

Quality Requirements for Suppliers, Subcontractors and Distributors

The Quality Manager (CQO) of EMBENTION INTELLIGENT SYSTEMS S.A. (EMBENTION) is pleased to inform you that our company has implemented a Quality Management System based on the UNE EN ISO 9001:2015 standard AND UNE-EN 9100:2018.

In the medium term, EMBENTION aims to integrate a Quality system with an Operational Safety Management system in order to obtain the Production Organization Approval (POA) according to Subpart G of Part 21 (Annex I of Regulation (EU) No 748/2012).

The support and participation of Suppliers, Subcontractors and Distributors are essential to strengthen quality management and operational safety in our company, becoming a key strategy for the future.

The quality and operational safety of the products must be proactively managed by all stakeholders through the strengthening of traditional risk control practices and ensuring systematic management of these risks. Therefore, the support and participation of Embention's Suppliers, Subcontractors and Distributors are crucial to guarantee the quality and operational safety of the final product.

Furthermore, please be informed that we will carry out an annual reevaluation process of our Suppliers, Subcontractors and Distributors based on incidents or order rejections, using certain evaluation criteria, such as:

- Material arrival status or service provision.
- Differences between requested and delivered/provided material/service.
- Compliance with delivery/execution deadlines.
- Quality of the provided service.
- Experience.
- Others...

Any incidents or anomalies detected in the performance of Suppliers and Subcontractors will be recorded as Non-conformities in our Quality Management System. These Non-conformities will have a negative impact on the assessment of your company.

EMBENTION will evaluate each case, and if the Non-conformities are not resolved, disqualification as Suppliers, Subcontractors and Distributors may be considered.

As part of our commitment to quality and operational safety, Embention establishes clear and specific requirements for our suppliers and subcontractors. We recognize that your support and participation are crucial to strengthen our processes and ensure excellence in our products and services. In this section, the requirements that will be requested of you will be detailed, with the aim of establishing a mutually beneficial collaboration and achieving the highest standards of quality and operational safety. We appreciate your commitment to complying with these requirements and working together to achieve excellence in our operations.

1. General Requirements for all Suppliers, Subcontractors and Distributors

1.1 Legal Compliance: Must comply with all applicable laws, regulations, and standards in their country of origin and the countries in which they operate at all times.

1.2 Product or Service Quality: Committed to ensuring products or services that meet the quality standards established by Embention. They must comply with the specified technical, performance, and safety requirements.

1.3 Notification of Changes: Will communicate any changes made to the products or services supplied to Embention. The changes to be notified include:

- Change of production location.
- Alteration of the organization and company/owner structure (including the company's headquarters).
- Change in key personnel if such a position is specified.
- Alteration of the Quality system.
- Changes in facilities or processes that could affect the aforementioned products or services.
- Suspension of the corresponding certificates.

1.4 Resources: Shall determine, maintain, and provide all necessary human resources, tools, infrastructure, and work environment to meet the quality requirements of this document. In addition, it shall keep the documentation associated with the product for 10 years.

1.5 Certifications and Accreditations: Embention may require suppliers, subcontractors and distributors to have certain relevant certifications or accreditations for their industry.

1.6 Ethical and Social Compliance: Embention expects suppliers, subcontractors and distributors to operate in an ethical and socially responsible manner. They must comply with human rights standards, fair labor conditions, prevention of child exploitation, environmental protection, and any other relevant ethical considerations.

1.7 Confidentiality and Information Protection: Must protect confidential information and data from Embention to which they have access during the performance of their duties. Must take necessary measures to safeguard the confidentiality, integrity, and availability of the information.

1.8 Compliance with Deadlines: Must comply with the agreed-upon deadlines for the delivery of products or services. Must communicate any deviations from the previously agreed-upon deadlines and take necessary measures to mitigate any negative impact.

1.9 Responsibility for Defects or Non-Compliance: Must assume responsibility for any defects in supplied products or non-compliance with provided services. Must provide timely and effective solutions to correct any issues.

1.10 Continuous Improvement: Embention encourages continuous improvement from its suppliers, subcontractors and distributors. They are expected to actively participate in improvement initiatives, share best practices, and seek ways to increase efficiency and quality of their products or services.

1.11 Cooperation and Communication: Must maintain clear and open communication with Embention. Should collaborate and cooperate in problem-solving, change management, and any other matters relevant to the business relationship.

1.12 Material Traceability: Must ensure the traceability of the supplied material. This involves maintaining clear and accurate records that allow for tracking the origin, processing, and distribution of the materials and COTS (Commercial Off-The-Shelf).

1.13 Obsolescence control: Shall determine the essential requirements for their products and services considering, when applicable, the possible consequences of obsolescence (e.g. materials, processes, components, equipment, products).

1.14 Prevention of product counterfeiting: Shall plan, implement and control processes for the prevention of the use of counterfeit or suspected counterfeit parts and their inclusion in products delivered to the customer.

2. Requirements for Service Provision at Our Facilities:

2.1 Occupational Health and Safety: Suppliers, subcontractors and distributors performing services at Embention's facilities must comply with all applicable occupational health and safety standards and regulations. They must take necessary measures to ensure a safe working environment, prevent accidents and injuries, and protect the health of their employees and anyone else present at Embention's facilities.

2.2 Authorizations and Permits: Suppliers, subcontractors and distributors must obtain all required authorizations and permits to perform their services at Embention's facilities. They must ensure that their employees are properly qualified and certified to carry out the assigned tasks.

2.3 Compliance with Internal Policies: Must comply with Embention's internal policies while at the facilities. This includes, among others, adherence to safety regulations, data protection, environmental protection, use of personal protective equipment, and any other relevant policies established by Embention.

