SUPPLIER MANUAL

HISTÓRICO / REVISION

ÍNDICE INDEX	FECHA DATE	MODIFICACIÓN CHANGES	REDACCIÓN WRITTEN BY:	APROBACIÓN APPROVED BY:	TRADUCIDO TRANSLATED BY:
05	26/07/2016	Updating customer requirements	Ignacio Lezaun	Ignacio Lezaun	Ignacio Lezaun
06	15/03/2020	Codification modification (E08.01.00)	Javier Vázquez	Ignacio Lezaun	Ignacio Lezaun
07	04/06/2020	Inclusion of VDA requirements.	Javier Vázquez	Ignacio Lezaun	Javier Vázquez
08	20/09/2024	Change of document name (Supplier Requirements) and format. Integration of automotive guiding principles and updating of customer requirements. Reorganization of the document.	Iñaki Velaz	Iñaki Velaz	Iñaki Velaz
09	22/04/2026	Complete revision	P. Soriano/J. Vázquez	Iñaki Velaz	P. Soriano/J. Vázquez
10	31/07/2026	Paragraph updated “X.5 Fulfilment of Customer Requirements”	Javier Vázquez	Iñaki Velaz	Javier Vázquez
11	10/08/2026	Including paragraph VII.1 “Information security requirements”	Javier Vázquez	Iñaki Velaz	Javier Vázquez

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ÍNDICE / INDEX

I PREFACE 5
II CORPORATE PORTRAIT 5
II.1 Who we are **5**
II.2 Mission, Vision and Values **5**
II.3 Facilities **5**
III GOALS 5
IV SCOPE OF APPLICATION 6
V REFERENCIAS / REFERENCES 6
VI RESPONSABILIDAD / RESPONSABILITY 7
VI.1 General responsibilities **7**
VI.1.1 GCXXI will be responsible for: 7
VI.1.2 The Supplier shall be responsible for: 7
VI.2 Responsibilities by type of supplier **7**
VII CONFIDENTIALITY 9
VII.1 Information security requirements **9**
VIII SUPPLIER CODE OF CONDUCT 10
IX SUPPLIER PANEL 10
X SUPPLIER DEVELOPMENT 10
X.1 Quality certification **11**
X.2 Environmental, safety and other certifications **11**
X.3 Regulatory compliance, additional regulations **11**
X.4 Compliance with sustainability and responsible sourcing initiatives **12**
X.5 Fulfilment of Customer Requirements **12**
XI RFQ PROCESS AND NOMINATION 13
XI.1 General **13**
XI.2 Presentation of the offer **14**
XI.3 Bid evaluation and nomination **14**
XI.4 Contracts and order **14**
XII PRODUCT / PROCESS DEVELOPMENT 14
XII.1 Product development **14**
XII.2 Determination of requirements related to the product **15**
XII.3 Special characteristics **15**

Los documentos son validados y liberados electrónicamente y están disponibles siempre a último nivel en el SharePoint del Grupo Cosmos / The documents are electronically validated and released and are always available at the latest level in the SharePoint of the Grupo Cosmos

En caso de duda, el idioma de consulta será el de creación / In case of doubt, the query language will be that of creation

XII.4 Capacity **15**

XII.5 Design and development **16**

XII.6 Tooling and gauging **16**

XII.6.1 General 16

XII.6.2 Quotation & Design 16

XII.6.3 Maintenance and refurbishment 17

XII.6.4 Supplier's Responsibilities 17

XII.6.5 Measurement System 17

XII.7 Production part approval process (PPAP) - production process and product approval (PPA/PPF) **17**

XII.7.1 PPAP-PPA Submission Requirements 18

XII.7.2 IMDS Requirements 18

XII.7.3 Submission Disposition 18

XII.7.4 Notification 18

XII.7.5 PPAP-PPA Requirements Waiver 18

XII.8 Requalification of the supplier's products **18**

XII.9 Request for deviation **19**

XII.10 Control of nonconforming product **19**

XIII MATERIALS/DELIVERY EXPECTATIONS 20

XIII.1 Packaging **20**

XIII.2 Labeling & Identification **20**

XIII.3 Storage & Inventory **21**

XIII.4 Shipping documents **21**

XIII.5 Product traceability **21**

XIV INVOICING 21

XIV.1 Invoice Requirements: **21**

XIV.2 Customs documentation **22**

XIV.2.1 North American 22

XIV.2.2 European Union 22

XIV.2.3 Asia 23

XV QUALITY AGREEMENTS 23

XV.1 Complaints management **23**

XV.1.1 **Containment actions** 23

XV.1.2 8-D Methodology 23

XV.1.3 Guidelines for 8D closure 24

XV.1.4 **Associated costs** 24

XV.1.5 Repetitive claims 24

XV.2 Warranty period **24**

XV.2.1 Management of warranty claims 24

XV.2.2 Supplier's responsibilities 24

XV.3 Recall campaigns **25**

XV.4 PSCR (Product Safety and Conformity Representative) **25**

XVI SUPPLIER CHANGE MANAGEMENT 25

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XVI.1 General **25**
XVI.2 Temporary Changes **25**
XVI.3 Permanent Changes **26**
XVII CONTINUOUS IMPROVEMENT 26
XVIII CONTINUOUS EVALUATION 27
XIX ANEXOS / ANNEXES 28
XIX.1 Annex I. Definitions and abbreviations **28**
XIX.2 Annex II. Abbreviations **29**
XIX.3 Processes, instructions and related documentation. **31**

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I PREFACE

This Supplier Manual applies to all GCXXI suppliers, and its acceptance is mandatory for suppliers to be included in the supplier panel and to be eligible for new business relationships and new projects, processes, products, and/or services.

Therefore, suppliers must consider the requirements and procedures outlined here in any bidding process submitted to the Cosmos Group. This will ensure satisfactory cooperation, open communication, and a clear focus on meeting the expected supplier requirements in terms of quality, time, and cost.

II CORPORATE PORTRAIT

II.1 Who we are

Grupo Cosmos XXI, hereinafter GCXXI (the parent company of the group of companies Grupo Cosmos XXI, S.L. and subsidiaries listed in point 1.3).

GCXXI was incorporated in 2007, and its registered office is located at Carretera Aoiz, Km. 19.5 in 31420 Urroz-Villa (Navarra).

GCXXI is a global group dedicated mainly to the development and production of plastic and metal components, interior cladding especially trunks, as well as the assembly of structures for the automotive industry throughout the world.

As Tier 1 supplier to the automotive industry, we are deeply committed to product quality, sustainability, transparency and trust as fundamental pillars of our business strategy. This handbook reflects our focus on integrating these values into our business relationships with the supply chain.

II.2 Mission, Vision and Values

Mission: Our objective is to contribute to the satisfaction and well-being of both our internal and external clients, always within a framework of social and environmental responsibility, starting from the understanding of our clients' needs and offering the best service, with the highest quality and in the shortest possible time.

Vision: To be a reference group as manufacturers of plastic and metal components for the automotive sector, meeting the expectations of our customers, respecting the rights of people, respecting the environment and participating in the socioeconomic development of our environment.

Values: The main values we apply in our organization are responsibility and commitment, the quality of our human and material resources, a globalized and multicultural organization, communication and customer proximity, continuous innovation and sustainable development.

II.3 Facilities

GCXXI has 17 of its own facilities, in addition to another 5 sites through strategic alliances.

GCXXI is divided into three divisions, Plastic, Metal and Trim, which mark the Group's three main manufacturing and business lines. These three divisions are in turn composed of different technologies and production equipment, including welding, bending and roll forming, spring and wire manufacturing, plastic injection, interior lining, profiling, banding, stamping surface coating lines.

III GOALS

At GCXXI, we want to have a selection of suppliers capable of providing products, processes and services that meet our quality requirements and within the requested deadlines, and who also share our values in order to ensure responsible and sustainable sourcing throughout the supply chain.

This document and its future versions shall be applicable from its date of publication and is intended for GCXXI suppliers providing products, processes or services. In case of any problem with this document, it must be communicated by the supplier to GCXXI in writing within a period of less than 1 month to his contact in the group.

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The purpose of this document is as follows:

1. To establish the requirements to be met by a supplier, so that the quality, safety and sustainability of the products, processes and services supplied are in accordance with our specifications and with the legal and regulatory requirements and those of our customers.
2. Describe the procedure that regulates the relationship between CGXXI and its suppliers with the intention of improving its business results, overall satisfaction of Customers and key stakeholders, in short, describe the operations between CG and its suppliers during their working relationship.
3. Involve suppliers in our management system (based on the IATF 16949, ISO 9001, TISAX, ISO 14001 and ISO 45001 standards)
4. To have a responsible supply chain based on trust in which Human Rights are respected and the environment is protected.

