

**PROMECO GROUP QUALITY AND COOPERATION REQUIREMENTS FOR SUPPLIERS**

This document contains the minimum requirements that suppliers shall comply with in relation to quality and cooperation. The requirements are applicable to all suppliers of Promeco Group companies and all product groups.

**Compliance with relevant legislation**

The supplier shall comply with all applicable laws and regulations, and conform with the requirements of good citizenship in each jurisdiction where the supplier performs its activities. This includes, but is not restricted to, compliance with laws and regulations on competition, corporate governance, taxation, financial disclosure, employee rights, environmental protection, occupational health and safety, and export control. Any modification, documentation, approval or procedure required by the applicable laws and regulations, shall be the responsibility and at the cost of the supplier.

**Restricted substances and materials**

The supplier shall follow and comply with all relevant laws and regulations related to substance and material restrictions. The supplier shall confirm and certify compliance with Conflict Minerals regulation, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), RoHS (Restriction of Hazardous Materials) and SRR (Ship Recycling Regulation) including IHM (Inventory of Hazardous Materials), and any similar regulation or standard, as applicable. Any modification, documentation, approval or procedure required by the applicable laws and regulations, shall be the responsibility and at the cost of the supplier.

**Quality requirements and QEHS management systems**

The supplier shall follow a quality management system complying to ISO 9001 quality requirements, or an equivalent standard, and as applicable environmental standards according to ISO 14001 and occupational health and safety standards according to ISO 45001, in its production and its whole operation. Also, all applicable industry specific quality standards shall be followed.

Supplier's performance against the set quality targets shall be reviewed and improvement actions shall be agreed if needed. The supplier shall measure and report its own performance against quality targets. Should the supplier doubt that not all agreed requirements are or have been met, the supplier shall inform the purchaser immediately of such potential shortcoming in the quality of the supply. Promeco is entitled to conduct quality reviews or audits at the supplier's and its sub-supplier's premises.

**Inspections and tests**

Before the delivery of the supply, the supplier shall duly inspect and test the supply in order to verify its conformity with the specifications. The costs of normal inspections, tests and related documents are included in the price. Upon request, the supplier shall perform additional testing and inspections and the costs for these additional procedures shall be mutually agreed.

**Non-conforming supply and handling of quality notifications**

The supplier shall promptly repair or replace any non-conforming supply. The supplier shall bear the costs and risk relating to the repair or replacement of the defective supply.

The supplier shall reply to a quality notification in writing without delay and at a minimum within the following time frame:

- Confirmation of receipt and commitment to immediate actions related to a supply quality issue within one (1) working day
- Corrective and planned preventive actions within two (2) weeks

After two (2) successive quality notifications, Promeco has the right to separately invoice the supplier a fixed administrative fee of 150 EUR for every individual notification that follows those two prior notifications during a calendar year.

An hourly labor cost of 50 EUR shall apply to all additional work Promeco must conduct to manage the non-conforming supply. It includes, but is not limited to, packing and shipping the non-conforming product to the supplier, and possible repair of the non-conforming products. The minimum repairing time is one (1) hour.

**Traceability**

The supplier shall ensure traceability and identification of Promeco products throughout the supplier's manufacturing process, as applicable.

**Environmental requirements for packing**

The products shall be packed in recyclable materials such as wood, cardboard or steel. Plastic may be used for binding the package and to protect it from moisture. Use of oil and rust protection substances in product manufacturing must be appropriate. If separate packing instructions are shared with the supplier, requirements of that specific instruction are primarily followed.

**Order confirmations and risk of delay in delivery**

The supplier shall confirm the order immediately, but no later than 2 days from receiving it. Should the supplier fail to reject the order within 2 days from receiving it, the order shall be deemed accepted and shall be delivered accordingly.

If the supplier has any reason to believe that the supply will not or may not be delivered in accordance with the agreed date of delivery, the supplier shall without any delay notify the buyer about the hindrance and its effects on the delivery and suggest an alternate date of delivery.