SUPPLIER QUALITY AND DEVELOPMENT MANUAL

INDEX

1. AIM

The requirements and processes contained in this Manual provide a foundation for the achievement of world-class performance, superior business results and accomplishment of specific Grupo Segura Customer requirements. This Manual emphasises "Performance Based Collaboration", which means that Suppliers will be empowered to achieve established performance objectives.

To meet our mutual and final Customer expectations, there are fundamental objectives that we shall build into our business system related to:

- Quality
  - Zero Quality Incidents
  - Zero PPM
- Delivery Performance
  - 100% On Time
  - 100% quantities fulfillment
- Lean Manufacturing and Lean Processing
  - Best- In- Class Cost
- Flawless Product Launches
  - Supplier Driven APQP Process
  - 100% 1st time, On Time, PPAP acceptance
- Business Conduct and Commercial Standards
  - Capacity/Contingency Planning
  - Zero supply termination without prior Grupo Segura approval
- Diversity Sourcing in regions where applicable
- Respect for the Environment.

In our pursuit of the elimination of waste in the supply chain, we encourage our Suppliers to provide feedback and constructive criticism of the processes identified in this Manual or elsewhere. To that end, if you have any comments or improvement suggestions please contact your Buyer in Grupo Segura.

2. SCOPE

All suppliers of:

- Raw Material. Exclusions: section 3.2, 3.3, 3.4, 3.5 and 4.11.
- Components. Exclusions: section 3.2, 3.5.2 and 4.11.
- Subcontractors and Productive Suppliers. Exclusions: none.
- Prototypes. Exclusions: section 3.2, 3.3, 3.4, 3.5, 4.7, 4.8, 4.9, 5.2 and 5.8.

The acceptance of a Purchase Order by the Supplier involves the implementation of what is described in this manual. The Supplier is responsible for ensuring that the materials and products provided meet the requirements established, assuming the responsibility for the quality of them.

3. DEVELOPMENT PHASE: ADVANCED PRODUCT QUALITY PLANNING (APQP)

3.1. ENGINEERING SPECIFICATIONS

Engineering specifications will be provided by Grupo Segura during the RFQ process. Suppliers must ensure that they have received and fully understand the requirements of all engineering standards related to the product they are supplying to Grupo Segura. Any missing documents or questions related to the understanding of the engineering standards shall be communicated to the Engineering Dept. of Grupo Segura.

3.2. TOOL DESIGN AND CONSTRUCTION (only for Subcontractors or productive Suppliers of stamping processes)

Timing:
The Supplier must submit a project planning to the Tool Follower of Grupo Segura within a maximum period of one week after receiving the order for its acceptance, ensuring the tool delivery date indicated in the order. This document will depend on the type of the tool:

- *Timing Manual Transfer*
- *Timing Progressive*
- *Timing Transfer*

The Supplier must deliver at least a weekly update of the timing status described above. In the same way, pictures which demonstrate the evolution of the work carried out may be required.

In case of introducing modifications in the project, the Supplier will present an updated and revised timing.

The Supplier will assume all the costs incurred due to delays and failure in the timing or due to reasons beyond Grupo Segura (parts' stamping, parts with laser cutting, prototypes and prototype's toolings, etc.).

To guarantee the good performance of the contracted works, the Supplier will submit an action plan if delays occur or under the criteria of the Tool Follower of Grupo Segura.

Every two weeks the Tool Follower will send the Supplier a FOLLOW-UP TOOLING REPORT, which will reflect the delays assigned to the Supplier for each phase (design phase and construction phase), as well as the associated charges (see penalties in document SD-G-13007 Production Purchasing. Global Terms and Conditions).

The tools must be compatible with the supplier's presses and those from Grupo Segura communicated by itself.

Tool layout:
The Supplier must deliver to the Tool Follower of Grupo Segura a Tool layout which meets the processes established in the order. This tool layout must be validated by Grupo Segura before starting the construction phase of the die.

Pre-project:
The Supplier must deliver the Tool Follower of Grupo Segura a 3D design of the tool for internal storage. Grupo Segura reserves the possibility of reviewing this pre-project in order to validate those important aspects that may affect the way the parts are manufactured.

PreSeries:
If in the order there is a requirement for parts, prior to the manufacture and delivery of these parts, the Supplier will send Grupo Segura a 2D and 3D measurement for validation.

Construction in another sub-Supplier:
If the stamping tool is manufactured in a sub-Supplier, the Supplier will inform the Tool Follower of Grupo Segura about its name and location. The Supplier will continue being responsible for the points described above (timings updating, sending of the tool layout and pre-project, management of measurements, etc.).

Property:
All tooling must contain an identification label including “Property of (final customer name)” plus “Tool Order (final customer order)”. This would apply to tools, gauges, transfer bars and any other element property of final customer.

3.3. FOLLOW-UP OF PPAP DOCUMENTS AND INITIAL SAMPLES

The PPAP level requested to Subcontractors, productive Suppliers and components Suppliers will be the following:

No. doc. PPAP	PPAP document		Requirement	
			Subcontractor/ Productive Supplier	Component Supplier
01	Design record	Last level drawing	X	X
		IMDS (Materials report)	X	X
02	Engineering Change Documents			
03	Customer Engineering approval			
04	Design FMEA		X (if applicable)	
05	Process Flow chart		X	
06	Process FMEA		X	
07	Control Plan and associated documents	Preserial Control Plan	X	
		Production Control Plan	X	X
		Quality guidelines	X	
		Visual Helps	X	
08 y 16	Measure System Analysis Studies (MSA)	Initial draft of the gauge	X	
		R&R of the gauge or other MSA studies	X	
		Gauge approval report	X	
09	Dimensional Reports		X	X
10	Records of Material/Performance Test Results (minimum 5 values per test performed)		X	X
11	Initial Process Studies (SPC – Capacity Studies) (Cpk ≥ 1,67 for homologation)		X (if it is required)	
12	Qualified Laboratory Documentation		X	X
13	Appearance Approval Reports - AAR		X (if applicable)	X (if applicable)
14	Sample Production Parts (minimum 6 PSW sample parts)		X	X
15	Master sample			
17	Customer Specific Requirements	Internal packaging instructions	X	
		Customer packaging instructions	X	
		Working instructions (QPS)	X	
		Capacity analysis report (OEE) Level: Capacity Planning	X ((if it is required)	
		Capacity analysis report (OEE) Level: Phase 3	X	

No. doc. PPAP	PPAP document	Requirement	
		Subcontractor/ Productive Supplier	Component Supplier
18	Sub- Supplier PSW (filled in by the sub-Supplier and approved by Supplier)	**X (if applicable)**	
18	Supplier PSW (filled in by the Supplier and approved by Grupo Segura)	**X**	**X**

NOTE: All documents identified with an "X" must be delivered to Grupo Segura. The rest of documents must be available at Supplier's facilities in case they are required by Grupo Segura or the final Customer.

The follow-up of PPAP documents and initial samples will be carried out in the following way:

- Subcontractors and productive Suppliers: The Process Engineering Department of Grupo Segura will submit the Supplier a timing with the planned delivery date of each PPAP document to be presented. The fulfillment of this timing will be evaluated weekly in the follow-up meetings that the Process Engineering Department of Grupo Segura performs with the Suppliers. The deadline for initial samples submission will be specified in the order issued by the Purchasing Department.

- Components suppliers: The Purchasing Department will indicate in the order the deadline to submit both the required PPAP documentation and initial samples. The Supplier must send PPAP documentation and samples to the Process Engineering Department of Grupo Segura before this date in order to proceed with the component's homologation.

3.4. PPAP ELEMENTS DESCRIPTION

01. Design records

If the design / drawing is made by the Supplier, it will be sent to the Engineering Department of Grupo Segura for its approval.

On the contrary, if the design of the product belongs to Grupo Segura or its Customer, the Technical Office of Grupo Segura will send the Supplier all the drawings and requirements related to the product. The Supplier shall check them and send back the drawing with all the dimensions / specifications to control.