IV SCOPE OF APPLICATION

This manual is applicable to production and service part supplier sites that are providing:

- Parts
- Raw materials
- Outside processing used in the manufacturing of the finished product
- Heat treating, painting, plating, or other finishing service

Depending upon the quality, strategic, or financial impact of the part, material or service, the buyer may require other suppliers not listed in the above commodities to comply with this manual. In such situations, the individual purchase agreement or contract will specify this requirement.

V REFERENCIAS / REFERENCES

Suppliers are responsible for obtaining and maintaining copies of the latest revised/current versions of all associated and referenced publications in consideration to the receiving OEM, (copies of some applicable publications can be obtained from the AIAG, VDA, IATF or ISO organizations) such as

- IATF 16949:2016 "Quality management system requirements for automotive parts and spare parts producing organizations".
- ISO 9001:2015 "Quality management systems. Requirements."
- ISO 14001:2015 "Environmental management systems. Requirements with guidance for use."
- ISO 45001:2023 "Occupational safety and health management systems. Requirements with guidance for use."
- ISO 27001:2022 “Information security, cybersecurity and privacy protection — Information security management systems — Requirements”
- TISAX "Trusted Information Security Assessment Exchange" Information Security Standard for the Automotive Industry
- Regulation (EC) No 1907/2006 (REACH: Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals).
- Automotive Industry Guiding Principles for Improving the Sustainability Performance of the Supply Chain (AIAG / Drive Sustainability) (www.drivesustainability.org)
- VDA Volumes (VDA2, VDA5, MLA-RGA, VDA6.3, VDA6.5…)
- AIAG Manuals (APQP, SPC, PPAP, MSA, Control Plan)
- Customer-specific Requirements (available through the IATF website)
- Sanctioned Interpretations (available through the IATF website)
- CQI-Special Process Assessments (CQI-9, CQI-11, CQI-13, CQI-15...)

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VI RESPONSABILIDAD / RESPONSABILITY

VI.1 General responsibilities

VI.1.1 GCXXI will be responsible for:

- Select the supplier and guide him through the registration process in our system (inclusion in the Panel).
- Define the requirements for the supply of the product, process or service.
- Evaluate supplier development and report in case of any deviation.
- Carry out the process in accordance with GCXXI's purchasing policy (PL-07.00).

VI.1.2 The Supplier shall be responsible for:

- Comply with all commitments made to GCXXI, including this document (M15.01.00) and those mentioned herein.
- Notify GCXXI of any change in their QMS registration status contacting their GCXXI plant quality contacts. Such changes include, but are not limited to: Initial certification, Recertification, Transfer of certification to a new Certification Body, Certificate withdrawal, or Certificate cancellation without replacement.
- Select and engage your suppliers so that you can implement and manage your own supply chain in the values of GCXXI's policies of responsible and sustainable sourcing.
- Ensure the conformity of the product, process or service delivered to GCXXI.
- Comply with the regulations of the activity, process, product or service provided to GCXXI and ensure the compliance of its own suppliers.
- Comply with the applicable legislation in force, both in the country of manufacture and in the country of destination and marketing of the products supplied to GCXXI.
- Pass down all applicable statutory and regulatory requirements as well as special product and process characteristics to their Suppliers and require the Suppliers to cascade all applicable requirements down to the supply chain to the point of manufacture.
- GCXXI or its representatives may, at any reasonable time, have the right to audit, inspect, and review any records, documents, and processes related to the supplier obligations under this Manual and supplier contract with GCXXI. This right to audit includes, but is not limited to, quality control procedures, and compliance with applicable laws and regulations

Note: In the case of service providers with access to the facilities, they must carry out the process of coordinating activities with each GCXXI facility.

VI.2 Responsibilities by type of supplier

GCXXI classifies its suppliers into four main groups:

TYPE 1 SUPPLIER: Suppliers of raw materials, subcontracted processes, components and finished parts.

TYPE 2 SUPPLIER: Suppliers of tooling, control and testing equipment, and production equipment.

TYPE 3 SUPPLIER: Transportation and logistics service providers.

TYPE 4 SUPPLIER: Suppliers of commercial items, plant services and indirect materials.

The following table defines the specific responsibilities to be fulfilled by each supplier, according to the GCXXI supplier classification. The supplier, in turn, must ensure that all the requirements described in this document are met by itself and by all sub-suppliers included in its supply chain.

ITEM	TYPE 1	TYPE 2	TYPE 3	TYPE 4
I CORPORATE PORTRAIT	X	X	X	X
I.1 Who we are	X	X	X	X
I.2 Mission, Vision and Values	X	X	X	X
I.3 Facilities	X	X	X	X

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II GOALS	X	X	X	X
III SCOPE OF APPLICATION	X	X	X	X
IV REFERENCIAS / REFERENCES	X	X	X	X
V RESPONSABILIDAD / RESPONSABILITY	X	X	X	X
V.1 General responsibilities	X	X	X	X
V.2 Responsibilities by type of supplier	X	X	X	X
VI CONFIDENTIALITY	X	X	X	X
VII SUPPLIER CODE OF CONDUCT	X	X	X	X
VIII SUPPLIER PANEL	X	X	X	X
IX SUPPLIER DEVELOPMENT	X	X	X	X
IX.1 Quality certification	X			
IX.2 Environmental, safety and other certifications	X			
IX.3 Regulatory compliance, additional regulations	X			
IX.4 Compliance with sustainability and responsible sourcing initiatives	X			
IX.5 Fulfilment of Customer Requirements	X			
X RFQ PROCESS AND NOMINATION	X			
X.1 General	X			
X.2 Presentation of the offer	X			
X.3 Bid evaluation and nomination	X			
X.4 Contracts and order	X			
XI PRODUCT / PROCESS DEVELOPMENT	X			
XI.1 Product development	X			
XI.2 Determination of requirements related to the product	X			
XI.3 Special characteristics	X			
XI.4 Capacity	X			
XI.5 Design and development	X			
XI.6 Tooling and gauging	X			
XI.7 PPAP - PPA/PPF	X			
XI.8 Requalification of the supplier's products	X			
XI.9 Request for deviation	X			
XI.10 Control of nonconforming product	X			
XII MATERIALS/DELIVERY EXPECTATIONS	X			
XII.1 Packaging	X			
XII.2 Labeling & Identification	X			
XII.3 Storage & Inventory	X			
XII.4 Shipping documents	X			
XII.5 Product traceability	X			
XIII INVOICING	X			
XIII.1 Invoice Requirements:	X			
XIII.2 Customs documentation	X			
XIV QUALITY AGREEMENTS	X			
XIV.1 Complaints management	X			
XIV.2 Warranty period	X			
XIV.3 Recall campaigns	X			
XIV.4 PSCR (Product Safety and Conformity Representative)	X			
XV SUPPLIER CHANGE MANAGEMENT	X			

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XV.1 General	X			
XV.2 Temporary Changes	X			
XV.3 Permanent Changes	X			
XVI CONTINUOUS IMPROVEMENT	X			
XVII CONTINUOUS EVALUATION	X			
XVIII ANEXOS / ANNEXES	X			
XVIII.1 Annex I. Definitions and abbreviations	X	X	X	X
XVIII.2 Annex II. Abbreviations	X	X	X	X
XVIII.3 Processes, instructions and related documentation.	X			

In the event that a supplier can be classified in several groups, the most restrictive of these groups shall apply.

VII CONFIDENTIALITY

GCXXI uses confidential information from its customers, so are committed to maintaining the confidentiality of any information received, including the management of purchases from suppliers. Therefore, any information received by the supplier and provided by GCXXI must be restricted dissemination and, whenever deemed necessary, confidentiality will be additionally required by means of a signed contract.

The person responsible for supplier confidentiality is the legally authorized representative of the supplier company and, initially, the company's sales manager.

Any communication, regardless of the medium used, between GCXXI and the supplier, regarding products, processes and/or services that may have been identified as confidential, shall be subject to confidentiality, except if such information belongs to the public domain or has been administered by a third party.

To preserve confidentiality, the supplier must respect at least the following activities:

- Any document belonging to GCXXI or our clients that may have been exposed must be protected in terms of its origin and content.
- Inform the participants in the development of the project of the confidentiality of the project, obtaining from them commitment of compliance and writing minutes to the assistants.
- Packaging for the transport of confidential information or parts shall be robust for its use, shall be closed and shall not allow external access to the contents.
- Storage of confidential information should be in a locked location, with access only to the project manager or his delegate, outside of normal working hours or use of the information.
- Documents received must be destroyed immediately if not awarded as a final supplier.
- GCXXI encourages its suppliers to be subject to the Tisax Standard (this standard takes the fundamental requirements of the ISO27001 standard and adapts them to the automotive industry).

In those cases where it is deemed necessary by GCXXI, a specific ***Non-Disclosure Agreement (NDA)*** will be signed between the parties.

VII.1 Information security requirements

Suppliers, business partners and third parties that have access to GCXXI information or systems must comply with established security requirements, guaranteeing the protection of GCXXI information and assets.

