9001 certification, CELO will require development of its quality system and the need for a second-party audit will be assessed

51% - 74% B Accepted:

This result allows working with CELO, but at the same time shows that there are certain weaknesses or opportunities for improvement in order to achieve the optimal result.

If the supplier does not have ISO 9001 certification, CELO will require development of its quality system and the need for a second-party audit will be assessed

< 50% C Not accepted.

If a conditional acceptance is made, CELO will actively seek another supplier or pursue this supplier's improvement.

Accepted suppliers will undergo an approval process described in the following section.

3.3. SUPPLIER APPROVAL

CELO will carry out an approval process for new suppliers and supplies as defined in the internal procedure. The nature of this approval process may vary depending on the type of supplier and/or supply; generally, one or more trial orders will be requested, whose result will be assessed according to quality and delivery criteria and, in the case of resources for production (tooling, wire, oils, etc.), also according to performance.

Supporting documentation such as quality certificates, technical data sheets, among others, will be requested.

Once the supplier successfully passes the approval process, it becomes part of CELO's supplier panel and from that moment is subject to the monitoring described in section 3.4, Supplier Evaluation.

There may be cases in which the supplier has a non-critical deviation during the approval process. In this case, conditional acceptance will be assessed. The supplier may supply CELO, but it will be subject to a new approval process.

In cases where the deviation is considered critical, approval will not proceed.

3.4. SUPPLIER EVALUATION

Supplier evaluation will be carried out each quarter to monitor its evolution in terms of the following indicators:

- Conformity of the delivered product with requirements. (40%).
- Interruptions (at the customer or at the plants themselves) including material returns. (30%)
- Compliance with delivery deadlines (including incidents with express shipments). (20%).
- Status of notifications related to quality or delivery issues. (10%).

The results will be classified according to the following scheme:

- Supplier A: $100 > \text{SPM} (\text{Supplier Performance Monitoring}) > 90$: The supplier meets the requirements. This result is the basis for continuing to work together.
- Supplier B: $90 \geq \text{SPM} > 80$: This result is acceptable for CELO, but does not fully meet the requirements. CELO expects the supplier, through the use of continuous improvement tools, to move up to supplier category A.
- Supplier C: $80 \geq \text{SPM} > 70$: The supplier is acceptable for CELO, but actions are required and these must be reported to CELO (actions, responsible person and due date).
- Supplier D: $\text{SPM} < 70$: The result is unacceptable for CELO.

3.5. SECOND-PARTY AUDITS

CELO may request to audit a supplier mainly for the following reasons:

- As a way to evaluate the potential supplier during the selection and/or approval process.
- According to the Annual Audit Plan, resulting from the evaluation and analysis of the risks associated with that supplier.
- There are significant changes in the Management System, processes, or in a product family.

4. LOGISTICS

4.1. PLACE AND DELIVERY TIMES OF ORDERS

Unless otherwise agreed in writing, all deliveries shall be understood as DDP according to INCOTERMS 2010 at the corresponding warehouse. Risk shall transfer to CELO at the time of delivery at the warehouse even if, due to extraordinary circumstances, CELO assumes the transport cost.

A delivery note shall be attached to each shipment, together with all documentation and information required at the time of the order.

The supplier shall deliver the order within the period established between the parties for each specific case. If the supplier foresees that it will not be able to meet the described deadlines, it must immediately notify CELO in writing of the reasons for the delay and the new delivery date. This notification does not exempt the supplier from the responsibilities and claims arising from such delay.

Failure to meet the established deadlines entitles CELO to claim from the supplier for any damage or liability suffered. CELO reserves the right to cancel the contract or purchase order. CELO's acceptance of the new deadline does not exclude the supplier from CELO's right to compensation for any legal or contractual claim.

In the event of repeated delivery delays, CELO may immediately cancel the contractual relationship with the supplier. Such cancellation shall be made with three days' prior written notice to the supplier.

4.2. DELIVERY NOTES

All supplies upon delivery must be accompanied by their corresponding properly completed delivery notes, which must reflect the following data:

- Supplier data (number, name, address).
- Delivery note number.
- Date.
- Purchase order number.
- Product.
- Description.
- Quantity.
- No. of packages.

5. PURCHASING

5.1. GENERAL

The current General Purchasing Conditions published on the CELO website Terms and Conditions apply to all purchases and contractual relationships entered into by CELO.

The supplier is aware of these Conditions, and the fact that its signature, or that of any third party acting on its behalf, appears on this document means full acceptance of these General Conditions.

Any specific modification to these General Conditions must be accepted in writing by CELO, written form being a sine qua non condition for its validity.

These General Conditions may be modified by CELO without the consent of third parties, but the modification shall not have retroactive effects.

If any of these General Conditions were null and void, such nullity shall not affect the rest, which shall remain fully and validly applicable.

