

- Our priority goal shall be to purchase goods, consumables, supplies and services in an appropriate manner avoiding the risks of shortfalls or excess stock costs at all times.
- Relations between the companies in the RELATS Group and their suppliers must be founded on criteria of integrity, transparency, honesty and confidentiality.
- The approach of RELATS Group with respect to its suppliers focuses on the long-term with a view to ensuring the commitments undertaken by both parties are met and to enable the purchasing process to be monitored closely.
- Purchases are made exclusively from suppliers that guarantee products' quality, proper maintenance in its facilities, technical support and products' warranty.
- In the case of raw materials and packaging of the final product, only suppliers who meet certification ISO 9001 will be accepted. Moreover, we encourage our suppliers to be certified according to the following standards:
 - ISO 14001
 - IATF 16949
- Preference shall be given to direct purchases from manufacturers or direct representatives of the products to be purchased.
- In the case of raw materials, RELATS will not pay for samples for the purposes of approving supplier products. Exceptions may only be made to this rule by strategic reasons.
- In the case of raw materials, the approval process for a material will not be complete until an industrial trial has been conducted satisfactorily. The supplier shall assume that all materials purchased for industrial trials will be paid just if those trials are satisfactory.
- All companies in RELATS Group shall comply with the quotation, authorisation and award processes established in the purchasing protocols prepared to this end without exception or alteration. To select suppliers, a criterion of objectivity, professionalism, transparency and equal opportunities shall apply.
- All purchases and acquisitions of materials, goods and services shall be formally laid out in a purchase and sale agreement and/or purchase order.
- RELATS' standard payment conditions are:
 - Direct and indirect materials: minimum 60 days date of invoice, taking into consideration each factory's payment date.

Deviations from these standard payment conditions must be approved by Purchasing (Group or Local; accordingly to the scope) and informed in advance to the person in charge of Local Finance/Accounting.

- **Assets & tooling:**
 - 20 - 30% as advanced payment.
 - 50 - 60% after shipment; 60 days date of invoice, taking into consideration RELATS's payment date.
 - 30 – 10% after run & rate at RELATS' facility; 60 days date of invoice, taking into consideration RELATS' payment date.

Deviations from these standard payment conditions must be approved by Group Purchasing and Top Management before sending order.

- Purchases made by all RELATS plants shall, by default, be bound by the General Purchasing Terms and Conditions defined for the RELATS Group and this circumstance must be specifically stated in the purchasing order, unless express approval is given from the Purchasing Department to the contrary.
- In all spheres and levels of action relating to the Group's purchasing operations, current legislation must be strictly adhered to. With respect to our suppliers, no practices or conduct that runs counter to said laws shall be tolerated; specifically, in relation to current legislation assuring free competition and the protection of the environment. Best practices accepted by the sector to which the purchase pertains will similarly be taken into consideration. In particular, and solely by way of illustration, no bids will be accepted if they fall below the manufacturing or service provision cost.
- RELATS ventures for sustainability and environmental friendliness. Accordingly, priority shall be lent to suppliers who engage in the best conduct in this area on equal terms.
- Moreover, the panel of suppliers in the Relats Group shall not include companies that are not committed to or do not act in accordance with the principles of the Global Compact, the UN's human rights principles. Specifically, the Relats Group will not accept suppliers who employ workers operating under forced labour or who employ children among their workforce.
- Buyers in the RELATS Group cannot accept gifts or gratuities intended to impose a condition on their purchasing decisions or proposals, or which may be deemed bribery. Gifts or gratuities received by any buyer with an estimated value of more than 100 euros must be brought to the attention of the Management for approval or rejection.
 - Giving away tickets for sporting events and shows, stays in hotels or leisure centres, trips, etc., shall also be deemed as gifts or gratuities.
 - Under no circumstances can money or other similar remuneration be accepted.

This Purchasing Policy must be adhered to by all plants in the RELATS Group.

Chief Purchasing Officer
RELATS Group Purchasing