This includes:

- Implement adequate security controls, documented policies and technical measures (access control, malware protection, patch and vulnerability management, incident management, among others).
- Comply with applicable regulations and standards (e.g., ISO 27001, TISAX L2, NIS2, NIST) as well as the requirements defined by the Group and current regulations.
- Immediately report any security incident and collaborate in its management and resolution.
- Allow security assessments and audits to verify compliance.

- Ensure that its personnel and associated third parties comply with these requirements.

Non-compliance may lead to corrective actions or the termination of the business relationship.

VIII SUPPLIER CODE OF CONDUCT

Our purpose is to build solid relationships with our suppliers, contractors and collaborators, based mutual trust, transparency of information and the exchange of knowledge, experience and skills.

The relationship with suppliers must be governed by integrity, strict compliance with current legislation and universally accepted ethical principles and rights, avoiding at all times any conflict of interest. Although our suppliers operate in different legal and cultural environments globally, this code of conduct defines the minimum ethical, social and environmental standards that all suppliers must follow in order to establish and maintain business relationships with us.

GCXXI therefore expects and requires that all its suppliers act in accordance with the "Principles of Responsible Sourcing" PL-05.00) and acknowledge this by signing. In addition, the following more specific ones are summarized and not exhaustive in the following points:

- **Business Ethics**: Promote transparency, financial integrity, data protection, and anti- corruption in all business relationships.
- **Environment**: Implement measures for environmental protection, including carbon neutrality, responsible use of water and circular economy.
- **Human Rights and Labor Conditions**: Protect dignity, prohibit child labour, guarantee fair wages and respect diversity.
- **Health and Safety**: Providing safe work environments, personal protective equipment and emergency preparedness.
- **Supply Chain Management**: Selecting responsible suppliers, ensuring traceability and responsible sourcing of raw materials and minerals.
- **Due Diligence:** Promote transparency and implement the “OECD Due Diligence Guidance for Responsible Business Conduct” (https://mneguidelines.oecd.org/).
- **Whistleblower Channel**: In accordance with current regulations, there is a Secure Whistleblower Channel available to suppliers on the company's website where they can report or denounce cases of corruption, fraud or violations of laws in the respective countries. (info@gcosmos.com)

IX SUPPLIER PANEL

Below is the minimum GCXXI management system requirements to be considered when starting a business relationship.

Supplier	Minimum	Desirable
TYPE 1	ISO 9001	IATF 16949 / ISO 14001 / ISO 45001 / ISO 50001/TISAX AL2
TYPE 2	NA	ISO 9001 / ISO 14001 / ISO 45001 / ISO 50001/TISAX AL2
TYPE 3	NA	ISO 9001 / ISO 14001 / ISO 45001 / ISO 50001
TYPE 4	NA	ISO 9001 / ISO 14001 / ISO 45001 / ISO 50001

GCXXI reserves the right to establish specific and more restrictive requirements for the inclusion of suppliers in its panel.

X SUPPLIER DEVELOPMENT

GCXXI suppliers must comply with a series of basic requirements to ensure the quality and conformity of the products, processes or services supplied, as well as their sustainability.

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X.1 Quality certification

All suppliers of raw materials, components, subcontracted products or outsourced processes (Type 1 Suppliers) must have a quality management system certified to ISO 9001. In addition, GCXXI considers it essential that suppliers, considered certifiable according to the last edition of "Rules for obtaining and maintaining IATF recognition", progressively work towards the implementation of IATF 16949. Such certification demonstrates the supplier's commitment to continuous improvement, defect prevention and reduction of variability in the supply chain.

X.2 Environmental, safety and other certifications

GCXXI considers it advisable to certify suppliers in ISO 14001, and GCXXI also considers it essential that those suppliers that provide us with processes or parts that have received surface treatments work under this certification or under equivalent ones such as EMAS, as a commitment to environmental protection. Regardless of whether the supplier has the certification or not, all suppliers are required to adopt a responsible environmental management to ensure legal compliance with environmental requirements and continuous improvement in their environmental performance.

Likewise, for GCXXI it is important to ensure the safety and health of workers therefore it is mandatory that all its suppliers comply with the health and safety regulations of their country and always under the minimum standards of the International Labor Organization (ILO). That is why GCXXI also strongly recommends to its suppliers the ISO 45001 certification of their workplaces in order to ensure safe workplaces.

X.3 Regulatory compliance, additional regulations

- REACH

The Supplier shall apply the European Regulation REACH 1907/2006 EC concerning the Registration, Evaluation, Authorization and Restriction of Chemicals for products manufactured and/or marketed in the European Union, as well as its future updates. In addition to any applicable rules and/or regulations that may exist in the country of sale or manufacture of the supplier.

In addition, the supplier shall comply with customer specific requirements on prohibited, restricted or controlled products and shall provide the least hazardous solution and/or option available for the health of workers and the environment in compliance with regulations.

As a general rule, products containing the following substances may not be supplied:

- CMR (carcinogenic, mutagenic or reprotoxic), PBT (persistent, bioaccumulative and toxic) or vPvB (very persistent and bioaccumulative).
- There shall be no substances or products containing lead, mercury, cadmium, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE), according to Annex II of Directive 2011/65/EU of June 8.
- Substances or products with solvents or high Volatile Organic Compounds (VOCs) and high Persistent Organic Pollutants (POPs) content should be avoided. Alternatives for these types of substances should be provided.
- Products containing Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS) shall not be supplied, according to ECHA's 2023 restriction proposal.

Note: No chemical product that has not been previously provided to GC with its Safety Data Sheet may be supplied.

- Conflict minerals

The supplier shall ensure and provide information, as requested by GCXXI, on the origin of minerals used, in accordance regulations adopted in 2012 by the U.S. Securities and Exchange Commission (SEC) to implement conflict minerals reporting and disclosure requirements as set forth in Section 1502 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010. Similarly, the European Union passed a new regulation in May 2017 requiring European companies to ensure that, as of January 1, 2021, they import these minerals and metals only from responsible sources.

So-called "conflict minerals", such as tin, tantalum, tungsten and gold (known as 3TG) among others, can be found in everyday products such as automobiles. In politically unstable regions, it is common for armed groups to use forced labor to extract minerals, which they sell to finance their activities, such as the purchase of weapons.

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GCXXI requires its suppliers to responsibly manage the sourcing of raw materials and secure the entire supply chain, for which it reserves the right to request the relevant information through the tools or initiatives available at any given date.

- Heavy metals

The supplier shall comply with the regulations concerning the use of restricted-use substances (heavy metals, etc.) that affect them.

- Free of deforestation and forest degradation

The supplier further confirms that the products and/or raw materials placed on the market that could be associated with deforestation and forest degradation (e.g. cardboard and wood packaging, rubber products, industrial oils and alcohols from oil palm, etc.), have been placed on the market free of deforestation, in compliance with current legislation and covered by a due diligence declaration according to "Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023."

- Due Diligence

Any supplier that identifies non-compliance or a high risk of non-compliance with responsible sourcing throughout the supply chain should take immediate action to address it. To this end, GCXXI recommends that its suppliers implement and maintain robust Due Diligence systems covering the entire cycle of their products and keep the *OECD Guidance*[1] as a reference.

[1]OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct, OECD Publishing, Paris. Publications | OECD

X.4 Compliance with sustainability and responsible sourcing initiatives

- Animal origin

Suppliers must provide information in case components of animal origin are used. In these cases, a statement or policy on animal welfare shall be provided.

- Recycled origin

All suppliers of raw materials and/or components must certify the origin and percentage of recycled material in the products supplied, for which purpose they must certify at least the percentage of recycled material, indicating its post-industrial or post-consumer origin, by means of internationally accepted certificates.

The percentage of recycled material contained shall also be provided by the packaging suppliers who shall attach it as information together with Material Data Sheets including the weight of the packaging for each constituent material and the percentage of recycling of each material.

- Carbon footprint

The supplier shall provide, upon GCXXI's request, the carbon footprint of the material or product supplied in order to collaborate with the calculation of the carbon footprint of the final product and therefore be able to calculate the carbon footprint of the product's life cycle. This information declaration will be carried out through the tools provided by GCXXI or otherwise through external platforms for its declaration.

X.5 Fulfilment of Customer Requirements

- Contingency plan

All suppliers that provide products, processes or services or that may affect the supply of parts to our customers shall have contingency plans that include at least the following risks (non-exhaustive list):

- Natural disasters
- Cybersecurity attacks
- Shutdown of supply plant
- Lack of manpower
- Failures in production and logistics planning
- Transport failures
- System crashes (EDI, ERP...)

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- Fire, explosion or other emergencies
- Key equipment failures
- ...

