

Indice

1.	INTRODUCTION	2
2.	SUPPLIER QUALITY AGREEMENT	2
2.1.	QUALITY MANAGEMENT SYSTEM	2
2.2.	ENVORONTAL MANAGEMENT SYSTEM	2
2.3.	QUALITY PROCESS EVALUATION	2
3.	INTERNATIONAL MATERIALS DECLARATION (IMDS)	2
4.	PRODUCT PRODUCTION APPROVAL PROCEDURE (PPAP)	2
5.	COMPLAINT MANAGEMENT	3
6.	COST MANAGEMENT	4
7.	EXPECTED QUALITY STANDARDS	5
8.	PACKAGING, STORAGE CONDITIONS AND TRACEABILITY	5
9.	CHANGE MANAGEMENT	5
10.	MAINTENANCE OF CONTROL AND PROCESS EQUIPMENT	6
11.	COMMUNICATION	6
12.	NOTIFICATION OF MANUFACTURING SCRAP (COMPONENTS AND FINISHED PRODUCT).	6
13.	ACCEPTANCE	6

1. INTRODUCTION

COBRAPLAST S.P.A. is proud to be able to offer world-class products. This level of success would not be possible without your leadership and personal commitment.

For this, **COBRAPLAST S.P.A.** would like to thank each one of you.

A cooperative attitude and successful collaboration with new market challenges are of fundamental importance in securing our future. One of the most crucial issues is to be able to ensure compliance with our future Quality targets and the specific requirements of our customers.

2. SUPPLIER QUALITY AGREEMENT

To be qualified as a supplier of **COBRAPLAST S.P.A.**, it is essential to meet the following requirements:

2.1. Quality Management System

As a minimum requirement, the supplier of **COBRAPLAST S.P.A.** must be qualified ISO 9001:2015 by a certified third party.

Suppliers of components and/or products that may affect the quality performance of **COBRAPLAST S.P.A.** at the final customer must implement a program to achieve IATF 16949:2016 certification.

All suppliers must forward their quality certification to **COBRAPLAST S.P.A.** and communicate any changes.

2.2. Environmental Management System

COBRAPLAST S.P.A. is an ISO 14001:2015 certified company.

COBRAPLAST S.P.A. requires its suppliers to operate in an environmentally responsible manner and encourages them to align their environmental system with the standards of ISO 14001:2015 and obtain registration under this international standard. As such, suppliers who implement an ISO-compliant Environmental Management System are considered privileged partners to develop business with **COBRAPLAST S.P.A.**

Please forward your ISO 14001:2015 certificate to **COBRAPLAST S.p.A**

2.3. Quality process evaluation

All qualified suppliers of **COBRAPLAST S.P.A.** must conduct a process evaluation at least once a year.

This evaluation is carried out by a visit of our Supplier Quality to the plant or by a self-assessment. The timing and quality standards of this evaluation will be promptly communicated by our Supplier Quality.

3. INTERNATIONAL MATERIALS DECLARATION (IMDS)

IMDS data related to supply components is a requirement and a specific request from our customer whenever there is a sampling submission. PPAP documentation will include such data (ID number, part number) accordingly.

4. PRODUCT PRODUCTION APPROVAL PROCEDURE (PPAP)

PPAP is required for all components delivered to **COBRAPLAST S.P.A.**, in the form shown below and according to the level agreed upon during product allocation:

Retention/Submission Requirements

<u>Requirement</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Level 4</u>	<u>Level 5</u>
1. Design Record	R	S	S	*	R
-for proprietary components/ details	R	R	R	*	R
-for all other components/ details	R	S	S	*	R
2. Engineering Change Documents, if any	R	S	S	*	R
3. Customer Engineering approval, if required	R	R	S	*	R
4. Design FMEA	R	R	S	*	R
5. Process Flow Diagrams	R	R	S	*	R
6. Process FMEA	R	R	S	*	R
7. Control Plan	R	R	S	*	R
8. Measurement System Analysis Studies	R	R	S	*	R
9. Dimensional Results	R	S	S	*	R
10. Material, Performance Test Results	R	S	S	*	R
11. Initial Process Studies	R	R	S	*	R
12. Qualified Laboratory Documentation	R	S	S	*	R
13. Appearance Approval Report (AAR), If applicable	S	S	S	*	R
14. Sample Product	R	S	S	*	R
15. Master Sample	R	R	R	*	R
16. Checking Aids	R	R	R	*	R
17. Records of Compliance With Customer-Specific Requirements	R	R	S	*	R
18. Part Submission Warrant (PSW)	S	S	S	S	R
Bulk Material Checklist (see 4.1 above)	S	S	S	S	R