These General Conditions shall not prevent specific contracting conditions from being agreed between the supplier and CELO in the corresponding purchase proposal.

In that case, the agreed particular conditions shall prevail over the general conditions, but the latter shall also form part of the agreement between the supplier and CELO.

5.2. ORDER REQUEST

The supplier shall inform CELO in writing of acceptance of the order within a maximum period of 7 calendar days, attaching the quotation agreed between the parties. After this period has elapsed without the supplier having accepted the order, CELO reserves the right to cancel the order without any obligation to pay compensation to the supplier for such cancellation.

The supplier shall adopt all necessary and sufficient measures so that, in the event of the sale or transfer, total or partial, of its company to a third party, the acquirer assumes the obligations corresponding to it as supplier of the order, guaranteeing CELO the full satisfaction of its claims.

CELO may modify the contract or the order provided that such change does not entail serious harm to the supplier. Changes, and in particular those referring to cost reductions or delivery times, shall always be agreed in writing by mutual agreement with the supplier.

Modifications to the purchase order made by the supplier shall only take effect if confirmed in writing by CELO.

By accepting any offer, order or, in general, any contractual relationship with CELO, the supplier assumes that it knows, understands and fully accepts CELO's Supplier Code of Conduct (see point 5.11 of this manual), undertaking to comply with it in all its actions and to pass these principles on to its own supply chain.

5.3. CELO DOCUMENTATION

The supplier shall safeguard the documentation delivered, where applicable, by CELO until the end of the contractual relationship. At that time, the supplier shall return to CELO the documentation delivered by the latter.

5.4. LONG-TERM AGREEMENTS AND PRICE ADJUSTMENT

Contracts of indefinite duration and contracts lasting more than 6 months may be canceled at any time by CELO by notifying the supplier in writing with 3 months' prior notice.

If there is a variation in labor, material or energy costs during the term of the contract, each party reserves the right to review prices according to these factors. Under no circumstances shall the supplier increase prices unilaterally or without CELO's written consent

5.5. OWNERSHIP OF MATERIAL AND DOCUMENTATION

Material delivered by CELO to its suppliers for the manufacture of a product, whether raw material or tooling, shall be CELO's property and must be stored, identified and managed free of charge. The use of this material is reserved for CELO orders.

If the value of the material delivered by CELO changes due to the supplier's production process, ownership of the final material shall belong to CELO in proportion to the costs of the delivered material and the final value of the product.

All documentation delivered by CELO, such as drawings, descriptions or any other technical or market information, shall be CELO's intellectual property. Once the order has been delivered or the contract has ended, the documentation shall be delivered to CELO.

Molds, tooling, drawings, samples, standard documents, etc., delivered by CELO, as well as parts manufactured with these molds, tooling, drawings, samples, etc., shall never be delivered to third parties without CELO's written consent. If the supplier breaches this commitment, CELO may terminate the contract and claim damages.

Any information obtained by the supplier in relation to the order or the contract may not be shared with third parties, except if the information is in the public domain.

5.6. TITLE DEFECTS

The supplier guarantees that the delivery shall be made free of encumbrances and that no patent or right is infringed, both at the place of delivery and at the place of use.

The party must immediately notify the other party if there is any claim regarding trademark rights or patent infringement.

If the use of delivered goods is challenged by a third party due to trademark rights or patents, the supplier shall obtain, without prejudice to its legal obligations, the right of use by CELO, without this entailing any additional cost to CELO.

The right of action regarding claims for quality defects is limited to 24 months after delivery of the goods.

5.7. PRICE

The price does not include value added tax, the amount of which must be added at the rate in force in each case.

5.8. TERMINATION OF CONTRACT

The supplier shall be liable, without limitation, for any damages and losses that may be caused to CELO when attributable to the supplier or its professionals, when they have acted with intent or gross negligence.

Likewise, the supplier shall be liable for damages caused to CELO that are the direct consequence of an event foreseen or foreseeable at the time of acceptance of the order and that are attributable to the supplier or its professionals.

The supplier undertakes to take out liability insurance for deliveries to CELO, with an insured amount adequate to cover the risks in the automotive sector, with respect to the costs generated by recall, bodily injury, property damage, etc., and to maintain this policy for at least 15 years after delivery. The insurance policy must be delivered to CELO in writing.

CELO may terminate the contract without prior notice for any serious cause. In particular, in the event of insolvency proceedings by the supplier.

5.9. FORCE MAJEURE

Neither party shall be liable for the breach of any obligation established by their contractual relationship if it is due to unforeseeable causes or causes that were foreseeable but unavoidable and when there was no fault or willful misconduct by either of the Parties, caused by fire, flood, pandemic or epidemic (or similar regional health crisis), acts of government, strike, lockout or other labor issue, war, terrorism, riots or civil commotion, or any cause or causes beyond the reasonable control of such Parties. In the event of a delay of more than *** (***) days in the services/supply for any cause described above, the parties may mutually agree on an additional extension of their contractual relationship of *** (***) days or terminate the contractual relationship in whole or in part without this generating any right whatsoever for either party.