➢ IMDS

IMDS is part of the GCXXI approval process. Suppliers providing direct materials, components, surface treatments and/or coatings, or subcontracted processes, in short, any supplier that incorporates any type of substance or material to GCXXI's final product commits to deliver during the project and to keep available and updated during the entire contractual relationship the IMDS of the parts, components or raw materials supplied to GCXXI, adjusting to the composition of the material provided. They also confirm the veracity of the information included and their commitment not to use substances and/or products prohibited or under suspicion.

Any modification that the supplier wishes to make to the IMDS of the material, part or component may only be made with the prior approval of the GCXXI purchasing department.

➢ Customer specific requirements

Suppliers must know and meet the specific requirements of the OEM customers of Grupo Cosmos XXI, for which GC is going to produce the part or provide the specific service so that from the beginning of the supply chain they can be assured.

The CSR's of the IATF OEMs are available on the IATF portal (Customer Specific Requirements - International Automotive Task Force).

In addition to the CSRs, the latest available versions of the following documents also apply:

- Stellantis: QRS (Quality Requirements for Suppliers)
- Mercedes-Benz: MB Special Terms
- Mercedes-Benz MBUSI: Supplier Quality Assurance Manual
- Volkswagen Group: (Formel Q Konkret)

In the event that reference is made to customer specific documents and the supplier does not have access to the relevant portal, they should contact their GCXXI contact person to provide them. Otherwise, GCXXI assumes that the supplier has such information and is aware of it.

➢ Legal and regulatory requirements

Supplier shall ensure the transmission to its supply chain of information on applicable legal and regulatory requirements as well as product management requirements affected by Regulations and Safety Characteristics.

XI RFQ PROCESS AND NOMINATION

XI.1 General

GCXXI's supplier selection process is managed through the Request for Quotation (RFQ) process, which allows us to evaluate supplier proposals in terms of cost, quality, reliability, and other factors essential to the success of our operations.

GCXXI will send the supplier the RFQ. This RFQ includes the detailed description of the required product or service, along with technical specifications, quality requirements, and expected logistical conditions. All project related documents such as CAD drawings, technical specifications, and end customer requirements are shared through secure communication channels to ensure confidentiality of information.

The supplier shall carefully analyze the requirements specified in the request and perform a feasibility analysis to determine if it is capable of meeting the required standards in terms of quality, lead time and production capabilities. If the supplier detects any possible deviation or difficulty meeting the requirements, it shall communicate this to GCXXI in a timely manner and in writing during the quotation phase.

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XI.2 Presentation of the offer

The supplier must submit a detailed offer including all technical and commercial aspects, ensuring in writing that the products or services offered are feasible and meet the requirements (both in quality, quantity and time) specified in the RFQ and legal and regulatory requirements that, as manufacturers, they are obliged to comply with. The bid must include:

- **Unit and itemized cost** of the products or services requested.
- **Lead times**, including production and logistics times.
- **Production capacity**, detailing the volumes available to ensure a constant supply.
- **Proposals for improvements or alternatives** that may generate cost savings or improved competitiveness.
- A **feasibility** study confirming that the product or process offered can be carried out with the means available at the supplier.
- The **technical specifications** signed by the supplier

It is important that the bid is complete and accurate, as any omission may result in the supplier's exclusion from the nomination process. Suppliers proposing competitive improvements in terms of cost or performance will have a better chance of being selected.

XI.3 Bid evaluation and nomination

GCXXI conducts a thorough evaluation of the bids received using a multidisciplinary approach involving different departments such as design, manufacturing, engineering, production, purchasing, quality, logistics, maintenance, and other appropriate functions. From the results of this analysis, a nomination will be made.

XI.4 Contracts and order

Once nominated, suppliers must formalize their participation in the project by signing the corresponding contracts, which reflect the agreements reached during the RFQ process.

The GCXXI purchasing representative will provide the supplier with a purchase order detailing the basic issues they may need to carry out such as name and no. of parts, quantity, agreed price....

XII PRODUCT / PROCESS DEVELOPMENT

XII.1 Product development

GCXXI uses a system based on the AIAG Advanced Product Quality Planning and Control Plan (APQP) and this reference manual shall be used as a guide for performing the APQP process. Supplier organizations shall participate in and meet GCXXI requirements for all new parts.

Suppliers will receive specific instructions from the GCXXI Quality Reprsentative regarding the application of the GCXXI development system appropriate to the commodity.

Following are some key requirements:

- Participate in Project Reviews
- Provide and maintain Timing Charts and Open Issues tracking lists
- Provide and maintain DFMEA (if applicable)
- Provide and maintain Process Flow, PFMEA and Process Control Plans
- Perform and provide Measurement System Analysis (according to MSA/VDA5)
- Provide an Early Production Containment and Pre Launch control plan defined by the SQE
- Complete Part Certification (PPAP or PPA-VDA2) requirements prior to shipment of initial production.

GCXXI may conduct a risk assessment in consideration of awarding of a new program. It is conducted on a team basis and is summarized to determine the nature and extent that risk exists within a new project. This risk assessment may shape the nature of the relationship and the extent of the interaction

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between GCXXI and the organization awarded the new program during advanced quality planning and launch.

XII.2 Determination of requirements related to the product

The supplier organization shall comply with all End-of-Life Vehicle (ELV) requirements, as requested, by the GCXXI receiving quality control activity. This includes preparation of material data sheets necessary to comply with the International Material Data System (IMDS) and for submission with the PPAP tooling approval and payment. For more information related to IMDS please refer to www.mdsystem.com.

The supplier agrees to manufacture the spare parts of the products as per the after-sales requirements expressed by GCXXI, during a period defined at the time of awarding the contract or by default, a period of fifteen (15) years from the date of end of production of the vehicle.

XII.3 Special characteristics

The organization shall conform to all written requirements from GCXXI for the definition and requirements of critical dimensions, features and processes as designated on the GCXXI engineering drawing.

Special characteristics are defined as:

- Those designated as such by GCXXI in the contract.
- Those designated, during the development, by the supplier to ensure a reliable, robust manufacturing process.

Special characteristics should be identified on all relevant project documentation:

- Product (drawing, specification, design FMEA, etc.)
- Process (process FMEA, manufacturing flow chart, control plan, maintenance plan, etc.)

All Special Characteristics listed on the design record shall be statistically monitored to prove capability. Process capability must be documented and evaluated. At minimum, the Supplier shall be familiar with and apply SPC as per the AIAG/VDA SPC manual. Capability studies will include at least 30 pieces (depending on final CSR), either from a consecutive run or at the gaging frequency in the control plan.

Minimum requirement capability is Ppk > 1.67 and Cpk > 1.67. Items not meeting the above capability criteria shall be 100% inspected until capability is resolved. Test data is to be submitted to the respective GCXXI plant as required.

All special characteristics must be included in the control plan and applicable FMEAs and be identified. The control plan must respect the last edition of Control Plan by AIAG

XII.4 Capacity

The capacity information provided with the quote should reflect the available capacity and operation plan (hours/day, days/week), assuming 5 days per week. If GCXXI production requirements increase to a Capacity Planning Volume level of 120 percent, the supplier may increase its weekly operating hours or use a 6 day/week operation plan. The buyer shall be notified and approve of any operation plan using more than 100 hours per week. Suppliers shall have capability to provide 20 percent above without additional investment.

Product volume changes of 20 percent or more from an GCXXI previously verified volume capability shall require completion of a new capacity analysis. The study shall include identification of the capacity constraints and evaluation of risk to GCXXI by the supplier. The results of this study shall be provided to the GCXXI Quality representative.

An assessment of the supplier's production capacity may be required. Two options are possible to do this assessment:

- Use of Capacity Analysis Report – Ford (preferred or other Customer Standard if necessary). Note: for products with high risk, this assessment may be done by the quality representative from GCXXI.
- Demonstration by the supplier of its ability to deliver the volumes required by GCXXI.

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In all cases, this capacity assessment demonstration will have to be attached to the PPAP-PPA/PPF file.

Quantity of parts produced during the capacity assessment will have to be agreed upon between the supplier and GCXXI.

Annually, GCXXI will provide budgetary volumes for the upcoming year. The supplier must confirm in writing that they have the capacity to meet our requirements. If there is no response from the supplier within two weeks, it is assumed that there is no capacity constraint for the following year.

XII.5 Design and development

During the development process, the GCXXI quality representative will organize the project reviews according to GCXXI's requirements based on the product risk. The supplier organization will be responsible for participating, tracking, communicating, and reporting in a formalized manner. Status and timing of program milestones must be maintained. The status of problem resolution activities must be reported as progress is made. Adequate personnel must be made available for proper support of program activities including program management, quality, manufacturing development, and commercial development.

GCXXI may visit the supplier manufacturing site to review process documentation, dimensional capability, and actual cycle rates versus quoted cycle rates. Any deficiencies noted will require comprehensive action plans and closure prior to launch, unless a written waiver from GCXXI is obtained.