The Supplier must provide evidence that the material / substance composition report required by the Customer has been completed and the reported data meets all the possible specific requirements. See more information in section 5.9. of this Manual.

02. Engineering Change Documents

The Supplier must record all the engineering changes which have taken place, leaving only the possibility to use the documentation associated with the released level to avoid the possibility of mixing levels.

03. Customer Engineering Approval

If the design is made by the Supplier, the Supplier shall report to the Engineering Department of Grupo Segura the product development for its approval.

All product design, process, source, location and material changes and/or deviation requests to the current PPAP approved level, are required to be submitted for formal approval to the Purchasing Department of Grupo Segura. See additional information in section 4.9. of this Manual.

04. Design FMEA

The Technical Office of Grupo Segura will send the Design FMEA to the Supplier provided that:
- the design belongs to the Customer and it is provided
- the design belongs to the Grupo Segura

If the design is carried out by the Supplier, the Supplier shall carry out an analysis of design failure modes and submit if to Grupo Segura.

05. Process Flow charts

The Supplier will make a flowchart of the part, this is a detailed diagram of all the activities / processes / controls which will be carried out during the manufacturing process of the product, showing the process from the incoming of raw material to the product left towards Grupo Segura facilities.

06. Process FMEA

The Supplier will carry out a failure mode analysis for each one of the activities / processes shown in the flowchart.

07. Control Plan

The Supplier will carry out a control plan that reflects all the necessary controls that ensure product quality. All the information described in the FMEAs should be considered.

Each delivery level / manufacturing, i.e. PRE-LAUNCH / PRODUCTION must have its separate control plan because the controls and the frequencies will not be the same if the manufacturing process is different.

The control plan must be accompanied by visual aids and instructions to ensure proper understanding of controls to be performed. The requirements that Control Plans must fulfill are defined in ANNEX 1 of this Manual.

08. Measure System Analysis Studies

The Supplier will use MSA studies for each one of the product measurement systems (except for the 3D machine), to verify the variance, the quality of the data and identify the external factors that may be affecting the results.
E.g.:
- Attribute R&Rs: 50 parts x 3 operators x 3 repeats
- Variable R&Rs: 10 parts x 3 operators x 3 repeats

NOTE: It is allowed to carry out R & R per families.

09. Dimensional Reports

The Supplier will make a report indicating the dimensional results obtained and it will indicate if they conform to the requirements of Grupo Segura.

10. Records of Material/Performance Test Results

The minimum quantity of values recorded in the material report related to a specific assay will be 5 samples.

NOTE: For the closing of the PPAP it is mandatory that the Supplier can demonstrate with the relevant tests, the compliance with the standards described in the official documentation unless there is a written acceptance by the Process Engineer in charge of the Supplier not to perform some of them.

11. Initial Process Studies

The Supplier will carry out a Capacity Study (SPC) and statistical process control (Cp, Cpk, Pp, Ppk indexes) if it is required by the APQP or the process FMEA.

NOTE: In addition to the homologation, depending on the requirements of the final Customer, the Supplier may be required to conduct continuous capacity and statistical control studies of some measures.

12. Qualified Laboratory Documentation

The Supplier will present a copy of the laboratory certificates where the tests reported in sections 9 and 10 are carried out.

If external laboratories are used, they must be accredited in ISO / IEC 17025 or its national equivalent by an accreditation body (Signatory) of the ILAC MRA. Where a non-accredited laboratory is utilized (for example, but not limited to: specialist or integrated equipment, parameters with no international traceable standard reference, or original equipment manufacturers), the Supplier is responsible to ensure that there is evidence that the laboratory has been evaluated and meets the requirements of Section 7.1.5.3.1 of IATF 16949.

If tests are performed internally, calibration certificates of the equipment used will be attached.

13. Appearance Approval Reports (AAR)

All parts / products having appearance criteria shall be reviewed and approved by the Engineering Department of Grupo Segura. After the approval signatures, the document (AAR) will accompany the PPAP Warrant.

NOTE 1: Appearance items are: all interior, exterior, luggage compartment, and select under-hood components which are visible to the Customer.
Appearance Approval includes, but it is not limited to, general appearance, surface quality, color, texture and shine.

NOTE 2: Visual "match-to-master" is the specified requirement for the AAR sign-off. These samples are used once they are approved in production to monitor by comparison.

14. Sample Production Parts

6 initial samples evaluated and marked will be submitted to the Engineering Department of Grupo Segura for their approval. The rest of the parts which complete the order indicated as approval by the Purchaser, will be delivered to Grupo Segura using the transport and packaging agreed for the production.

15. Master Sample

1 PSW sample will be kept at Supplier's facilities in a "samples panel" during the life of the product.

16. Checking Aids

If there are special tools to verify parts, tool and calibration records will be sent, including the tool dimensional.

17. Customer Specific Requirements

All the specific requirements that are not part of the drawing but depend on the process will be indicated in this section (e.g. packing guidelines, working instructions, OEE ...).

The possible special characteristics appointed by the Client that could affect the Supplier, as well as their control methods and control frequencies, will be communicated by the Design Engineering Department of Grupo Segura. Subsequently, the Engineering Process Department will validate that these characteristics, controls and frequencies are identified both, in the Supplier FMEA and in the control plan.

18. Part Submission Warrant

The signature by Grupo Segura is responsibility of the Process Engineer assigned to the Supplier.

To sign the document "FO-G-07013 PPAP Submission Warrant" (from now on "FO-G-07013 PSW") the Supplier must have all the PPAP documents required. In all of them the current engineering level of the reference must appear.

3.5. APPROVAL OF THE PRODUCT/ PROCESS

3.5.1. First Phase: PPAP validation & Initial Samples

During the development of the product/ process, the entire Supplier PPAP documentation must be validated by Grupo Segura. Documents must be in Spanish or English.

Initial samples derived from the internal approval done by the Supplier must be sent to Grupo Segura for their validation. 6 initial samples will be sent to check that the process developed by the Supplier and the product fulfill with Grupo Segura and final Customer quality requirements.

Once Grupo Segura has validated both, PPAP documentation and the Initial Samples, a "FO-G-07013 PSW" report will be sent. This approval decision will be formally notified the Supplier.

For further information about the costs associated for receiving samples out of drawing see "SD-G-13007 Production Purchase Global Terms and Conditions".

3.5.2. Second phase: Process validation (R@R). Only for Subcontractors and productive Suppliers

Grupo Segura will carry out a process approval at Supplier's facilities during the **six weeks** following the signing of the "FO-G-07013 PSW" report, to ensure that the process developed by the Supplier is capable to produce from SOP the defined requirements and quality stipulated by the Client (performance, characteristics, reliability, capacity…). The evaluation and approval of process will be carried out using a "Supplier Process Approval Check List (Run @ Rate)".

The duration of the Run@Rate (with or without* Grupo Segura participation) must be sufficient to assess the stability of the process (minimum 300 parts or daily demand according to the order if this demand exceeds 300 parts). However, depending on the nature of the product, Grupo Segura reserves the right to require the Supplier to run longer than here referred.

During the R@R, data will be collected and requested for the verification of the capacity, which will be provided by the Supplier in order to show that the demand requested can be covered with guarantees.

The Process Engineer will be in charge of validating the OEE as part of the PPAP.

If the visit scheduled for carrying out the R@R at Supplier's facilities is negative:

1. The charges incurred will be charged to the Supplier.
2. The Supplier will submit an action plan for each open item out of Grupo Segura requirements. The action plan must be implemented within 10 days and evidence (photos, videos, etc.) will be sent to ensure the robustness of the actions implemented. After analyzing this evidence and depending on the severity of the unfulfilled requirements, Grupo Segura can decide to conduct a new Run.

*It can happen that this approval process cannot be carried out by Grupo Segura. When this occurs, a self-assessment using the same "Supplier Process Approval Check List (Run @ Rate)" will be requested to the Supplier. The reasons to require the Supplier to perform its own process self-assessment are:

1. Degree of confidence between Grupo Segura and the Supplier.
2. Simplicity of the processes.
3. Grupo Segura cannot fulfill for extraordinary reasons the deadlines.