S= The organization shall submit to the customer and retain a copy of records or documentation items at appropriate locations.

R= The organization shall retain at appropriate locations and make available to the customer upon request.

*= The organization shall retain at appropriate locations and submit to the customer upon request.

Please forward PPAP documentation to the quality department and purchasing department of **COBRAPLAST S.P.A.** for approval.

Products delivered from the supplier's serial production must exhibit the same level of quality as the approved samples.

5. COMPLAINT MANAGEMENT

Notifications of non-conformity is issued for defective products in delivery or for raw materials discovered to be defective in the **COBRAPLAST S.P.A.** plant:

➤ Immediate response:

An initial response regarding the problem must be provided to **COBRAPLAST S.P.A.** within 24 hours and must contain the following information:

- Confirmation of the type of defect
- Emergency response action(s)

➤ Containment actions:

A. INTERMEDIATE CORRECTIVE ACTION

The supplier must take immediate corrective action on products or raw materials at its facility and at the **COBRAPLAST S.P.A.** facility.

The supplier must inform **COBRAPLAST S.P.A.** of any suspected products in shipments in transit.

B. 100% CHECK OF THE STOCK

The quality department of **COBRAPLAST S.P.A.** may require certified shipments until permanent corrective actions are defined and implemented.

C. SORTING

If a sorting is requested at the customer's plant, i.e., at the **COBRAPLAST S.P.A.** plant, or at the supplier's plant, the supplier has the option to act in the following methods:

- ✓ He may personally carry out the selection.
- ✓ May delegate the activity to a competent selection company (subject to approval by **COBRAPLAST S.P.A.**).
- ✓ May authorize **COBRAPLAST S.P.A.** personnel to proceed with the screening (with prior written approval).

Before initiating any rework, the method and type of rework must be approved by Supplier Quality **COBRAPLAST S.P.A.**

➤ Corrective actions:

- a. The supplier must send in an 8D document (the standard 8D template is recommended, but different formats may also be acceptable).
- b. The 8D should be sent to **COBRAPLAST S.P.A.** Supply Quality by the deadline specified in the notification whether the final corrective actions have already been implemented or not. If the 8D is sent after the due date for any reason, the supplier will receive a corresponding charge for the penalty achieved.
- c. Temporary corrective actions must be defined in the 8D along with the date set for final corrective actions.
- d. The supplier shall continuously update **COBRAPLAST S.P.A.** on the implementation of corrective actions as scheduled. Control plan & FMEA if necessary are to be updated.

In case of recurrence after the implementation of corrective actions, **COBRAPLAST S.P.A.** may require controlled shipments based on the level of deterioration of supply quality performance and associated risks.

6. COST MANAGEMENT

Costs will be charged for each nonconformity (quality or logistics) found in accordance with the following table:

Types of Costs	Reference cost per unit	Note
NCR (Non-Compliance Report - both qualitative and quantitative)	300€	The amount indicated covers the following costs of managing an NCR: <ul style="list-style-type: none"> ✓ time for preliminary analysis ✓ time to prepare technical documentation to support explanation of the problem ✓ preparation and shipment of the defective part, if any ✓ notification of the RNC ✓ supplier monitoring ✓ analysis of 8D report ✓ assessment of effectiveness of corrective actions ✓ time for quantitative compliance verification and RNC drafting.
Labor cost for selections or rework c/o COBRAPLAST	28€/h	Hourly cost of employing skilled manpower.
Scrapping of non-reusable components	-	The cost depends on the type of components to be scrapped

