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1. PREFACE

This manual aims to establish the criteria that will serve to guide suppliers of CELO (hereinafter, "CELO") with a view to guaranteeing customer satisfaction.

CELO products play an important role in automotive components, among other industrial applications, for which reason the products, processes and services supplied by suppliers (hereinafter, "supplies") must aspire to zero defects, complying with the requirements of CELO and its end customers.

2. SCOPE

This manual applies to all CELO suppliers (hereinafter, "suppliers") who supply wires, tools, auxiliary products, surface finishes and other subcontracts.

3. QUALITY

3.1. REQUIREMENTS

3.1.1. AGREED QUALITY

The supplies provided by suppliers are subjected to an Agreed Quality agreement ensuring they comply with CELO's requirements. All quality control tasks must be carried out by the supplier.

If they are found not to meet the agreed quality, CELO will have the right to claim a refund of the costs associated with resulting actions, such as reprocessing and inspections, which are often hired out to a third party.

3.1.2. LEGISLATIVE AND REGULATORY COMPLIANCE

The supplies provided by suppliers must comply with legislation in force, as well as environmental and social responsibility regulations such as REACH, RoHS, Conflict Minerals and EURATOM (the latest versions of these), when applicable.

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

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

CELO asks its IATF certified suppliers that one of its managers have VDA 6.3 (Process Audit) training.

3.1.3. CERTIFICATIONS

All suppliers must preferably have IATF 16949 certification. If they don't, they must have ISO 9001 certification at minimum. Cases of suppliers who do not possess ISO 9001 certification but are in the process of implementing will be assessed.

3.1.4. QUALITY CERTIFICATES AND PPAP DOCUMENTATION

The supplier will send a Quality Certificate for each delivery, unless otherwise agreed with CELO Purchasing Department.

For new supplies, CELO may request a Production Part Approval Process (PPAP) (occasionally an annual revalidation). Detailed information can be found in the attached document, "CELO Industry General Requirements for Suppliers".

3.1.5. DEROGATIONS AND CONTINGENCY PLAN

Suppliers will work with CELO's specifications in force and will inform CELO of any deviations. They will never send non-conforming material without a derogation document signed by CELO.

Suppliers must have a contingency plan in place to guarantee the supply to CELO. A document detailing this contingency plan may be requested.

3.2. SUPPLIER SELECTION

A potential supplier must fill in the document "F-PUIN.WI.003-01 Supplier Selection Criteria", which will be assessed by CELO.

The supplier will be classified as A, B or C in accordance with the following:

>75% \Rightarrow A Accepted:

Optimal result for working with CELO.

If the supplier is not in possession of the ISO 9001 certificate, CELO will demand development of its quality system and will study the need for a second-party audit.

51% - 74% \Rightarrow B Accepted:

This result allows the supplier to work with CELO, but it shows there are certain weaknesses or opportunities for improvement in order to achieve an optimal result.

If the supplier is not in possession of the ISO 9001 certificate, CELO will demand development of its quality system and will study the need for a second-party audit.

< 50% \Rightarrow C Not accepted.

If conditional acceptance is offered, CELO will actively search for another supplier or seek to improve the same.

Accepted suppliers will undergo the approval process described in the next section.

3.3. SUPPLIER APPROVAL

CELO will undertake an approval process for new suppliers and supplies. The nature of this approval process may vary depending on the type of supplier and/or supplies; in general, it consists of one or more test orders for which the result will be assessed according to quality and delivery criteria, and behavioural criteria in the case of production resources (tools, wire, oils, etc.).

Supporting documentation will be requested, including quality certificates and technical data sheets, among others.

Once the supplier has satisfactorily passed the approval process, it will be included in CELO's supplier panel and, from that moment onwards, it will be subject to the monitoring described in section 3.4. Supplier Assessment.

The supplier may experience a non-critical deviation during the approval process. In this case, CELO will assess whether it will be accepted conditionally. The supplier may supply CELO, but it will be subject to a new approval process.

In cases in which the deviation is deemed critical, approval will not be granted.

3.4. SUPPLIER ASSESSMENT

Supplier assessment will be performed every quarter to review their development, in terms of the following indicators:

- Conformity of the delivered product with requirements. (40%)
- Interruptions (customer or manufacturing facilities), including returns of material. (30%)
- Delivery deadlines met (including incidents with express deliveries). (20%)
- Status of notifications related to quality or delivery issues. (10%)

Results will be classified in accordance with the following outline:

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

3.5. SECOND-PARTY AUDITS

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

- As a way of assessing the potential supplier during the selection and/or approval process.
- According to the Annual Audit Plan, resulting from assessment and analysis of the risks associated with said supplier.

4. LOGISTICS

4.1. PLACE AND TIME FRAMES FOR DELIVERY OF ORDERS

Unless otherwise agreed in writing, all deliveries are understood as Delivered Duty Paid Incoterm (DDP), in accordance with INCOTERMS 2010, in the corresponding warehouse. The risk will be transferred to CELO the

moment the delivery arrives at the warehouse, although CELO will be responsible for the cost of transport in extraordinary circumstances.