The supplier must alert GCXXI in writing in case of patented components or technical solutions

XII.6 Tooling and gauging

XII.6.1 General

GCXXI will issue purchase orders for any tooling, including dies, jigs, fixtures, templates, inserts, moulds, patterns, gauges, test equipment, etc. as agreed upon.

GCXXI reserves the right to immediately remove GCXXI-owned tools.

Suppliers must receive written authorization from GCXXI before:

- Moving or destroying tooling
- Altering tooling capacity
- Disposing of service parts tooling.

Selling products made from GCXXI tooling to any other Customer is not allowed.

All Special Tooling owned by GCXXI must be identified

The Supplier is responsible to adhere to all legal safety requirements as applicable.

The Supplier is responsible for ensuring that its sub-Suppliers adhere to the above guidelines.

XII.6.2 Quotation & Design

The items in this section must be considered as part of a tooling quotation to GCXXI unless otherwise specified by GCXXI.

- Tooling quotation must include expense breakdown, including fixtures, dies, gauging and other costs as well as tooling design (i.e., number of cavities, material, etc.).
- Capacity of the tool must be clearly defined on the quotation.
    - Capacity will be calculated on a 5-day / 3-shift basis unless otherwise directed by GCXXI.
- Tool life must be clearly defined on the quotation.
- Cavity replacement must be clearly defined on the quotation. This should be provided as a per-part cost or as cavity replacement cost.
- The quotation must specify lead-time breakdowns including design, build, testing, and PPAP submission & approval.

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XII.6.3 Maintenance and refurbishment

Maintenance and refurbishment of GCXXI owned tooling and associated customers is the responsibility of the supplier. Prior to the tool reaching the end of useful life, it is up to the supplier to notify the GCXXI Buyer at a minimum of 12 months in advance of such event.

The supplier shall maintain a listing of GCXXI owned devices (tooling, gages and test equipment, etc.) in its possession and furnish such a listing to the GCXXI buyer upon request. These tools must be permanently and clearly marked with the owner's name and the part number or similar method which provides traceability to the owner. The supplier will not destroy or otherwise dispose of GCXXI owned tooling without the written consent of the GCXXI buyer.

The Supplier is in charge of validation/certification of all GCXXI and Customer owned measuring and testing equipment by an ISO 17025 certified organization (by an ILAC member) with the appropriate scope.

A Tool Loan contract may be signed between GCXXI and Suppliers to define the agreements regarding the management of the devices owned by GCXXI and associated Customers.

XII.6.4 Supplier's Responsibilities

- The Supplier is responsible for maintaining, repairing, refurbishing, and replacing tooling in production condition at no cost to GCXXI and GCXXI will retain all title and ownership rights for said repaired,
- Refurbished, or replaced tooling for the defined lifetime of the tool, unless otherwise agreed to in writing by GCXXI.
- The Supplier is responsible for disposing of the tooling at no cost when directed in writing by GCXXI.
- The Supplier will keep detailed maintenance records for the tooling. The Supplier will make these records available to GCXXI on request.
- The Supplier will monitor the tool life and performance to ensure that repair, replacement, and maintenance, whether or not the responsibility of the Supplier, are identified and corrected prior to the time that part quality or production capacity are affected. This will include regular dimensional reviews on specific part characteristics. Supplier agrees to make this data available to GCXXI on request.
- The Supplier will, on a regular basis, monitor tool life and advise the GCXXI Supplier Representative well in advance when tooling replacement is necessary.
- The Supplier will ensure that sufficient quantities of components will be in Supplier's inventory and available to support GCXXI production prior to and during the time that the tooling is being refurbished or replaced.

XII.6.5 Measurement System

- GCXXI's expectation is that all Measurement System devices must be validated in accordance with the AIAG "Measurement Systems Analysis" or VDA5 "Measurement and Inspection Processes"
- All gauging systems must give readings in metric unless otherwise agreed to in writing by GCXXI.
- Gauge tolerances must be defined by SAE/DIN/ISO standards.
- The Supplier is expected to maintain the integrity of the Measurement System and provide Gauge Repeatability & Reproducibility (R&R) at required intervals.

XII.7 Production part approval process (PPAP) - production process and product approval (PPA/PPF)

The approval process is based on the principles of PPAP (Production Part Approval Process) or PPA/PPF-VDA2 (depending on the customer) and is designed to validate that both products and production processes meet agreed specifications.

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XII.7.1 PPAP-PPA Submission Requirements

Prior to any series deliveries, GCXXI suppliers must submit initial samples for approval. These samples must be manufactured under mass production conditions and be submitted with the appropriate PPAP-PPA documentation.

For its part, the supplier must provide together with the first samples the PPAP REPORT (F15.14.00) or the PPA/PPF-VDA2 cover sheet

Prior to a Supplier submitting a PPAP to GCXXI, all of their sub-Supplier PPAP's must have been approved by the Supplier. Unless specifically waived in writing by GCXXI, the Supplier must complete and submit the sub-Supplier Matrix along with the PPAP.

XII.7.2 IMDS Requirements

International Material Data System (IMDS) Suppliers are required to provide material data in electronic format per the requirements defined in the International Material Data System (IMDS). For specifics and further information relating to this requirement, visit http://www.mdsystem.com. Suppliers are also responsible for the on-time provision of all IMDS relevant material data for their products and the products of their supply chain.

XII.7.3 Submission Disposition

Once the first samples are received, GCXXI's quality representative will evaluate and validate the products. There are three possible outcomes:

- **Approved:** Parts are fully approved for series production.
- **Interim approval:** Parts are conditionally approved for a limited time quantity. A revised PSW must be resubmitted with appropriate PPAP documentation before the Interim PPAP expiration date.
- **Rejected:** Parts may not be used for series production and tooling purchase cannot be paid. A new PSW must be resubmitted with new initial samples and complete PPAP documentation.

XII.7.4 Notification

- GCXXI will notify Supplier in writing when their PPAP submission has been approved or rejected. The documented format of notification will be a countersigned Part Submission Warrant (PSW).
- In some cases, PPAP approval requires validation testing and signatory approvals from GCXXI's Customer prior to notifying the Supplier.

XII.7.5 PPAP-PPA Requirements Waiver

Suppliers must gain written approval from the appropriate GCXXI representative(s) when requesting any variation from the above stated requirements

- **Product changes**: If the product has been modified, either by changes in design, materials, or processes.
- **Changes in the process**: manufacturing processes, changes of machines, manufacturing location
- **Stoppages** longer than one year.
- **New sub-supplier**
- Any other situation exposed in the VDA2 annex "**Trigger Matrix**"

XII.8 Requalification of the supplier's products

After receiving production part approval (PPAP) and throughout the life of the product, the organization (including suppliers) must perform requalification at the defined frequency.

Depending on the supply chain you belong to, the requirements and frequency may change:

- **BMW**: "Annual requalification (every 12 months) according to Group Standard 90018-1 and Group Standard 90018-2 "Requalification of product and process at suppliers"
- **Ford Motor Company**: "A layout inspection (to all dimensional requirements) on at least 5 parts every 12 months"

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- **General Motors:** "The organization (including suppliers of complex systems/sub-assemblies) shall perform annually (every 12 months) a complete measurement of all product dimensions shown on the latest design records (layout inspection to all dimensional requirements) on at least 5 parts.
- **Mercedes-Benz AG**: "The Partner is obliged to check annually (every 12 months) whether its deliveries fulfil all requirements for the product and production process in accordance with MBAG's specifications"
- **Volkswagen Group**: "it requires a complete requalification (equivalent to Production-and-Process approval/initial sample release) at least every three years. Products with specific and/or authorisation-relevant characteristics (e.g. D/TLD markings) must be subjected to a layout inspection every 12 months.
- **Volvo**: "An annual (12 months) verification of compliance to specifications, including dimensions, materials, reliability, regulatory and environmental requirements (also called requalification) must be performed on supplied parts

For the rest,

- Complete Self-Qualification every 2 (two) years (24 months) on at least 5 parts.
- Complete dimensional and material controls once per year (12 months) on at least 5 parts.

All suppliers must:

- compile revalidations,
- be able to provide the results to GCXXI within 48 hours of the request
- report any detected deviation promptly.
- document this requirement in the Production Control Plan for all parts supplied.
- obtain requalification documentation from their sub-Suppliers for submittal or review upon GCXXI's request

XII.9 Request for deviation

Once the first samples have been approved and authorization for supply has been granted, the supplier is responsible for ensuring that the products supplied in series for ensuring that the serially supplied products the agreed quality specifications on an ongoing basis (implementing and respecting the control plan approved during the PPAP-PPA/PPG process). This includes maintaining strict control over the production processes, logistics and delivery of the products, ensuring conformity at all stages of supply. It is the supplier's responsibility to ensure that the products supplied maintain the approved quality throughout the life of product. Any deviation in product quality or specification must be reported immediately to GCXXI's quality department, and the supplier must request a temporary concession if any quality problems are detected prior to delivery.