It is understood that the reasons are unrelated to the Supplier, if for example the Run@Rate cannot be performed due to lack of component, raw material etc. that should have been supplied by Grupo Segura.

3.5.3. Conditions for the total approval of the product/ service

The total approval of the product/ service will take place when Grupo Segura has issued the report "FO-G-07013 PSW" and in addition, for subcontractors, the approved "Supplier Process Approval Check List (Run@Rate)".

4. MASS PRODUCTION PHASE

4.1. QUALITY CERTIFICATES FOR DELIVERIES

The Supplier shall attach in each order a quality certificate which ensures that the supplied material meets all Grupo Segura specifications. The batch or delivery number checked must be specified in the certificate.

This certificate will be sent by email to the Quality Department of Grupo Segura:

Almussafes plants (Spain)	incomingcalidad@fsegura.com
Szolnok plant (Hungary)	incomingszolnok@fsegura.com
Vigo planst (Spain)	incomingvigo@fsegura.com
Eisenach (Germany)	materialzeugnisse.ea@fsegura.com
Treuenbrietzen (Germany)	materialzeugnisse.tb@fsegura.com

The quality certificates of raw material/ metal components sent to Grupo Segura shall indicate the fulfillment with the standard EN 10.204 “Metallic products - Types of inspection documents”- type 3.1

The quality certificates of raw material whose origin is out of the European Union shall indicate the fulfillment with the current legislation, chapter NON- Hazardous products.

4.2. FIFO

The Supplier shall guarantee in its manufacturing system that the oldest batches are the first delivered to Grupo Segura.

4.3. IDENTIFICATION AND TRACEABILITY (section 8.5.2.1 standard IATF 16949)

The purpose of traceability is to support identification of clear start and stop points for product received by Grupo Segura or its Final Customer or in the field that may contain quality and/or safety-related nonconformities.

Internally the Supplier shall define the appropriate traceability systems, processes, and methods by product, process, and manufacturing location that:

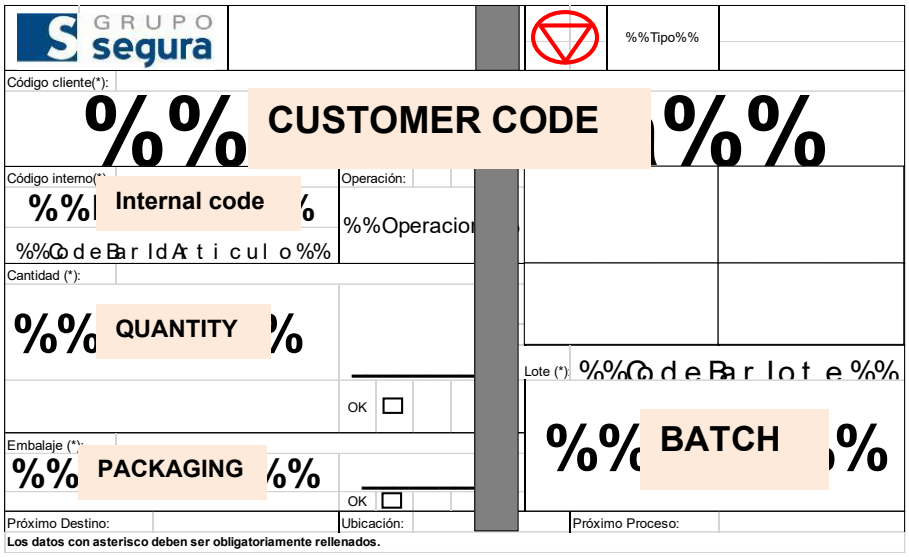
a) enable the Supplier to identify nonconforming and/or suspect product,
b) enable the Supplier to segregate nonconforming and/or suspect product,
c) ensure the ability to meet the customer and/or regulatory response time requirements,
d) ensure documented information is retained in the format (electronic, hardcopy, archive) that enables the Supplier to meet the response time requirements,
e) ensure serialized identification of individual products, if specified by the customer or regulatory standards,
f) ensure the identification and traceability requirements are extended to externally provided products with safety / regulatory characteristics.

Minimum specifications in delivery notes that the Supplier must comply with:

- Order No., Grupo Segura internal code, final Customer code, packaging, batch, manufacture date, number of parts and number of packages.
- The same packaging must go within a single order and delivery note, it is not possible to divide a "box" into two different orders or delivery notes.

Minimum specifications in identification labels that the Supplier must meet:

- Grupo Segura internal code, final Customer code, packaging, batch and quantity.
- Label example:



4.4. PACKAGING

Subcontractors and productive Supplier

The Supplier must define together with Grupo Segura a final packaging agreement (property of the Supplier or property of Grupo Segura).

Grupo Segura, in collaboration with the Supplier, will establish final packaging instructions. If for some extraordinary reason the Supplier had to use an emergency packaging, he will contact the Purchasing Logistics Technician of Grupo Segura to request authorization. The emergency packaging must ensure the quality of the parts and must meet the same characteristics as the primary one in terms of dimensions, quantity and order.

The Supplier shall define, together with the Logistics Department of Grupo Segura, the policy of empty containers returns and coverages with customer / internal packagings.

In initial phases and for the purpose of minimizing transport costs, multi-reference modules will be allowed. These modules will be accompanied by a packing list which will include all the content. All the packages of the module will be identified unitarily.

Any special shipment of samples or shipments that do not fulfill the packaging instruction (in terms of quantities), will be included in a separate delivery note.

Component Supplier

It will be necessary to provide Grupo Segura with the product details (component weight, component dimensions, quantity of components per package and dimensions of the packaging).

Raw material Supplier

According to the order.

4.5. COMMUNICATION AND FULFILLMENT OF DEMANDS

Raw Material Supplier

By the end of the year, the Purchasing Department of Grupo Segura will distribute to all its Suppliers the nomination (in Tons) for the supply of the material corresponding to the next year according to the conditions agreed between both parties.

NOTE 1: This annual nomination could be compromised in those Suppliers in which the degree of compliance of coil sizes defined in the order were less than 65% for two consecutive months. In this cases Grupo Segura could exclude from the Supplier's nomination the reference / coil affected.

NOTE 2: It is absolutely forbidden to send coils with welded-joints. In case of being necessary for urgent matters, the process will be:

a) Inform Logistics department of Grupo Segura in advance and wait for authorization.
b) If Grupo Segura authorizes this shipment, the Supplier must:
    - Identify the coil in the delivery note.
    - Identify the coil with a red label "ATTENTION: COIL WITH WELDED-JOINT".
    - Delimit in the coil the area where the welded-joint is located.

The Quality department of Grupo Segura will submit the Supplier the charges caused by the welded- joint (machine/ operator stops hours due to the new coil threading plus administrative charges).

All suppliers

Monthly Suppliers will receive a forecast of the expected demands.

The communication of demands and purchase orders will be made generally by email. In some cases, communication via WEB-EDI will be required by Grupo Segura.

The Supplier must notify in writing any delay on the planned delivery. If the delay implies an impact on the final Customer, Grupo Segura will charge the corresponding cost.

On a daily basis, the Logistics Department of Grupo Segura will send the Suppliers an email informing about the delayed references. The Supplier must reply this email indicating the reason and the expected delivery date.

4.6. SUPPLY CAPACITY

Suppliers are expected to manage deliveries to Grupo Segura in accordance with the releases/forecasts provided by Grupo Segura. In the event that these releases/forecasts exceed the Supplier's ability to deliver as expected, the Supplier shall notify its Logistics Follower Representative. The Supplier's notification to Grupo Segura shall not relieve the Supplier of its obligation to deliver the Products in accordance with the applicable delivery schedules.