2.4 Access Control and Confidentiality: Suppliers, subcontractors and distributors must comply with the access control procedures established by Embention. They will only be allowed access to specific areas necessary to perform their services. Additionally, they must respect the confidentiality of any information they may have access to during their stay at Embention's facilities.

2.5 Waste and Hazardous Substance Management: If suppliers, subcontractors and distributors generate waste or work with hazardous substances during the provision of services at Embention's facilities, they must properly manage these materials. They should follow the procedures established by Embention for segregation, storage, transportation, and final disposal of waste or hazardous substances, complying with applicable regulations.

2.6 Supervision and Auditing: Embention reserves the right to supervise and audit the activities of those providing services at its facilities. This may include inspection visits, review of records and documents, and evaluation of overall performance. Suppliers, subcontractors and distributors must fully cooperate with these supervision and auditing activities.

3. Specific Requirements for Subcontractors:

3.1 Facility and Documentation Access: Subcontractors shall grant Embention and public authorities the right to access the facilities and applicable documentation, at any level of the supply chain, to conduct investigations, inspections, audits, and progress evaluations. Subcontractors shall facilitate and fully cooperate with such activities, providing necessary assistance and information.

3.2 Customer Audits: Subcontractors shall grant the customer the right to conduct audits at any time with reasonable notice. The contractor shall allow the customer, as well as authorized third parties, access to all operational facilities, test areas, and peripheral areas, as well as inspection of relevant documentation for quality. Reasonable and necessary restrictions to protect subcontractor trade secrets will be accepted. The customer will inform the contractor about the results of such audits.

3.3 Tools and Equipment Control: The subcontractor must have a control system in place to ensure that tools and measuring and testing equipment in poor condition are identified and discarded for use. Procedures must be established for the proper inspection and maintenance of these tools and equipment.

3.4 Calibration of Measuring and Testing Equipment: The subcontractor must have a periodic calibration control system for measuring and testing equipment in accordance with the manufacturer's instructions. The measurement standards used must be traceable to national or international measurement standards and regulations. Updated records of performed calibrations must be maintained.

3.5 Risk Management: Subcontractors must implement an appropriate risk management system to identify, assess, and manage the risks associated with their products, services, or activities. They must collaborate closely with Embention in risk management by providing necessary information and participating in risk mitigation activities as required.

3.6 Process Traceability: Subcontractors must implement a process that enables the ability to track and document the flow of materials, components, and activities throughout the manufacturing process.

3.7 Awareness and Personal Responsibility: The Subcontractor must ensure awareness of its contribution to product conformity and safety and of the importance of ethical behavior.

3.8 Quality Management System: The subcontractor must implement a quality management system, which ensures that a sufficient structure is in place to satisfy the requirements established by Embention.

3.9 Information security: Subcontractors (and its Sub-Tier Suppliers) must provide a control plan or procedure to guarantee that hardware (SoCs, PCBAs, etc.) are secure, unaltered and haven't been tampered with in any way. This applies to any Supplier of hardware (and software components) including silicon vendors, PCB fabrication & assembly houses, Vehicle assembly Contract manufacturers, etc.

4 Evidentiary Requirements

4.1 Subcontractors: The subcontractor must provide and keep updated the documentation. This documentation is defined based on the work to be carried out. Listed below are the different types of documentation that Embention will require depending on the nature of the work. Some documents may not be required in certain cases.

PCBA Subcontractors:

- Certificate of Conformity (COC).
- Bill of Materials (BoM) with component part numbers used and their respective batch numbers and data codes (if requested).
- Automated Optical Inspection (AOI) process report (if requested).

PCB Subcontractors:

- Certificate of Conformity (COC).
- Documentation associated with Class 3A manufacturing (if requested).

Machined and 3D printed Parts Subcontractors:

- Certificate of Conformity (COC).
- Material Certificate (if requested).
- Technical inspection report (if requested).

Wiring Assemblies Subcontractors:

- Certificate of Conformity (COC).

Subcontracts for Certified Parts:

- EASA Form 1 from the European Aviation Safety Agency or equivalent.

4.2 Supply Providers: For supply providers, the following documentation is required, when applicable: product technical data sheets, CE marking of the product, warranty certificate, Certificate of Conformity (COC), EASA form 1 or equivalent, among others. These documents must be provided by the supplier and kept up to date.

4.3 Installation and/or Maintenance of Fire Protection Systems: Providers engaged in the installation and/or maintenance of fire protection systems must present their registration as an installation/maintenance company. This documentation must be valid and comply with the relevant legal and regulatory requirements.

4.4 Installation and/or Maintenance of Electrical Systems: For providers responsible for the installation and/or maintenance of electrical systems, the registration as an installation/maintenance company must be presented. This documentation must be valid and meet the requirements established by the competent organizations.

4.5 Accreditation and Certifications:

- The certification company must demonstrate accreditation by a recognized body and hold relevant certifications in the specific certification area required by Embention.
- The certification company must demonstrate expertise and competence in the relevant certification field for Embention. It should provide the curriculum vitae of its lead auditors and evidence that the auditors have the necessary training and qualifications to carry out the required assessments and audits.
- The certification company must provide documents with the obtained results. This may include audit reports, certificates, and actions taken in response to identified non-conformities.

We appreciate your collaboration and commitment to meeting these requirements. Your active participation and compliance with the established standards not only benefit Embention but also strengthen your own reputation and ability to provide quality products and services to other clients.

At Embention, we take pride in working with suppliers, subcontractors and distributors who share our vision of excellence and commitment to quality and operational safety. We look forward to continuing our close collaboration with you to achieve our common goals and deliver the highest quality products and services to our customers. Together, we can drive mutual success and continue to exceed market expectations.

The Management of EMBENTION thanks you in advance for your commitment.

Signature: Daniel Caparrós (CQO)
Date: 17/09/24



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