This request for deviation should indicate:

- the nature of the non-conformity along with an analysis of its cause(s),
- the number of components affected,
- the likely consequences of the defect,
- the actions taken to correct and eliminate the problem along with a timing plan.

GCXXI will then accept or reject the deviation. If the deviation is accepted:

- it will cover only a specific quantity for a specific defect,
- the supplier will be required to identify all parts sent under that deviation with identifying labels marked "accepted under deviation"

The acceptance of any deviation does not affect the supplier's commitments to GCXXI.

Any cost of sorting, reworking, and expediting will be charged to the organization.

XII.10 Control of nonconforming product

In the event that nonconformities are detected delivery, the supplier must collaborate with GCXXI to take immediate corrective actions to prevent recurrence of the problem.

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All materials supplied must comply with governmental demands in terms of safety and environmental, toxic and hazardous, electrical and electromagnetic materials, in accordance with the existing laws of the country where manufacturing and commercialization takes place.

With regard to prohibited substances, each product supplied must comply with EU Directive 2000/53/EC. If this is not the case, our purchasing department must be notified.

Any cost of sorting, reworking, and expediting will be charged to the organization. GCXXI reserves the right to seek compensation from the supplier organization for any excessive or extraordinary costs incurred as a direct result of nonconforming products or services supplied.

XIII MATERIALS/DELIVERY EXPECTATIONS

Suppliers are expected to ship 100% on time to GCXXI plant based on GCXXI's terms and conditions as defined in its Purchase Order. Any costs associated with delays in shipments will be at the Supplier's expense.

The Supplier must ship the exact quantities, dates and times specified on the release

If for any reason the supplier is unable to meet the schedules communicated by GCXXI, it is the responsibility of the supplier to notify the GCXXI plant logistics and scheduling personnel immediately. Suppliers will make-up all missed or under shipments via supplier paid expedited premium transportation.

XIII.1 Packaging

The supplier must use packaging that guarantees the level of quality of articles until they reach their place of use. Packaging may be recommended in the specification to meet workstation location and routing time requirements.

Packaging approval must be included in the PPAP acceptance process. The PPAP approved packaging must be used for all serial production deliveries.

If, for reasons related to the supplier's own production schedule, this supply is insufficient; the supplier will pay the cost of additional packing materials and will ensure that product quality is maintained in the case of internal use of other types of packing materials and re-packaging operations.

Delivering products in alternative packaging or non-standard pack quantities, unless previously agreed in writing with the GCXXI reception plant may result in product refusal at reception.

Unless otherwise specified, the weight of a packaging unit that can be lifted manually should not exceed 12 kg (25 lbs). Any exceptions must be approved by the logistics manager of the using plant.

The supplier must avoid generating waste and long unpacking operations (for example, for palletizing: use of banding wire rather than plastic film).

In all cases, packaging must comply with the legislation in force in the country of delivery:

- In Europe, it must comply with European Directive 94/62 CE "Packaging and packaging waste".
- The U.S. Department of Agriculture, Animal and Plant Health Inspection Service (APHIS) has issued a final rule effective September 16, 2005 that will affect all persons importing goods into the U.S. using regulated wood packaging material. The goal is to prevent the introduction and spread of a variety of pests. The packaging must meet one of the following two criteria or it will be subject to exportation or destroyed.
  - Fumigated in an enclosed area for at least 16 hours at certain dosages.
  - Heat treated – you must achieve a minimum wood core temperature of 56 degrees centigrade for a minimum of 30 minutes. Such treatments may employ kiln drying, chemical pressure impregnation, or other treatments that achieve this specification through the use of steam, hot water or dry heat.

Reference ISPM15 (2009) that may be found at: https://www.ippc.int/en/.

XIII.2 Labeling & Identification

These requirements are for the printing and placement of shipping/parts identification labels:

- Each packaging unit and each handling unit must be individually identified by a label according to the following requirements:

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- For European suppliers, this label must comply with the requirements of the GALIA format (Groupement pour l'Amélioration des Liaisons dans l'Industrie Automobile), unless otherwise requested by the receiving plant.
- For North American suppliers, this label must conform to AIAG B3/B5 Standards.

XIII.3 Storage & Inventory

The supplier organization shall use an inventory management system to ensure optimized use of inventory and assure stock rotation such as the "First In-First Out inventory method (FIFO) for inventory control for all GCXXI products.

XIII.4 Shipping documents

The following must be clearly and properly displayed on all commercial invoices. The ultimate goal is to receive all invoices and ASN's through EDI or WEB EDI.

Each series shipment must be accompanied by the following documentation, which guarantees the traceability and conformity of the product:

- Delivery note, which shall include the supplier's name and code, order number, date, part number, lot or product and quantity supplied.
- Dimensional report for specific components (only when required by GCXXI).
- Quality certificate according to EN 10204-3.1: This documentation is required only for metallic raw materials and outsourced processes.
- Certificate of quantity of recycled materials contained for plastic materials (only when required by GCXXI).

Additional remarks

If required by the type of product, GCXXI may request additional modifications or specifications in conditions of supply. The supplier is responsible for complying with these additional instructions, as non-compliance may lead to rejection of the product upon receipt.

XIII.5 Product traceability

Each supplier must implement a traceability system that meets the following requirements:

- **Clear identification**: Each part, component or raw material supplied must be clearly identified with its lot, date of manufacture, supplier of origin and other relevant information that allows it to be traced throughout the supply chain.
- **Production records**: The supplier should maintain detailed records including date of manufacture, quantity produced, raw materials used, and results of inspections and quality controls applied to each lot.
- **Traceability**: Should a deviation from requirements be detected, the supplier must be able to trace the affected lot from production to delivery, including the sub-components used and the sub- suppliers involved.

In case a problem affecting a specific lot is detected, the supplier must act immediately to identify the scope of the problem, communicate to GCXXI, within 24 hours, the situation providing both the affected lot and an action plan. In addition, it must indicate the corrective actions that will be taken to prevent recurrence (See paragraph "Complaints Management").

The Supplier is responsible to retain Quality System Records as required for the time periods specified in clause 7.5.3.2.1 of IATF16949 and CSR

XIV INVOICING

XIV.1 Invoice Requirements:

- Invoice number.
- Invoice date.
- Name, address of the seller and EIN number (in USA) or VAT number (Europe).

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- Name, address of the purchaser and EIN number (in USA) or VAT number (Europe).
- Name of the merchandise, described in sufficient detail to properly classify the merchandise under importing country's customs law. This description must be written in English or the official language of the destination country.
- Country of origin.
- Name and address of the manufacturer, if applicable.
- The GCXXI purchase order number.
- The GCXXI part number.
- Terms of Sale (latest version of INCOTERMS®)—declared as precisely as possible.
- Purchase price, currency and total value of shipment.
- Unit price, weight per unit and extended price on each line.
- Payment terms and invoice due date.
- For shipments to the United States, the HTS Code must be provided. For all other destinations, the HS Code should be supplied.
    - When the situation requires it SAD (Single Administrative Document) must be provided.
- All charges and discounts including but not limited to: assist charges including tooling, dies, molds, or any other similar items including materials and components used in the production of or incorporated into the merchandise provided by GCXXI or its Customers.

XIV.2 Customs documentation

Depending on the destination regions, the following must be included on all Packing Slips:

XIV.2.1 North American

All material shipping cross borders must have "Country of Origin" and "HS Tariff Classification" clearly marked on the commercial invoice along with a written description and value in currency of transaction.

Suppliers are responsible for accurate completion of customs documents and ensuring all documents are given to carrier at time of shipment for proper clearance through GCXXI's dedicated broker. Any delays in Customs and/or penalties for incomplete or inaccurate information will be the responsibility of the Supplier.

All charges resulting from the export and return of defective product shall be the responsibility of the Supplier.

All Suppliers are obligated to annually provide GCXXI with all the appropriate **Certificates of Origin (COO**) to satisfy NAFTA and origin requirements along with a Manufacturer's Affidavit.

Sample attachment of NAFTA form:

- USA NAFTA form may be downloaded from CBP Form 434 - North American Free Trade Agreement (NAFTA) Certificate of Origin | U.S. Customs and Border Protection
- CANADA NAFTA form may be downloaded from: B232 - North American Free Trade Agreement - Certificate of Origin
- MEXICO NAFTA form may be downloaded from: Certificado_CAM.pdf

Offshore shippers must inform freight forwarder of all information needed to complete the Importer Security Filing form (ISF-10 obtained by contacting the freight forwarder being used) for US customs at time of shipment. Suppliers will be responsible for any costs or penalties relating to Suppliers failing to provide certification or providing fraudulent certification

XIV.2.2 European Union

Suppliers are responsible for the completion of all customs documents and ensuring all documentation is given to the carrier at the time of shipment for proper clearance through GCXXI's customs broker or the supplier's dedicated customs broker (based on the defined INCOTERM). Any delays in customs and or penalties due to incomplete or inaccurate information will be the responsibility of the supplier.