Grupo Segura Suppliers are requested to conduct a MMOG/LE Assessment, at least the basic version. Global Materials Management Operational Guidelines/Logistical Evaluation (MMOG/LE) is a supplier self-assessment and continuous improvement tool that improves materials management efficiency and accuracy while reducing costs from errors and waste. This assessment will be sent to Grupo Segura when they are requested.

4.7. ERROR-PROOFING AND POKA-YOKES SYSTEMS (section 10.2.4 standard IATF16949)

The Supplier shall use error-proofing and/or Poka-Yokes methodologies where possible. Details of the method used shall be documented in the Process FMEA.

The process shall include the verification of these systems to ensure their proper function, as well as the generation of records to evidence it. If challenge parts are used, they will be identified, controlled, verified, and calibrated where feasible. The Supplier shall define a reaction plan in case these systems fails.

4.8. PERIODIC REQUALIFICATION – LAYOUT INSPECTION AND FUNCTIONAL TESTING

The Supplier shall carry out annually validation re-tests for all the parts/ processes which are supplied (e.g. Dimensional, Mechanical testing, etc.). The tests must be the same as those submitted during the PPAP.

This review also includes all Grupo Segura final Customer specific criteria along with the AIAG specified special processes including CQI-9 heat treat assessment (for component Supplier), CQI-11 plating assessment (for plating Suppliers), CQI-12 coating assessment (for Coating Suppliers), CQI-15 welding system assessment, IMDS etc.

These reports will be sent to Grupo Segura when they are requested.

4.9. MANAGEMENT OF CHANGES IN THE PRODUCT/ PROCESS AND PRODUCTION (section 8.5.6.1 standard IATF 16949)

The Supplier shall have a documented process to control and react to changes that impact product realization. The effects of any change, including those changes caused by the Supplier, the Customer, or any sub-Supplier, shall be assessed.

The Supplier shall:

a) define verification and validation activities to ensure compliance with Grupo Segura and final customer requirements,
b) validate changes before implementation,
c) document the evidence of related risk analysis,
d) retain records of verification and validation.

e) notify Grupo Segura of any plans to modify the product design, process, source, location and material changes and/or deviation requests to the current PPAP approved level. This includes but not limited to:

Category	Change
Tool	Tool moved to another machine
	Tool transferred to a different manufacturing site
	Upgrade or rearrangement of existing tooling*
	New tool construction
	Tool not in use more than 12 months
Material	Change of sub-supplier
	Material specification change
Manufacturing process	Layout change (machine movement)
	Process change (add/ remove operation, machinery sequence change, technology change, Mfg. method change…)
	Inspection method change- new technique
Part drawing	Part drawing modification (non-compliance with drawing/model specifications)

* This is not meant to be confused with normal maintenance, repair or replacement of parts, etc.

f) obtain documented approval, prior to implementation of the change,
g) complete additional verification or identification requirements, such as production trial run and new product validation.

Any changes described in the previous table that the Supplier intends to make, whether temporary or permanent, must be communicated to the Purchasing Department of Grupo Segura via email attaching:

a) Presentation of the change details and reason in power point format.
b) PV test plan proposal in a separate Excel file, if applicable.
c) Timing in a separate file (Excel or pdf)
d) Bank inventory in parts or weeks.
e) Savings amount

In the event of a permanent change, the Supplier must submit the documentation at least 100 days before the planned implementation date.

If the points above are not sent correctly, Grupo Segura will not analyze the change and it will be rejected.

Suppliers must obtain the written approval of Grupo Segura prior to the implementation of any requested change or the shipment of any product that contains a deviation from the specifications since:

- In case of permanent changes, it is necessary to obtain prior authorization from the Final Customer through their corresponding templates/processes (eg SREA, SRICA, BTAP...), as well as to PPAP the process/product again.
- In case of temporary changes, it is also necessary to obtain prior authorization from the Final Customer through their corresponding templates/processes (eg TPD, Alert...).

Depending on the change, Grupo Segura reserves the right to request possible savings from the Supplier.

4.10. REJECTIONS MANAGEMENT

Both types of rejections that Grupo Segura can open will be for reasons of:

- **Quality.** Quality deviation is understood as any non-compliance with requirements, specifications or manufactured product standards.
- **Logistics.** Logistics service deviation is understood as any of the following situations:
  - Deliveries with discrepancies in quantities.
  - Incorrect ways of delivering (packaging in bad conditions, wrong packaging, mistakes in the documentation, wrong or missing identification of the product, deviations of the quality in the delivery, etc.).
  - Non-compliance with an agreed delivery time.

4.10.1. Problem solving and root cause analysis

The Supplier shall have a defined process for problem solving leading to root cause identification and elimination.

From the moment the Supplier is notified of a Product's Quality/ Logistics Rejection, it is necessary:

1. An immediate analysis of the situation. On case of having a quality non- conformity, the stock which could be affected must be checked (at the Supplier facilities, at Grupo Segura or at its Customer's facilities, in transit….). The Supplier must specifically identify the first 100% checking shipment (cut-off point).

2. Immediately implement an emergency action which ensures the products/ service quality (especially the existing at the final Customer and at Grupo Segura plants).

3. There shall be a Problem Containment Plan in less than 24 hours. The Supplier shall submit Grupo Segura a form (8D) filled in till paragraph D3 included, where the emergency actions started and the containment actions which have been implemented or are under implementation shall be clearly specified.

4. After the problem's containment, a thorough study of the root cause by means of 5W methodology or Ishikawa diagram, escape point and corrective actions necessary to eliminate the failure mode and repetitions shall be carried out. These corrective actions explanation should be accompanied by evidence (photos, videos, etc.) which ensure the implementation and robustness of the actions taken.

The containment actions shall be maintained until the permanent corrective actions have been implemented and VALIDATED.

5. The Supplier shall take into account the paragraph D7 of preventive actions, carrying out those considered necessary for ensuring and controlling the process 100%. In every Quality Rejection, the Supplier shall evaluate if a modification in the process FMEA (PFMEA) or in the Control Plan is necessary, always searching the total effectiveness of the process and the non-repetition of the problem.

6. The containment actions suppression, as well as the closing of the 8D by the Supplier, could not be carried out without the previous Grupo Segura's authorization. This authorization will not involve any responsibilities for Grupo Segura. In case these actions are not effective, the direct responsible would be the Supplier.

Supplier agrees to take actions which eliminate the root cause of the defect, as well as submitting the 8D report completed with the explanation of these actions and within the deadlines established by Grupo Segura for each of the 8D stages:

External non conformities (Non conformities detected in final Customer)

SUPPLIER 8D REPORT	SUBMISSION DEADLINES
8D report to D3	24 hours
8D report to D5-6	3 days
8D report to closed D8	10 days

Internal/ incoming non conformities (Non conformities detected in Grupo Segura facilities)

SUPPLIER 8D REPORT	SUBMISSION DEADLINES
8D report to D3	24 hours
8D report to D5-6	10 days
8D report to closed D8	15 days

4.10.2. Cost associated to rejections

Every time it is demonstrated that the material supplied and/or the operations made by the Supplier have generated a rejection at Grupo Segura facilities and/ or at its Customer's plants, the Supplier will pay the costs.

These costs include the following concepts:

- Rejection management costs.
- Review/rework at Grupo Segura plants or at our Customer plants costs.
- Transport costs for parts replacement or collection (included the urgent).
- Value of the scrapped parts.
- Customer charges.
- Costs associated to a possible production line stop at the final Customer or at the Grupo Segura plants.
- Tooling repair costs (in case it had been produced because of the defect).
- Changes in the tooling/ processes/ detection elements, necessary for guaranteeing the products quality.
- And in general, any additional costs arisen from the rejection.

As soon as a Non-Conformity appears that could be the Supplier's responsibility, the Quality Department of Grupo Segura will contact the Supplier, so a representative of the Supplier shall come to make the revision and/or reworks operations at Grupo Segura facilities or at the final Customer facilities.