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

The supplier will deliver the order within the time frame established between the parties for each specific case. If the supplier believes it will not be able to comply with the stated time frames, it must immediately inform CELO in writing as to the reasons for the delay, and the new delivery time frame. This notification does not exempt the supplier from the responsibilities and claims arising from notification of delay.

Failure to observe the established time frames will authorise CELO to make a claim against the supplier for any damage or liability it incurs. CELO reserves the right to cancel the purchase agreement or order. Acceptance of the new time frame by CELO will not exempt the supplier from CELO's right to claim compensation via any legal or contractual proceedings.

In the event of repeated delays in delivery, CELO may immediately terminate the contractual relationship with the supplier. The supplier will be given three day's written notice of said termination.

4.2. DELIVERY NOTES

When delivered, all supplies must be accompanied by their corresponding delivery notes (duly completed), which must include the following information:

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

5. PURCHASES

5.1. GENERAL

These General Terms and Conditions of Purchase will apply to all purchases and contractual relationships developed by CELO.

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

Any amendment to these General Terms and Conditions must be accepted in writing by CELO for its validity.

These General Terms and Conditions may be amended by CELO without the consent of third parties, but the amendment will not have retroactive effects.

If any of these General Terms and Conditions were to be declared null and void, its nullity will not harm the rest, which will continue to be fully and validly applicable.

These General Terms and Conditions will not prevent the fact that specific terms and conditions of purchase may be agreed between the supplier and CELO in the corresponding purchase proposal.

In this case, the specific terms and conditions agreed will prevail over the General Terms and Conditions, but the latter will also form a part of the agreement between the supplier and CELO.

5.2. ORDER REQUEST

The supplier will inform CELO in writing of its acceptance of the order within a maximum of 7 calendar days, attaching the quote agreed between the parties. Once this time frame has passed, and if the supplier has not accepted the order, CELO reserves the right to cancel the order and will not be obliged to pay any compensation to the supplier for said cancellation.

The supplier will implement every sufficient and necessary measure to ensure that, in the event its company is sold or transferred (either fully or partially) to a third party, the party purchasing the company will take on the obligations that correspond to it as supplier of the order, guaranteeing to CELO that its claims will be fully satisfied.

CELO may amend the contract or order, provided that this change does not imply serious harm to the supplier. Any changes, and particularly those referring to a reduction in costs or delivery time frames, will always be mutually agreed in writing with the supplier.

Amendments made by the supplier to the purchase order will only be effective if they are agreed in writing with CELO.

5.3. CELO DOCUMENTATION

The supplier will safeguard the documentation submitted, if applicable, by CELO until the contractual relationship has ended. Once the contractual relationship is ended, the supplier will return to CELO all documentation it had previously submitted.

5.4. LONG-TERM AGREEMENTS AND PRICE ADJUSTMENT

Indefinite term contracts, and those with a term over six months may be terminated at any time by CELO, which must provide the supplier with three month's advance notice in writing.

If there were to be a variation in the cost of manpower, materials or energy during the term of the contract, each party reserves the right to review prices based on these factors. In any case will the supplier increase prices unilaterally or without the written agreement of CELO.

5.5. OWNERSHIP OF MATERIAL AND DOCUMENTATION

The material submitted by CELO to its suppliers for the production of a product, whether it is a raw material or tool, will be the property of CELO, and it must be stored, identified and managed at no extra cost. The use of this material is reserved for CELO orders.

If the value of the material submitted by CELO were to change due to the supplier's production process, ownership of the final material will pertain to CELO, proportional to the costs of the material submitted and the final value of the product.

All documentation submitted by CELO, such as plans, descriptions and any other technical or market information, will be the intellectual property of CELO. Once the order has been delivered or the contract terminated, this documentation will be returned to CELO.

The moulds, tools, plans, samples, standard documents, etc. submitted by CELO, in addition to the parts manufactured using these moulds, tools, plans, samples, etc. will never be given to third parties without the written consent of CELO. If the supplier breaches this obligation, CELO may terminate the contract and pursue legal action for the damage caused.

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

5.6. TITLE DEFECTS

The supplier guarantees that the delivery will be made free from encumbrances and that no patent or right has been violated, either in the place of delivery or in the place of use.

The party must immediately inform the other party if there are any claims made regarding trademark rights or patent infringement.

If use of delivered goods is challenged by a third party due to trademark rights or patents, the supplier - notwithstanding its legal obligations - must obtain the right of use on behalf of CELO at no 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 applicable in each case.

5.8. CONTRACTUAL TERMINATION

The supplier will be liable, without limit, for the possible damage caused to CELO when this is attributable to the supplier or its professionals, when caused by fraud or gross negligence.

Furthermore, the supplier will be liable for the damage caused to CELO that is a direct consequence of an action that was expected or foreseeable when the order was accepted and that is attributable to the supplier or its professionals.