For imports into Europe and exports from Europe:

Refer to Access2Markets Welcome home page for procedures and documentation.

Nomenclature and customs origin must be communicated to GCXXI when submitting an offer.

Annually, the supplier must send to GCXXI:

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- Long-term supplier's declaration concerning the origin of products filled, dated, signed and stamped with information requested by of the preferential agreements From COMMISSION IMPLEMENTING REGULATION (EU) 2015 2447 of 2015 November 24th

XIV.2.3 Asia

For the import of components & raw material to China the following documentation is needed:

- Bill of Lading
- Packing List
- Pro-Forma Invoice
- CMDS (China Material Data Sheet) for Raw Material

XV QUALITY AGREEMENTS

To ensure strong and effective cooperation between GCXXI and its suppliers, quality agreements are established that define the procedures and expectations for complaint management, warranty period, and corrective campaigns.

XV.1 Complaints management

An incident can be triggered by either a **quality** or **logistic nonconformity**. Notifications of an incident should be made using the 8D methodology. Suppliers can respond using GCXXI format (preferred) or their own if it covers all the requirements of the 8D methodology (according to VDA "8D – Problem Solving in 8 Disciplines" Volume)

In the event that GCXXI detects any non-conformity, a complaint is received from the customer, or any deviation from what was agreed upon is detected, the supplier must follow the following steps:

XV.1.1 Containment actions

The supplier should initiate containment actions within 24 hours to prevent the shipment of defective products. This process should include segregation of non-conforming product and identification of affected lots.

Upon receiving a complaint from GCXXI, Suppliers are required to immediately sort 100% of their product, including product at the GCXXI plant(s), in transit, in warehouses, at the Supplier's production facility, etc., and to ensure that GCXXI's assembly plants are supplied with enough certified stock to assure no disruptions to production. Material must be labeled as certified for the specific defect(s). GCXXI plants may require the incident number to be referenced on all shipments during the containment actions or until instructed otherwise. Containment must continue until the implementation and validation of the permanent corrective action(s) for the defect, unless otherwise agreed to in writing by GCXXI. This agreement will normally, but not always, be with the GCXXI receiving plant.

Depending on the continuity of supply situation, the following may occur:

- **High inventory at GCXXI**: Supplier may choose to have product returned or Supplier may sort at GCXXI.
- **Low inventory at GCXXI**: Supplier must come on-site to GCXXI to sort for defective product.
- **Extremely urgent (possible line down)**: GCXXI will take the appropriate action, and the Supplier will be responsible for all costs incurred.

XV.1.2 8-D Methodology

An analysis shall be documented in an 8 Discipline (8D) according to VDA "8D – Problem Solving in 8 Disciplines" Volume:

- **D1** – Problem-solving team
- **D2** – Problem description
- **D3** – Containment actions
- **D4** – Root cause analysis (using problem solving tools such as Ishikawa Analysis and/or the 5 Whys)
- **D5** – Selection and verification of corrective actions

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- **D6** – Implementation and validation of corrective actions
- **D7** – Prevention of recurrence
- **D8** – Conclusion and acknowledgement of the team's success

XV.1.3 Guidelines for 8D closure

The 8D report must be updated within the time window specified by GCXXI:

- **D3** (Initial containment actions) within the first 24 hours.
- **D5** (long-term measures) within a maximum 15 calendar days
- **8D** complete within the next 4 weeks. The supplier remains obliged to send the completed 8D report.

Any failure to meet the deadlines indicated here must be agreed upon with the GCXII representative.

XV.1.4 Associated costs

In the event that the nonconformity generates additional costs, such as returns, reprocessing or compensation to the customer, the supplier will be responsible for covering such costs. These costs will be detailed by GCXXI in a formal notification.

Following is the schedule for charging back costs associated with non-conforming product sent to a GCXXI site:

- Administration fee for each claim issued.
- Off-site 3rd Party Sorting: charges to be paid directly between Supplier and 3rd Party Sorting Company.
- In-house sorting by 3rd Party Sorting Company (if allowed by specific GCXXI site): charges to be paid directly between Supplier and 3rd Party Sorting Company.
- In-house sorting by GCXXI personnel (if required to avoid a down production line): Supplier will be responsible for actual costs incurred.
- Production Line Down Charge: Supplier will be responsible for actual costs incurred. GCXXI reserves the right to use fully burdened cost.
- Miscellaneous fees such as: rework, material handling, required Customer visit time and travel costs, expedites, Customer location sorting fees, tooling/machine damage, testing, etc. Supplier will be responsible for actual costs incurred.
- Supplier will be responsible for all applicable warranty costs, including any failure analysis or testing.
- GCXXI plant reserves the right to scrap parts if the supplier does not respond after multiple attempts by plant have occurred and a final communication with a timeframe for response is requested by the GCXXI plant.

XV.1.5 Repetitive claims

A repetitive claim is one that, having the same mode of failure, shares the root cause and has taken place within 12 months after the closing of 8D.

XV.2 Warranty period

The warranty period for products supplied to GCXXI will be subject to specific contractual agreements with each supplier. However, unless otherwise specified in writing, the standard warranty period applicable to products shall be 60 months from the date of production of the vehicle or first installation of the product on the end of the customer's equipment.

In addition, the supplier must guarantee at all times that the time elapsed between the manufacture of the product and its reception at GCXXI is as short as possible, applying FIFO management systems to ensure the proper rotation of stored products.

XV.2.1 Management of warranty claims

The analysis and response to a warranty claim must be carried out using the 8D methodology described above.

XV.2.2 Supplier's responsibilities

During the warranty period, the supplier undertakes to:

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- Ensure that all products **are free from defects** in materials and, meeting agreed specifications, drawings and requirements.
- **Repair or replace** any defective product at no additional cost to GCXXI, provided the defect is covered under warranty.
- Assume the costs associated with claims **handling** related to their product that GCXXI may incur in addressing the warranty claim (see XIV.1.4) and any other indirect cost related with end customers warranty policies, triggered by the acceptance rate associated with the warranty claim.

XV.3 Recall campaigns

In the event that defective products generate complaints from end customers, the supplier shall actively collaborate in the management of recall or repair campaigns, assuming the related costs according to its degree of responsibility in the non-conformity.

The OEM may launch a two-pronged recall campaign in the event it determines that a product is defective:

- Campaign for replacement and/or recall of non-conforming product
- Verification or repair campaign without replacement of non-conforming products

The supplier has the responsibility to inform GCXXI immediately about the possibility of any defect in the products or components supplied that may compromise safety and/or fail to comply with legal regulations. In addition to collaborate closely with GCXXI in the execution of corrective actions.

GCXXI will inform the supplier when a "warranty campaign" is launched. The supplier will be responsible for covering the costs of the campaign in proportion to its responsibility for the defect, including expenses related to replacement, transportation, repairs and any other additional costs that the campaign may generate (claims, damages…).

A recall campaign is independent of the agreed warranty period and is regulated by the country where the product has been put into circulation

XV.4 PSCR (Product Safety and Conformity Representative)

GCXXI requires all Type 1 suppliers to appoint a Product Safety and Conformity Representative (PSCR). This representative is responsible for ensuring that products comply with safety requirements and throughout the supply chain.

It is necessary to have a PSCR at each stage of the supply chain who is properly trained and qualified to perform these tasks according to VDA

Note: For products intended for customers such as Volkswagen, the PSCR must comply with additional VW Group standards (Formel Q).

XVI SUPPLIER CHANGE MANAGEMENT

XVI.1 General

The organization shall notify and get the written approval by the appropriate GCXXI buyer or Quality Engineer in the event of any change that impacts the product realization process for materials or services provided to GCXXI. The organization shall use the VDA2 annex "**Trigger Matrix**" and "Product and process change request" (F02.37.00) to detail the nature of the change. The appropriate GCXXI personnel will communicate any verification or identification requirements to manage the change. The organization should always make every effort to communicate potential changes that are anticipated, to allow every opportunity for GCXXI to fully consider the implications of a change and review the impact on our customers

XVI.2 Temporary Changes

When seeking permission to temporarily ship products that are out of specification or product that is produced with a temporary process change not reflected in the Supplier's current Control Plan, the Supplier is responsible for obtaining approval prior to shipping. Such situations might include minor

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dimensional errors, or a processing operation outsourced while a machine is down. Note that any changes to Supplier-specified product characteristics also fall under this requirement even if they are not shown in the GCXXI drawing.

Suppliers must complete and submit “Product and process change request” (F02.37.00) to the appropriate GCXXI Supplier Representative for review and approval.