In those cases in which they cannot travel immediately or the criticality of the problem requires immediate action that cannot be delayed, the Supplier will contact a reworks company for solving the problem as soon as possible. In case the Supplier does not answer, Grupo Segura reserves the right to contact the reworks company directly to avoid major problems. The reworks company will invoice the Supplier directly for the works carried out at its facilities or at its Customer's facilities. (In case the reworks company should invoice the Buyer directly, the costs will be charged to the Supplier including Grupo Segura's management costs).

Once the claim has been closed, the Quality/Logistics Department will complete and send the Supplier a pre-notice report of charge with the costs of the rejection so that, if it considers it appropriate, they can claim any concept or request clarification in this regard, taking into account a maximum period of 15 calendar days until the final charge is sent.

NOTE: After the communication of the charges regarding the rejection, other charges not considered in the first instance could appear. These charges will be submitted to the Supplier regarding the mentioned rejection.

4.11. AUDITS AT SUPPLIER'S FACILITIES

Suppliers will be required to support on-site audits upon request by a Grupo Segura representative.

Development Audit

Upon request suppliers will be required to participate and support a site audit of their facilities. The purpose of the development audit is to assess the suppliers overall state and its quality management system. The development audit consists of questions from the Global Supplier Evaluation Development form (FO-G-13011).

New Supplier Audit

Same as development audit. Supplier will be required to pass the audit before being placed on Grupo Segura Approved Supplier List.

Process/Product Audit

Upon request Suppliers will be required to participate and support a process/product audit at their manufacturing facility. The purpose of the process/product audit is to assess a specific process or product manufactured by the supplier. The template to be used will be the Supplier Self Audit (VA/SL) according Formel-Q-capability.
In case of suppliers supplying product to German OEMs, only trained/certified VDA auditors will perform the process/ product audit.

4.12. NONCONFORMING PRODUCT DISPOSITION (section 8.7.1.7 standard IATF 16949)

All nonconforming product not subject to rework or repair generated by productive Suppliers, Subcontractors or Prototype Suppliers will be rendered unusable and not divert to service or other use (e.g. spare parts).

4.13. STATUTORY AND REGULATORY CONFORMITY (section 8.4.2.2 standard IATF 16949)

The Supplier shall confirm and be able to provide evidence that externally provided processes, products, and services conform to the latest applicable statutory, regulatory, and other requirements in the country where they are manufactured, the country of shipment and in the customer-identified countries of destination, if provided. Suppliers, in turn, must obligatorily cascade all applicable requirements down the supply chain to the point of manufacture.

Applicable regulations shall include international requirements for export vehicles, e.g, European End of Life of Vehicle (ELV). See more regulations in sections 5.6, 5.7 y 5.8 of this Manual.

4.14. SUPPLIER PERFORMANCE ASSESSMENT

Monthly Grupo Segura measures the Supplier's performance in terms of:

- Logistics
- Quality
- Quality Management Systems
- Purchasing

Depending on the result, the supplier will be classified as a, b, c or not suitable:

Supplier A	**Score greater than or equal to**	**80**	**≥ 80**
Supplier B	**Score greater than or equal to**	**60**	**≥ 60 and < 80**
Supplier C	**Score greater than or equal to**	**50**	**≥ 50 and < 60**
Not suitable supplier	**Score less than**	**50**	**< 50**

Supplier escalation process:

Level	Descrip.	Result	Actions
0	**Quality assurance**	Supplier **A/B during last six months.**	It is not necessary to carry out an extraordinary exercise by the Supplier.
1	**Supplier with problems** **Initial actions**	Supplier B during **six consecutive months** Supplier **C twice in the last three months.**	The Supplier will be informed and corrective actions will be asked for. The Supplier must send a robust "FO-G-13023 Action Plan" to Grupo Segura within one month to prevent repetitive failure modes and obtain the classification A again. (*)
2	**Supplier is not effective in solving problems** **Extended improvement plan**	Supplier B during **twelve consecutive months** Supplier **C during four months in the last six months.**	The Supplier will be informed and will be blocked momentarily for new projects. For the existing shipments, special agreements need to be established to ensure the quality stipulated by our Customer (e.g. Quality Wall, 100% check…). A Process Audit (VDA 6.3 template) will be performed by the SQA of Grupo Segura. The Supplier must send a robust "FO-G-13023 Action Plan" to Grupo Segura within two weeks involving the Top Management. (*). This action plan must attack all the deviations detected by the SQA and have a Monthly Follow-up Meeting with SQA.
3	**Supplier does not want to improve** **Business on Hold**	Supplier C **six months in the last year.** Supplier **qualified as 'Level 3' by Quality Department.**	Based on the robustness of the actions implemented by the Supplier, the Management of Purchasing and Quality Departments together with the Top Management of Grupo Segura, will determine the permanence or not of the Supplier in the panel. In case of activation of any 'Level 3' by the Quality Department, SQA will communicate the escalation to the supplier.

(*) NOTE: If the Supplier is appointed by the Final Customer (directed suppliers) and it does not answer to the Action Plan requested by Grupo Segura, the Final Customer will be informed about the results of its performance and the no response by the Supplier.

(**) NOTE: The Quality Department may evaluate a Supplier directly within 'Escalation Level 3' at the time it considers it as a Potential Supplier for failing to comply with the Quality or 'Supplier Quality Development Manual' requirements (e.g., Section 4.10: 'Rejections Management').

Communication:

The Buyer will inform the Supplier quarterly about its mark in the continuous assessment.
In the event that a Supplier enters into an escalation process, it will be informed immediately and the measures described above will be applied.

Initially, annual quality targets of 50 ppm will be set for all suppliers. At the end of the year, these targets will be reviewed and adjusted based on individual performance, and communicated accordingly to each supplier.

The marks will be calculated according to the following charts:

a) RAW MATERIAL SUPPLIER (MP)

LOGÍSTICS

QUANTITIES NON-COMPLIANCE (according to Nr. of deliveries; 3 months accumulated) Max. 13 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
4%	8%	12%	12%
13 points	10 points	5 points	0 points

DELIVERY DEADLINES NON-COMPLIANCE (according to Nr. of deliveries; 3 months accumulated) Max. 22 points

% advance	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	9%	15%	20%	20%
	4 points	3 points	2 points	0 points
% delay	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	3%	6%	8%	8%
	18 points	12 points	8 points	0 points

NUMBER OF OCCURRENCES OF PREMIUM FREIGHT Max. 5 points

Iqual to	Greater than or equal to
0	1
5 points	0 points

QUALITY

% INCIDENCES (according to Nr. of deliveries; 3 months accumulated) Max. 10 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
1,3%	2,6%	4%	4%
10 points	6 points	2 points	0 points

FINAL CUSTOMER INCIDENCES Max. 13 points

Equal to	Greater than or Equal to
0	1
13 points	0 points

PPM´s (Kgs; 3 months accumulated) Max. 15 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
0	1500	3000	3000
15 points	10 points	6 points	0 points

QUALITY MANAGEMENT SYSTEM

CERTIFICATES Max. 12 points

ISO 9001	IATF 16949*	ISO 14000
5 points	5 points	2 points

* If the Supplier has the IATF 16949 certificate, the points associated to the ISO9001 will be added too.

PURCHASING

COMMERCIAL PROACTIVENESS Max. 10 points

Subjective assessment of the purchasing manager (from 1 to 10)

b) COMPONENT SUPPLIER (EI)

LOGÍSTICS

QUANTITIES NON-COMPLIANCE (according to Nr. of deliveries; 3 months accumulated) Max. 13 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
0,1%	0,3%	0,6%	0,6%
13 points	10 points	5 points	0 points

DELIVERY DEADLINES NON-COMPLIANCE (according to Nr. of deliveries; 3 months accumulated) Max. 22 points

% advance	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	15%	25%	40%	40%
	4 points	3 points	2 points	0 points
% delay	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	5%	15%	25%	25%
	18 points	12 points	8 points	0 points

NUMBER OF OCCURRENCES OF PREMIUM FREIGHT Max. 5 points

Iqual to	Greater than or equal to
0	1
5 points	0 points

CALIDAD

% INCIDENCIAS (respecto al nº de entregas; acumulado 3 meses) Máx. 10 puntos

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
1%	5%	10%	10%
10 points	6 points	2 points	0 points

FINAL CUSTOMER INCIDENCES Max. 13 points

Equal to	Greater than or equal to
0	1
13 points	0 points

PPM´s (3 months accumulated) Max. 15 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
1000	2000	4000	4000
15 points	10 points	6 points	0 points

QUALITY MANAGEMENT SYSTEM

CERTIFICATES Max. 12 points

ISO 9001	IATF 16949*	ISO 14000
5 points	5 points	2 points

* If the Supplier has the IATF 16949 certificate, the points associated to the ISO9001 will be added too.