The supplier must take out a liability insurance policy for deliveries to CELO with a sufficient insured amount to cover the risks in the automotive sector, regarding the costs generated due to recall, personal injury, damage to property, etc. and it will maintain this policy for at least 15 years after delivery. The insurance policy must be submitted to CELO in writing. CELO may terminate the contract without warning due to any serious issue. In particular, if the supplier is undergoing insolvency proceedings.

5.9. FORCE MAJEURE

Both Parties will not be held liable for the non-fulfilment of any obligation laid down by its contractual relation if it is due to unforeseeable causes or causes which were foreseeable but unavoidable and when there was no fault or deceit by either of the Parties, caused by fire, flood, pandemic or epidemic (or similar regional health crisis), acts of government, strike, lockout or other labour problem, war, terrorism, riot or civil disturbance, or any cause or causes beyond such Parties' reasonable control. In cases of delay of more than *** (***) days in the services/supply for any cause described above, may the parties agree by mutual agreement for an additional extension of its contractual relation of *** (***) days or terminate all or part of the contractual relation without thereby creating any rights for both Parties.

5.10. DEVELOPMENT OF WORK

The people who perform work in the CELO workplace in order to fulfil the contract must observe the company's regulatory provisions.

5.11. COMPLIANCE

The supplier must comply with the legal provisions applicable to employee relations, environmental protection, and occupational safety, and it must also implement the measures necessary to reduce any repercussions associated with its activities that are harmful to people and the environment. To this end, and to the best of its ability, the supplier will implement and develop a management system in accordance with the standard ISO 14001. Additionally, the supplier will respect the principles of the United Nations Global Compact Initiative. These principles are related to protecting international human rights, the right to collective bargaining, eliminating forced and child labour, eliminating discrimination in recruitment processes and the workplace, environmental responsibility and corruption prevention.

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

If a supplier repeatedly violates a law, despite having received the corresponding warning, and it fails to remedy the breach of the law where possible and implement suitable measures to prevent it from occurring in the future, CELO will reserve the right to terminate any existing contracts without warning.

5.12. DOCUMENTATION AND SECRECY

Any kind of commercial or technical information that CELO makes available to the supplier (including characteristics of objects, documents or software submitted, in addition to other knowledge and experience), provided that it cannot be proven to be public knowledge, must be inaccessible to third parties, and in the supplier's company it may only be made available to people who must use the information with a view to

completing the delivery to CELO and who, moreover, are bound by confidentiality; this information will remain the exclusive property of CELO. This information may not be copied or used industrially without the written

authorisation of CELO, unless it is to develop the agreed deliveries. When requested by CELO, all information (including possible copies or records that have been made) and the objects loaned must be returned immediately and fully or they must be destroyed.

CELO reserves all rights to said information (including copyright and the right to apply for industrial property rights, such as patents, utility models, semiconductor protection, etc.). If access to this information has been granted to CELO by third parties, this legal right is also valid before these third parties.

The products that have been manufactured according to documents designed by CELO, such as drawings, models and similar, following confidential CELO data or original CELO tools or copies of the same, may not be used by the supplier for its own use nor to offer or supply third parties. All of the aforementioned will also apply to orders of printed material made by CELO.

5.13. DATA PROTECTION

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

The purpose of the processing is to maintain the contractual relationship, in the economic and technical related aspects, as well as the development and control of the agreed service/s and, where appropriate, the reporting of incidents related to such. The data will not be disclosed to third parties, except in compliance by law.

Pursuant to the General Data Protection Regulation, you may exercise your rights of access, rectification, erasure, objection, limitation 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 please visit <https://www.celofasteners.com/en/content/156-privacy-celo>

5.14. LANGUAGE

The Spanish version of these General Terms and Conditions of Purchase will always prevail over any other text written in any other language.

5.15. LAW AND JURISDICTION

For any issues that may arise, both parties expressly submit to the law and the courts that correspond according to Celo's company contracting party registered office, waiving any other venue to which they might have recourse.

6. FINANCES

6.1. BILLING

Invoices will be paid in the currency they are issued in unless a prior agreement with the supplier stating otherwise exists. CELO reserves the right to request payment for any cost related to conversion of the payment to this currency.

6.2. PAYMENT

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

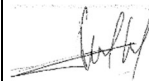
For the issuance of transfer, the bank certificate of ownership of the bank account is essential.

The supplier will be responsible for paying all bank fees and commissions related to the payment of invoices when the supplier determines a specific payment collection procedure.

HISTORY OF CHANGES

Revision	Date	Change
01	04/03/2021	Manual creation
02	02/09/2021	Section modification 5.13. Data protection
03	13/12/2022	Updating of points 3.1.1 and 6.2 Included VDA 6.3 training suggestion
04	09/05/2023	Updating of points 3.1.1, 5.9; 5.15

Approved by:



Joaquín Núñez