5.10. PERFORMANCE OF WORK

Persons who, in fulfillment of the contract, carry out work on CELO's worksite premises must observe the provisions of the company's regulations.

5.11. COMPLIANCE

The supplier undertakes to comply with the legal provisions applicable to the treatment of workers, environmental protection and occupational safety, and to adopt the necessary measures to reduce in its activities harmful effects on people and the environment. To this end, as far as possible, the supplier shall implement and develop a management system in accordance with ISO 14001. Likewise, the supplier shall respect the principles of the United Nations Global Compact Initiative. These principles essentially concern the protection of international human rights, the right to collective bargaining, the elimination of forced labor and child labor, the elimination of discrimination in hiring and employment, environmental responsibility and the prevention of corruption.

To formalize compliance with these obligations, CELO will send the Supplier Code of Conduct separately for acceptance and signature.

More information about the United Nations Global Compact Initiative can be obtained at www.unglobalcompact.org.

If a supplier repeatedly violates the law despite having received the corresponding warning, and does not prove that it has remedied the violation of the law to the extent possible and taken appropriate measures to prevent this in the future, CELO reserves the right to terminate existing contracts without prior notice.

5.12. DOCUMENTATION AND CONFIDENTIALITY

Any type of commercial or technical information that CELO has made available to the supplier (including characteristics that can be inferred from delivered objects, documents or software, as well as other knowledge or experience), provided that it cannot be demonstrated to be publicly known, must be inaccessible to third parties, and within the supplier's company may only be made available to persons whose intervention is necessary for the use of the information in order to make the delivery to CELO and who are likewise bound to confidentiality; such information shall remain under CELO's exclusive ownership. Such information may not be copied or used industrially without prior

written authorization from CELO, except where it is for the performance of the contracted deliveries. When CELO so requires, all information (including any copies or records that may have been made) and any objects loaned shall be returned to CELO immediately and completely, or shall be destroyed.

CELO reserves all rights to such information (including copyrights and the right to apply for industrial property rights, such as patents, utility models, protection of

semiconductors, etc.). If access to that information had been granted to CELO by third parties, this legal reservation shall also be valid vis-à-vis those third parties.

Products that have been manufactured in accordance with documents designed by CELO, such as drawings, mock-ups and similar items, following CELO's confidential data or with CELO's original tools or copies thereof, may not be used by the supplier for its own use or to offer or supply to third parties. All of the above shall also apply to printed material orders placed by CELO.

5.13. DATA PROTECTION

The personal data of the natural persons signing the contract, as well as of the persons involved or in contact during the provision of the service, shall be processed by CELO as Data Controller.

The purpose of the processing is the maintenance of the contractual relationship, in the related economic and technical aspects, as well as the development and control of the agreed service(s) and, where appropriate, the communication of incidents related thereto. The data will not be disclosed to third parties, except as required by law.

In accordance with the provisions of the General Data Protection Regulation, you may exercise your rights of access, rectification, erasure, objection, restriction and portability of your personal data by sending a written request to celo@celo.com.

For detailed information on the processing of your personal data, visit <https://www.celofasteners.com/es/content/156-privacidad-celo>.

5.14. LANGUAGE

These General Contracting Conditions, written in Spanish, shall always prevail over any other text written in any other language.

5.15. LAW AND JURISDICTION

For all matters that may arise, both parties expressly submit to the competence and jurisdiction of the law and courts corresponding according to the registered office of CELO's contracting party, waiving any other jurisdiction that may correspond to them.

6. FINANCE

6.1. INVOICING

Invoices shall be paid in the currency in which they are denominated, unless there is prior agreement with the supplier otherwise. CELO reserves the right to request payment of any cost caused by converting the payment into that currency.

6.2. PAYMENT

Payment shall be made according to the agreement defined in the offer and/or contract previously signed between both parties (direct debit, transfer, others).

For issuing a bank transfer, the bank certificate proving ownership of the bank account is essential.

All bank charges and commissions related to the payment of invoices shall be borne by the supplier when it is the one that determines a specific collection procedure.

REVISION HISTORY

Revision	Date	Change
01	04/03/2021	Creation of the Manual
02	02/09/2021	Modification of section 5.13. Data protection
03	13/12/2022	Modification of section 6.2. Payment Inclusion of VDA 6.3 training requirement in section 3.1.2 Expansion of section 3.1.1
04	08/06/2023	Updated sections 3.1.1; 5.9; 5.15
05	09/04/2026	Inclusion of code of conduct and Terms and Conditions

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