PURCHASING

COMMERCIAL PROACTIVENESS Max. 10 points

Subjective assessment of the purchasing manager (from 1 to 10)

c) PRODUCTIVE SUPPLIER- CLOSED ORDERS (SCC)

LOGITICS

QUANTITIES NON-COMPLIANCE (according to Nr. of deliveries) — Max. 9 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
0%	5%	10%	10%
9 points	5 points	2 points	0 points

DELIVERY DEADLINES NON-COMPLIANCE (according to Nr. of deliveries) — Max. 17 points

% advance	Equal to	Less than or equal to	Less than or equal to	Greater than	
	0%	15%	30%	30%	
	3 points	2 points	1 points	0 points	
% delay	Less than or equal to	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	1%	5%	10%	15%	15%
	14 points	10 points	6 points	2 points	0 points

LOGISTICS INCIDENCES IN FINAL CUSTOMER — Max. 8 points

Equal to	Greater than or equal to
0	1
8 points	0 points

NUMBER OF OCCURRENCES OF PREMIUM FREIGHT — Max. 3 points

Equal to	Greater than or equal to
0	1
3 points	0 points

QUALITY

% INCIDENCES (according to Nr. of deliveries; 3 months accumulated) — Max. 10 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
1%	5%	10%	10%
10 points	6 points	2 points	0 points

FINAL CUSTOMER INCIDENCES — Max. 8 points

Equal to	Greater than or equal to
0	1
8 points	0 points

PPM´s (3 months accumulated) — Max. 18 points

Less than or equal to	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
60	400	900	1400	1400
18 points	14 points	9 points	4 points	0 points

QUALITY MANAGEMENT SYSTEM

CERTIFICATES — Max. 12 points

ISO 9001	IATF 16949*	ISO 14000
6 points	4 points	2 points

* If the Supplier has the IATF 16949 certificate, the points associated to the ISO9001 will be added too.

PROCESS AUDITS** — Max. 5 points

Supplier A	Supplier B	Supplier C
5 points	0 points	-5 points

** If the process audit has not been done within the assessment period, the maximum score will be adopted.

PURCHASING

COMMERCIAL PROACTIVENESS — Max. 10 points

Subjective assessment of the purchasing manager (from 1 to 10), according to criteria in section 3, remarks

d) SUBCONTRACTOR- OPEN ORDERS (SCA)

LOGÍSTICS

DELIVERIES DEADLINES NON-COMPLIANCE (according to Nr. of packages) — Max. 18 points

Less than or equal to	Less than or equal to	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
1%	6%	12%	18%	23%	23%
18 points	14 points	10 points	6 points	2 points	0 points

LOGISTICS INCIDENCES IN FINAL CUSTOMER — Max. 10 points

Equal to	Greater than or equal to
0	1
10 points	0 points

NUMBER OF OCCURRENCES OF PREMIUM FREIGHT — Max. 3 points

Equal to	Greater than or equal to
0	1
3 points	0 points

% INCIDENCES (according to Nr. of packages) — Max. 7 points

Less than or equal to	Less than or equal to	Less than or equal to	Greater than
3%	12%	25%	25%
7 points	4 points	2 points	0 points

QUALITY

QUALITY INCIDENCES IN FINAL CUSTOMER — Max. 10 points

Equal to	Greater than or equal to
0	1
10 points	0 points

PPM´s (3 months accumulated) — Max. 25 points

Less than or equal to	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
60	300	650	1.000	1000
25 points	19 points	12 points	5 points	0 points

QUALITY MANAGEMENT SYSTEM

CERTIFICATES — Max. 12 points

ISO 9001	IATF 16949*	ISO 14000
6 points	4 points	2 points

* If the Supplier has the IATF certificate, the points associated to the ISO9001 will be added too.

PROCESS AUDITS** — Max. 5 points

Supplier A	Supplier B	Supplier C
5 points	0 points	-5 points

** If the process audit has not been done within the assessment period, the maximum score will be adopted.

PURCHASING

COMMERCIAL PROACTIVENESS — Max. 10 points

Subjective assessment of the purchasing manager (from 1 to 10), according to criteria in section 3, remarks

e) PROTOTYPES SUPPLIER

LOGÍSTICS

QUANTITIES NON-COMPLIANCE (according to Nr. of deliveries) — **Max. 10 points**

Equal to	Less than or equal to	Less than or equal to	Greater than
0%	10%	30%	30%
10 points	7 points	4 points	0 points

INCUMPLIMIENTO POR FECHAS (respecto al nº de entregas) — **Máx. 22 puntos**

Average % advance deliveries	Equal to	Less than or equal to	Less than or equal to	Greater than	
	0%	20%	40%	40%	
	0 points	1 points	2 points	3 points	
Average days of delay	Equal to	Less than or equal to	Less than or equal to	Less than or equal to	Greater than
	0	4	8	12	12
	19 points	14 points	10 points	4 points	0 points

NUMBER OF OCCURRENCES OF PREMIUM FREIGHT — **Max. 5 points**

Equal to	Greater than or equal to
0	1
5 points	0 points

QUALITY

FINAL CUSTOMER INCIDENCES — **Max. 10 points**

Equal to	Greater than or equal to
0	1
10 points	0 points

% REJECTED PARTS VS. RECEIVED PARTS (6 months accumulated) — **Max. 28 points**

Equal to	Less than or equal to	Less than or equal to	Greater than
0%	6%	12%	12%
28 points	20 points	10 points	0 points

QUALITY MANAGEMENT SYSTEM

CERTIFICATES — **Max. 10 points**

ISO 9001	IATF 16949*	ISO 14000
5 points	3 points	2 points

* If the Supplier has the IATF 16949 certificate, the points associated to the ISO9001 will be added too.

PROCESS AUDITS ** — **Max. 5 points**

Supplier A	Supplier B	Supplier C
5 points	0 points	-5 points

** If the process audit has not been done within the assessment period, the maximum score will be adopted.

PURCHASING

COMMERCIAL PROACTIVENESS — **Max. 10 points**

Subjective assessment of the purchasing manager (from 1 to 10)

5. SUPPLIER MANAGEMENT SYSTEM REQUIREMENTS

5.1. QUALITY MANAGEMENT SYSTEM (section 8.4.2.3 standard IATF 16949)

The Supplier shall have minimum an ISO 9001 certificate by an accredited third-party certification body.

As a process of development and improvement of the quality management system, it is important that Suppliers with only ISO9001 certification (first level) evolves over time, towards compliance with the IATF standard 16949 (fourth level) in accordance with the following table:

LEVEL	ACTIONS
FIRST	Certification to ISO 9001 through third-party audit
SECOND	Compliance to final customer QMS requirements through second-party audits*
THIRD	Compliance to IATF 16949 through second-party audits
FOURTH	Certification to IATF 16949 through third-party audit

*To validate levels 2 and 3, Grupo Segura will be able to carry out second-party system audits at Supplier's facilities, always informing in advance.

