

New Supplier Registration and Operation Guidelines

1st April, 2025

DYCO DY DEOKYANG

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H I S T O R Y	Rev. No.	Rev. Date	Posted	Details
	1	4 th July, 2014	7 th July, 2014	New Legislation
	2	1 st April, 2025	4 th April, 2025	Change of Company Name

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1. Purpose

The purpose of these guidelines is to contribute to the establishment of a fair subcontracting transaction order by enhancing transparency and fairness in the registration and operation process of our partners, and to inform general matters regarding the registration and operation of our partners.

2. Composition of Guidelines

- 1) Matters related to new registration of suppliers
- 2) Matters related to modification/registration of changes in suppliers
- 3) Matters related to suspension of transactions with suppliers

3. Definition of terms

- 1) Scope of "Suppliers" in the guidelines
 - (1) Parts development supplier : A company that develops and supplies general automobile parts according to the parts development work standards and is recognized as a first-tier parts supplier of our company
 - (2) General purchasing supplier : A company that manufactures and supplies liquid raw and auxiliary materials and equipment other than automobile parts
- 2) "Approved purchasing company (AVL)" refers to a group of suppliers that our company registers, manages, and operates according to certain standards.

4. Evaluation criteria, procedures, and disclosure of results for registration of suppliers

- 1) Matters concerning the evaluation criteria and procedures for partner registration are included in this guideline, and this guideline is constantly disclosed on the electronic portal DAGS operated by our company.

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- 2) In case of changes to the evaluation criteria for partner registration, this guideline is revised and posted on the electronic portal DAGS operated by our company within 7 days of the change.
- 3) When partner registration is decided, the result is notified individually in writing (including electronic documents, hereinafter the same) within 15 days from the registration date, and the reason for non-selection is notified in writing.

5. New registration procedures for suppliers

5.1 Registration application

A company wishing to register as a new supplier must obtain approval from the parts purchasing team leader and submit the following documents:

- 1) New registration application form (fill out the form after receiving it from the relevant parts purchasing team)
- 2) Company status survey report (fill out the form after receiving it from the relevant parts purchasing team)
- 3) Financial statements (certified by an authorized institution for the year immediately preceding the registration application date)

However, in the case of a newly established company, the investment plan of the company may be substituted.

5.2 Company evaluation

1) Evaluation Criteria

- ① Quality Management System Evaluation : 90 points full score
 - a. Approved Parts
 - Design capability (10 points), development capability (15 points), quality (25 points), delivery (15 points), price (25 points)
 - b. Unapproved Parts
 - Development capability (15 points), quality (30 points), delivery (20 points), price (25 points)
- ② Financial Soundness : 10 points full score

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5.3 Summary of evaluation results

The relevant parts purchasing team leader compiles the evaluation results and prepares an evaluation report.

5.4 Registration request and approval

If the relevant parts purchasing team leader determines that the company is qualified to transact based on the company evaluation results, he/she will prepare the following related documents and proceed with the new registration request, and the company requesting registration must cooperate to prepare the related documents.

① Company evaluation report ② Company status survey report ③ Basic contract ④ Quality assurance agreement ⑤ Claim compensation agreement ⑥ Maintenance material supply agreement ⑦ Ethical conduct compliance agreement

5.5 Registration implementation

The parts purchasing team leader will proceed with AVL registration work once registration approval is completed.

5.6 Notification of commencement of transaction

The parts purchasing team leader

- 1) When a new CODE is issued to a registered company, the team leader shall notify the partner company and the business-related team (materials, quality, cost, etc.) of the transaction initiation with the registered company in writing (including electronic documents) within 15 days.
- 2) Request the IT team to open the DAGS for the company.

6. Change registration in case of change in registered transaction company

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- 1) Our partners must notify the parts purchasing team of any changes in registration information, such as changes in company name, representative, or location.
- 2) However, in the case of a change in representative due to a sale of shares or a transfer to a third party, excluding changes in representative due to inheritance, simple delegation of representative rights, etc., the following information must be included in the request for change registration to the relevant parts purchasing team in order to determine whether to continue business with our company.
 - Personal information of the new representative and reason for transfer of ownership

7. Cancellation/termination of contract of registered transaction company

- 1) The reasons for termination/cancellation of a contract shall be determined by agreement between the parties and shall be divided into 'cases where it is possible without a citation' and 'cases where a citation is necessary'. However, if a reason for termination /cancellation arises, it shall be notified in writing without delay.
- 2) Cases where it is possible without a citation are as follows:
 - When the other party receives a suspension of transactions from a financial institution, or a suspension of business, etc. from a supervisory authority
 - When it is recognized that the other party cannot perform the contract due to a serious business reason such as insolvency, compulsory execution by a third party, bankruptcy, initiation of composition, or application for corporate reorganization procedures
 - When the other party resolves to dissolve, transfer business, or merge with another company, or when both parties recognize that it is difficult to perform the contents of the basic contract or individual contract due to a disaster or other reason

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3) Cases where a citation is necessary are as follows, and in this case, the other party may be requested to perform within a period of at least one month, and the contract may be terminated/cancelled if performance is not performed within that period.

- If the other party violates the important provisions of this contract or individual contract, or if the receiving company delays the performance of the necessary matters for the production of ordered parts without a justifiable reason, thereby hindering the work of the supplier
- If the supplier refuses to produce ordered parts or delays the start of production without a justifiable reason, making it difficult to deliver within the delivery date
- If there is a significant reason to believe that the supplier's technical, production, and quality control capabilities are insufficient to smoothly perform the contract contents