The Supplier must obtain written permission prior to shipping product that is out of specification and carry out the following:

- Submit “Product and process change request”
- Approval must be obtained from all affected GCXXI plants before implementation, unless otherwise agreed to with GCXXI.
- Track the “Product and process change request” expiration date and applicable quantity of product
- Ship product within the scope of the “Product and process change request”
- Obtain authorization for additional shipments beyond the agreed limit

XVI.3 Permanent Changes

Supplier may not, at its own expense, make changes to materials, components, processes or products without prior written authorization from GCXXI.

The following describes the steps to follow to correctly manage any change regardless of whether it is initiated by the Supplier or by GCXXI.

- Issue a product and process change request (F02.37.00) each time GCXXI or supplier changes occur.
- A Feasibility and Risk Analysis must be conducted between GCXXI and the supplier.
- Before proceeding to the next step, obtain GCXXI customer approval.
- The supplier shall submit a time plan to GCXXI.
- After completion of the modification, the supplier will send test samples together with inspection reports, test results and validation results (before and comparison).
- GCXXI will provide feedback to the supplier based on functional validation of test samples.
- Vendor to submit PPAP documents to GCXXI (F15.14.00)
- Prior to delivery of the first batch, the PSW/PPA cover sheet must be received with GCXXI's approval, and whenever necessary, GCXXI must receive approval of the PSW/PPA Cover sheet from the end customer.
- Traceability of the first batch delivery must be reported to GCXXI. Parts must be identified as first delivery after modification

Suppliers must NOT:

- Implement changes before receiving full PPAP approval.
- Ship until satisfying all AIAG and/or VDA Production Part Approval Process requirements.
- Ship prior to the implementation date established with the GCXXI Materials Group.
- Implement before obtaining approval from all affected GCXXI plants, unless otherwise agreed to with GCXXI.

In cases where a Supplier has implemented an unauthorized change and GCXXI and/or its customers have been negatively impacted, the Supplier will be responsible for compensating GCXXI for all associated costs incurred by GCXXI and its Customers.

XVII CONTINUOUS IMPROVEMENT

Continuous Improvement regarding cost reduction is an essential element of long-term business success for GCXXI and for its Suppliers. In order to remain competitive, GCXXI and its Suppliers must recognize the requirement to find effective ways to eliminate waste and reduce the cost of our products.

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GCXXI expects that the supplier organization will have quality systems in place that promote continuous improvement in all encounters with GCXXI. GCXXI expects that the supplier organization will actively participate in team-based quality improvement and/or cost reduction. In the pursuit of supplier development, we recommend that the supplier be trained in various disciplines of continuous improvement (i.e., Six Sigma-Green belt and Black belt, VA/VE, Kaizen, Lean Techniques, Problem Resolution, etc.).

The supplier is obliged to have and provide evidence of a documented process for continuous improvement. The supplier will reduce its internal and customer-relevant reject and rework rates by taking the relevant measures. Evidence of the process must be presented to the customer on request.

It is recommended that the materials management operations use a self-assessment tool such as the Materials Management Operational Guidelines/Logistical Evaluationf (MMOG/LE) as a continuous improvement guideline for all supply chain activities.

XVIII CONTINUOUS EVALUATION

GCXXI's supplier ratings are based on historical data obtained from incoming inspection of materials or products, complaints, rejections and service ratio (on-time delivery rate), distributing suppliers into the following categories:

- A: excellent performance according to GCXXI's expectations
- B: satisfactory performance
- C: needs improvement
- D: does not meet the requirements

This evaluation is recorded monthly by each of the GCXXI facility and communicated annually to the supplier by the Logistics/Procurement department on form F15.09.00 (Notification of incident to supplier) together with its objectives for the following year.

All suppliers with C and D supplier evaluation ratings require a required action plan unless the low rating is due to a temporary problem, and the supplier may have already submitted actions previously when the problem occurred. The supplier shall submit this action plan within the requested timeframe.

D-rated suppliers will be subject more intensive monitoring, and if in 6 months they have not improved their rating, the process for their automatic removal from the supplier panel will be initiated, and an alternative supplier will be sought.

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XIX ANEXOS / ANNEXES

XIX.1 Annex I. Definitions and abbreviations

DEFINITIONS	
Launch:	The purpose of sending the first samples is to determine if all specifications have been understood by the supplier and to ensure that the process can manufacture the set quantity of product that meets these specifications during mass production.
Technical characteristics:	Requirements of the characteristics demanded of a product, process or service by a technical standard.
Production:	Manufacture of products of the same type and the same execution in repeat orders.
First Samples:	Samples of products that have been manufactured under serial conditions and drawn from a significant production run by a minimum number defined by GCXXI.
Specifications:	Requirements for judging the acceptability of a product characteristic.
Non-conformity or non-compliance:	Deviation from the specifications of a product, process or service.
Non-international standard:	Specifications of products or processes that are specific to GC or its Customers, and that are not under an International Standard (ISO, EN, UNE or other).
Requalification:	Repetition of the production parts approval process (according to 8.6.2. "Design inspection and functional testing" IATF 16949:2016 and CSR).
Subcontracted parties:	A product or part of a product that we provide to our customers and whose industrialization is outsourced to a supplier, due to excessive workload or other causes.
Process outsourcing:	Operation carried out at a supplier for the purpose of completing, modifying or treating our product (e.g. heat and surface treatments, painting, and assembly treatment and other finishing related services). of the product).

XIX.2 Annex II. Abbreviations

AIAG	Automotive Industry Action Group
APHIS	Department of Agriculture Animal and Plant Health Inspection Service
APQP	Advanced Product Quality Planning
ASN	Advanced Shipping Notice
CAD	Computer-Aided Design
CMDS	China Material Data Sheet
CMR	Carcinogenic, Mutagenic or Reprotoxic
COO	Certificates of Origin
Cpk	Process capability index
CQI	Continuous Quality Improvement (Special Process Assessments)
CSR	Customer Specific Requirements
CSR	Corporate Social Responsibility
DFMEA	Design FMEA
DIN	Deutsches Institut für Normung (German Institute for Standardization
EC	European Commission
ECHA	European Chemicals Agency (European Chemicals Agency).
EDI	Electronic Data Interchange
EIN	Employer Identification Number
ELV	End of Life Vehicle
ERP	Enterprise Resource Planning
EU	European Union
FIFO	First In-First Out
FMEA	Failure Mode and Effect Analysis
GALIA	Groupement pour l'Amélioration des Liaisons dans l'Industrie Automobile
HTS	Harmonized Tariff Schedule
IATF	International Automotive Task Force
ILAC	International Laboratory Accreditation Cooperation
ILO	International Labour Organization.
IMDS	International Material Data System.
Incoterms	International Commercial Terms
ISO	International Organization for Standardization
ISPM	International Standards for Phytosanitary Measures
MLA-RGA	Maturity Level Assurance / Reifegradabsicherung
MMOG/LE	Materials Management Operational Guidelines/Logistical Evaluation
MSA	Measurement System Analysis
NAFTA	North American Free Trade Agreement
NDA	Non-Disclosure Agreement
OECD	Organization for Economic Cooperation and Development.
OEM	Original Equipment Manufacturer

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PBB	PolyBrominated Biphenyls
PFAS	Perfluoroalkyl and Polyfluoroalkyl Substances
PFMEA	Process FMEA
POPs	Persistent Organic Pollutants
PPAP	Production Part Approval Process (according to AIAG).
PPF/PPA	Production process and product approval (according to VDA2 "Quality Assurance for supplies").
Ppk	Process Performance Index
PSCR	Product Safety & Conformity Representative.
PSW	Part Submission Warrant (per AIAG).
R&R	Repeatability & Reproducibility
REACH	Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals
RFQ	Request for quotation
SAD	Single Administrative Document
SAE	Society of Automotive Engineers
SI	Sanctioned Interpretations
SPC	Statistical Process Control
TISAX	Trusted Information Security Assessment Exchange
VA/VE	Value Analysis / Value Engineering
VAT	Value Added Tax
VDA	Verband der Automobilindustrie e.V. (German Association of the Automotive Industry)
VDA-QMC	Verband der Automobilindustrie e.V. Qualitäts-Management-Center
VOCs	Volatile Organic Compounds

XIX.3 Processes, instructions and related documentation.

E15.02.00 “Conditions for carriers”
E15.03.00 “General purchasing conditions”
E15.04.00 “Product approval requirements”
I15.01.00 “Selection of suppliers”
I15.06.00 “Supplier monitoring”

PL-01.00 “Corporate governance policy”
PL-02.00 “Environmental policy”
PL-03.00 “Information security policy”
PL-04.00 “CSR and sustainability policy GCXX”
PL-05.00 “Principles for responsible sourcing in the supply chain of Grupo Cosmos XXI”
PL-06.00 “Information Policy (Complaints Channel)”
PL-07.00 “Purchasing Policy”

F02.31.00 “PPA/PPF”
F02.03.00 “Feasibility study”
F02.37.00 “Product change request”
F15.09.00 “Notification of incident to supplier”
F15.14.00 “PPAP report”

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