Types of Costs	Reference cost per unit	Note
COBRAPLAST production line stoppage	-	Cost depends on the type of production line, type of product, and production site
Production line stoppage at final customer	-	The cost varies according to the type of production line, type of product, and production site of the final customer
Special transportation to the end customer	-	If, due to delay in deliveries with regard to the schedule of the Order Schedule, extraordinary transports are necessary in order to comply with the timing of supply to the Customer of COBRAPLAST, the resulting expenses will be fully recharged to the supplier. Any stoppages of the Customer, will be recharged jointly and severally to the supplier with the amount equal to the Customer's invoice plus 100 euros (one hundred) for handling charges.

7. EXPECTED QUALITY STANDARDS

The supplier must be knowledgeable of and diligently adopt the quality standard provided by **COBRAPLAST S.P.A.** and must comply 100% with all requirements for process and product controls (with related records, where required) using the specific process equipment, control instruments, gauges, and molds.

The supplier is also required to promptly notify **COBRAPLAST S.P.A.** and act promptly, in case of product or equipment problems.

Unless otherwise specified, all quality records must be retained and remain available for at least one year.

Changes to parameters when permitted must be systematically recorded and maintained for at least three years (permissible file format)

8. PACKAGING, STORAGE CONDITIONS AND TRACEABILITY

The supplier is required to adopt and systematically use the packaging defined by **COBRAPLAST S.P.A.**

Finished products and components must be stored in such a way as to preserve the level of compliance with the expected requirements. Components such as plastic material, painted and/or assembled material, etc. must be handled according to the technical requirements of the manufacturer and/or **COBRAPLAST S.P.A.**

Components and finished supply products must be identified and comply with the established traceability criteria.

9. CHANGE MANAGEMENT

The supplier is not permitted to make any type of modification, including those caused by any sub-suppliers, that may impact form, assembly, and function (including performance and durability) without specific (written) authorization from **COBRAPLAST S.P.A.**

Temporary changes may be authorized with formal written waiver (in limited time and quantity) by Supplier Quality **COBRAPLAST S.P.A.**

In the event the supplier makes a change request, it must be submitted in the appropriate format provided by **COBRAPLAST S.P.A.** and forwarded to Supplier Quality and Purchasing. The supplier is not permitted to make any changes without written authorization from **COBRAPLAST S.P.A.** Any variation must be reported on the drawing.

10. MAINTENANCE OF CONTROL AND PROCESS EQUIPMENT

COBRAPLAST S.P.A. proprietary devices, process equipment, verification and control instruments, data collection, etc., temporarily placed in the supplier's plant for production purposes must be constantly identified, verified, and protected from damage or misuse. In case of anomalies, the supplier shall promptly notify **COBRAPLAST S.P.A.** and await instructions on how to proceed.

11. COMMUNICATION

COBRAPLAST S.P.A. considers the communication process a key factor in establishing a positive supplier relationship. Good communication allows for better understanding in the initiation of a new product and faster resolution of any quality issues that may involve our customer. A contact matrix showing standard flow and flow escalation should be shared with suppliers, including mailing addresses and phone number.

12. NOTIFICATION OF MANUFACTURING SCRAP (COMPONENTS AND FINISHED PRODUCT).

The supplier must systematically notify **COBRAPLAST S.P.A.** of the quantities of components - finished products found to be manufacturing scrap according to the frequency established by supply category. With the same principle, an allowance in % (see table below) is also agreed upon, which will be exempt from chargeback.

Commodity classes	Franchise %
Rubber molding	1%
Plastic molding	3%
Assembly	1,5%
Surface treatments	4,5%

13. ACCEPTANCE

Through the order confirmation related to the purchase order received by **COBRAPLAST S.P.A.**, the Supplier also accepts and undertakes to comply with the conditions present in this document and published on the website www.cobraplast.com and downloadable and/or printable from the same.

For any need or clarifications, we invite you to contact the COBRAPLAST Purchasing Department.

C.E.O

Franco LICO