5.2. CUSTOMER SPECIFIC REQUIREMENTS

The supplier shall comply with the customer specific requirements of the Final Customers. Most of the customer requirements can be found on IATF website:

https://www.iatfglobaloversight.org/oem-requirements/customer-specific-requirements/

Examples of Customer Specific Requirements:

BMW	„Requalification of product and process at suppliers" must fulfill Group Standard 90018-1 and Group Standard 90018-2.
FORD	Organizations are required to have a process in place that ensures all new launches complete an RFMEA event once the equipment is installed and running. All Foundation PFMEAs for all manufacturing processes (current and forward model) and subsequent updates to all FMEAs must be available in the FMEA software. ISO 9001 sub-suppliers must meet the following minimum IATF requirements: https://www.iatfglobaloversight.org/wp/wp-content/uploads/2016/12/Minimum-Automotive-Quality-Management-System-Requirements-for-Sub-tier-suppliers-2ndEd-rev2.pdf
VW Group	The PSCR must have a VDA QMC qualification training. The process-audits in the supply chain must be conducted in accordance to Formel-Q-Capability by certified VDA 6.3 auditors. VWAG requires suppliers that supply parts with D/TLD-marking, to perform an annual self-audit according to the VW-defined D/TLDAudit. The Supplier is required to conduct Product Audits according to VDA 6.5 Product Audit shall take place at least every 12 months for each product manufactured as a Series Production part.

	In case of Volkswagen Group parts, the complete requalification can be done at least every three years. Products with D/TLD markings must be subjected to a layout inspection every 12 months.
VOLVO	Sub-suppliers must be IATF 16949 third-party certified
STELLANTIS	The supplier must implement "Reverse PFMEA" to: - identify new potential failure modes in shop floor (Proactive Risk Reduction Process), - confirm or update current Occurrence/Detection levels (Process optimization).

This list is not all inclusive; therefore suppliers should proactively acquire the latest OEM specific requirements. Support can be provided from the Grupo Segura Engineering contact.

5.3. PRODUCT SAFETY (section 4.4.1.2 standard IATF 16949)

The Supplier shall have designated a Product Safety and Conformity Representative (PSCR) for each individual step in the supply chain. This Representative shall have external qualification related to the basics of Product Safety and Product Liability law.

Responsibilities to fulfill:

- Report directly to management, the factory manager and/or the Head of Quality Assurance.
- Ability to suspend components for the current series, e.g. in case of safety or image related complaints (even if these issues put series production at risk for reasons of safety).
  This includes authority over resources with regard to bench tests, validation, etc.

5.4. RECORDS KEEPING

Technical documentation	Detail of the documentation to be archived	Retention period (standard part)	Retention period (Safety part)
Contractual documentation **PPAP documentation**	Quotations Purchasing Orders Feasibility Analysis Customer Specifications Customer Agreements PPAP Documentation Internal Drawings Internal Process Approval reports Internal Tool/Gage Approval reports Tool Technical Documentation Packaging agreements	Part Life + 20 years	Part Life + 20 years These documents can be requested in case of having to present evidence and they can absolve charges.
Quality records	Records that evidence the accomplishment of control plans (attribute sheets, variable sheets, material certificates…)	Part Life + 1 year	
Traceability and expedition	Traceability records of product and used materials/ components Customer delivery notes		
Maintenance	Maintenance plans and records		
Set up and production	Poka-yoke Verification Records		
	Working Acceptance Working Orders QPS* Packaging Instruction* Machine Parameters + Change Log	3 years	
Non conformities and corrective actions	External/ Internal Non Conformity analysis reports (root cause + actions)		
Audits and System Reviews	Product audits reports + 3D measurements System and process audits reports System Reviews reports		
Training	Training records Job Descriptions*		
Rest of non-specified documents, data and other relevant information			

* 3 years after replacement

5.5. CONTINGENCY PLAN (section 6.1.2.3 standard IATF 16949)

The Supplier shall prepare contingency plans to satisfy Grupo Segura requirements in the event of emergency such as utility interruptions, labor shortages, interruption from externally provided products, processes, and services, key equipment failures, infrastructure disruptions, field returns, recurring natural disasters, fire or utility interruptions. The effectiveness of this contingency plan will be verified periodically (e.g., simulations, as appropriate).

The contingency plan will be review at a minimum annually using a multidisciplinary team and will never be a justification for a change in the agreements with the Buyer regarding prices or delivery terms. If requested, the Supplier will submit Grupo Segura a copy of this Contingency Plan.

5.6. ENVIRONMENT MANAGEMENT SYSTEM

Suppliers must not only comply with all environmental laws and regulations, but also implement measures to help protect the environment. Therefore, they should strive to minimize the negative environmental impact of its products and Services throughout the product life cycle: design, development, production, transportation, use and disposal or recycling. To do this, Grupo Segura encourages its Suppliers to be certified in the standard ISO 14001 or equivalent. This type of certificate will be considered in the Supplier continuous performance assessment.

5.7. REACH

The Supplier shall fulfill the environmental standards and requirements (material and substances reporting, recycled content, recycling solutions, the European Directive on end-of life vehicles and its annexes and other special requirements of the Final Customers).

The Supplier shall submit the updated safety data sheet and the technical sheet to the Environment Department of Grupo Segura.

The Supplier shall fulfill its obligations about the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). In particular, all Suppliers, including their supply chain, are responsible for ensuring that Grupo Segura is informed of presence in the product of substances on the candidate list (SVHC) ; that the safe use and risk management measures (RMMs) for Grupo Segura are included in the safety data sheets ; that for products purchased outside EU, the Supplier is responsible for taking the importer role (e.g. nominating an only representative) and that if a product needs to be modified due to REACH, Grupo Segura will be immediately notified.

Metallic products whose origin is out of the European Union must not emit ionizing radiation that goes beyond natural radiation.

5.8. CONFLICT MINERALS

Grupo Segura may also, in some cases, ask its Supplier to provide disclosure on the use and provenance of certain substances and materials for legislation and regulations compliance purpose. As an example, to be compliant with US Conflict minerals legislation, Suppliers could have to disclose by means of the system or using the template “Conflict Minerals Reporting Template (CMRT) whether the products they manufacture or contract to manufacture contain “conflict minerals”, which means minerals that directly or indirectly finance or benefit armed groups in specific countries.

5.9. IMDS

The Supplier shall provide material documentation data for entry in IMDS (International Materials Data System - www.mdsystem.com)

IMDS will be sent to the corresponding Grupo Segura address:

Almussafes plants (Spain)	**Name**	**F. Segura S.L.U**
	Company ID	**1974**
	DUNS number	**46-007-8390**
Szolnok plant (Hungary)	**Name**	**F. Segura Hungária Kft**
	Company ID	**97785**
	DUNS number	**52-523-9062**
Vigo plants (Spain)	**Name**	**F. Segura Vigo S.L.U**
	Company ID	**252777**
	DUNS number	**47-157-9634**
Eisenach Plant (Germany)	**Name**	**F. Segura Deutschland GmbH**
	Company ID	**15060**
	DUNS number	**34-450-1225**
Treuenbrietzen Plant (Germany)	**Name**	**F. Segura Deutschland GmbH**
	Company ID	**781**
	DUNS number	**31-559-4297**

6. SUPPLIER'S SIGNATURE

The Supplier must return the attached document signed, confirming these terms and conditions acceptance.

Acceptance of "Supplier Quality and Development Manual_R06"

The Compnay:	

Signs this document as acceptance of this regulation for the manufacture and supply of the Goods and Services.

Except for the contrary conditions specified in the purchase order and prior approval in written by the Purchasing Department of Grupo Segura.

Notes:

Signature and Company stamp:
Name:
Position:
Date:

THE LACK OF RESPONSE FROM THE SUPPLIER DURING THE DEADLINE SPECIFIED WILL BE DEEMED TO BE ACCEPTANCE OF THIS NEW SPECIFICATION.

7. DOCUMENT MODIFICATION CONTROL

REVISION	DATE	MODIFICATION	DONE BY	APPROVED BY
00	14/05/15	Initial edition	V. Belmonte M. Campos F. Salas H. Benito C. Toledo	J. M. Bastida J. Gorgues J. López A. Chaves
01	27/07/16	Section 3.3 (08 Measure System Analysis Studies): The number of samples needed to carry out R&Rs is specified. Section 3.3 (09 Dimensional Results): The sending of calibration certificates of the equipments used is requested. Section 3.4.1: The language of PPAP documents is specified. Section 4.1: The record of the batch in quality certificates is requested. Quality certificated must be sent by email. Section 4.5.1: The delivery time of 8D reports is reduced (from 15 to 12 days). A note about the possibility of reducing this period is added. It is mandatory the sending of evidence of actions. Section 4.6. The assessment criteria of Raw Material and Components Suppliers have been changed. Annex 4: Grupo Segura contact list is attached.	V. Belmonte	M. Campos F. Salas A. Chaves J.M. Bastida
02	01/03/18	New section 3.2. Tool design and construction New section 3.3. Follow-up of PPAP documents and initial samples New section 4.3 Identification and traceability New section 4.4 Packaging New section 4.5 Communication and fulfillment of demands New section 4.7 Error-proofing and Poka-Yoke systems Updating of section 4.9. Management of changes in the product/ process and production Updating of section 4.10. Rejections management New section 4.11 Nonconforming product disposition New section 4.12 Statutory and regulatory conformity Updating of criteria in section 4.13. Supplier performance assessment. Updating of section 5.1. Quality management system Updating of section 5.3. Records keeping Updating of section 5.4. Contingency plan Updating of annex 1. Control plan requirements Updating of annex 3. Minimum IATF 16949 requirements to fulfill	V. Belmonte	R. Martinez A. Chaves P. Calduch O. Troncoso J. T. Jaber D. Morata
03	22/10/20	Updated delay requirement to 0% due Fords CSR	F. Cerverón	J. Gorgues
04	16/12/20	Included signature sheet Updated contact persons Updated chapter 3.2. including property	F. Cerverón	J. Gorgues
05	01/11/23	The following sections are updated: 4.1. Quality certificates in the deliveries indicating that all suppliers must send a certificate 4.9. Management of changes in the product / process and production indicating the requirements of the end customer. 4.10.2. Costs associated with claims, including notices of charge. 4.13. Evaluation of the supplier's performance, improving the level of escalation. 5.4. Record retention (new table). Annex 3. List of contacts A new section 5.2 is included. Specific customer requirements. Information related to the F. Segura Vigo plant is included.	S. Pérez V. Belmonte	A. Jimenez
06	29/07/24	4.1 Quality certificates address to be deliver, adding Germany 4.6 MMOG basic version included 4.14 Review logistic and PPM's target for suppliers on yearly basis. 4.14 Review escalation process 3.4 Review external laboratory approval requirement. 5.7 REACH 5.9 Update IMDS contacts adding Germany ANNEX 3: SUPPLIERS' CONTACT LIST adding Germany	S. Pérez R. Landete C. Serrano	A. Jiménez

		Communication of annual objectives to suppliers is added.		
07	25/02/25	4.14 Review escalation process Review Annex 3. Erase supplier contact list.	R. Landete L. Herrero J. Soriano C. Serrano	A. Jiménez

ANNEX 1: CONTROL PLAN REQUIREMENTS (section 8.5.1.1 standard IATF 16949)

PHASES OF THE CONTROL PLAN

The Supplier must have a control plan that shows the link to the process flow chart and the FMEA.

The control plan shall cover the following distinct phases, as appropriate.

- Prototype: a description of the dimensional measurements, material and performance tests that will occur during building of the prototype. The Supplier shall have a prototype control plan, if required by Grupo Segura.
- Pre-launch: a description of the dimensional
- Production: documentation of product/process characteristics, process controls, tests and measurement systems that occur during mass production.

Each part shall have a control plan but, in many cases, family control plans may cover a number of similar parts produced using a common process. Control plans are an output of the quality plan.

ELEMENTS OF THE CONTROL PLAN

The Supplier shall develop a control plan that includes, as a minimum, the following contents.

a) General data
- control plan number,
- issue date and revision date, if any,
- Grupo Segura information,
- organization's name/site designation,
- part number(s),
- part name/description,
- engineering change level,
- phase covered (pre-launch, production),
- key contact,
- part/process step number,
- process name/operation description.

b) Product control
- product-related special characteristics,
- other characteristics for control (number, product or process),
- specification/tolerance.

c) Process control
- process parameters,
- verification of poka- yokes (e.g: by means of dummies)
- verification of job set-ups
- first-off/last off part validation, as applicable;
- process-related special characteristics,
- machines, jigs, fixtures, tools for manufacturing.

d) Methods
- evaluation measurement technique,
- error-proofing,
- sample size and frequency,
- control method.

e) Reaction plan and corrective actions
- reaction plan (include or reference),
- corrective action.

f) Other considerations to include

- layouts
- Rehomolations

CONTROL PLAN REVIEW

The Supplier shall review control plans, and update as required, for any of the following:

a) the Supplier determines it has shipped nonconforming product to Grupo Segura;

b) when any change occurs affecting product, manufacturing process, measurement, logistics, supply sources, production volume changes, or risk analysis (FMEA);

c) after a Grupo Segura complaint and implementation of the associated corrective action, when applicable;

d) at a set frequency based on a risk analysis.

ANNEX 2: SAFETY PARTS MANAGEMENT

DEFINITIONS

Special characteristics: Special Characteristics are those product or process characteristics (e.g. CC, SC, OS, and HI) that affect vehicle or process safety, compliance with government regulations, Customer satisfaction, or process operation.

Critical characteristics: are those product requirements (dimensions, functional performance requirements, material specifications, etc.) or process parameters (rates, temperatures, pressures, etc.) that can affect compliance with government regulations and/or safe vehicle and/or product function.

Safety part: parts which have a critical characteristic.

SPECIAL CHARACTERISTICS CONTROL

The engineer responsible for the project must agree with the Supplier the treatment and control of each one of these special characteristics, both initially during the approval of the parts and in continuous (for example, by means of solid production processes, capacity studies, SPC, Poka Yoke, 100% verifications...). This agreement will be recorded in template "FO-G-07009 APQP Workbook Special Characteristics Agreement".

DOCUMENTS IDENTIFICATION

All safety parts technical documents must be marked with Grupo Segura safety symbol (∇). If the Supplier uses other type of identification for documents and records, it must have established a correlation for this identification as a documented procedure (e.g. a matrix with the different symbols used by the Customers vs. the internal).

This stamp must be placed both, in the originals documents and in copies which can be made to preserve its continuity.

TRACEABILITY

Due to the product liability risk and the risk of recalls a system of traceability must be set up for safety critical characteristics.

The traceability among parts, raw material, components, test documentation / testing and documentation of deliveries must be ensured. With the batch number of Grupo Segura, the Supplier must be able to trace:

- Delivery note number
- Supply date
- Raw material batch number used
- Component batch number used (if it is applicable)
- Control records done to the part according to the control plan.

SPECIFIC TRAINING

It is necessary to train the personnel who determine / influence or approve the special characteristics (e.g.: operators, quality inspectors …).

DOCUMENTS FILE

The production and technical inspection documents must be filed during minimum part life + 20 years (see table in section 5.3. of this Manual).

Archiving must be fire and theft proof, as well as avoid subsequent changes in documents, e.g. by microfilming, CD-ROM.

The archiving method must ensure a quick access to the technical documentation.

These documents can be requested in case of having to present evidence and they can absolve charges.

ANNEX 3: SUPPLIERS' MONITORING TEAM

Supplier monitoring team

TASK	DEPARTMENT LEADING	
Non conformities (8D reports)	**Quality Engineers for quality deviations Logistics followers for logistics deviations**	
Periodic performance assessment	**Outsourcing Purchasing Manager Raw Material and Components Purchasing Manager**	
Yearly supplier development plan	**Outsourcing Purchasing Manager Raw Material and Components Purchasing Manager**	
Yearly visit and monitoring plan	**SQA**	
Escalation process	**1**	**Outsourcing Purchasing Manager Raw Material and Components Purchasing Manager**
	2	**SQA**
	3	**Purchasing Corporate Director**