

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, labour 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. Upon request, 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 with ISO 9001 requirements, an environmental management system complying with ISO 14001 and an occupational health and safety management system complying with ISO 45001, or equivalent quality, environmental and safety standards, in its production and its whole operation. In addition, all applicable industry specific quality standards shall be followed.

Promeco monitors supplier's process and product quality by supplier qualification procedures, supplier audits, performance reports of delivery reliability and quality notifications, order confirmation coverage and accuracy, as well as general co-operation and willingness to develop. Supplier's performance towards the set quality targets are continuously reviewed and improvement actions shall be agreed if needed. The supplier shall measure and monitor its own performance towards 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 reserves the right to conduct quality reviews or audits at the supplier's and its sub-supplier's premises.

Inspections and tests

Before delivery of the supply, the supplier shall duly inspect and/or test the supply to verify conformity with specifications via supplier's own quality assurance processes. 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 cost 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:

- One working day: Confirmation of receipt and commitment to immediate actions (replace or repair)
- Two weeks: Corrective and planned preventive actions
- One month: Finalizing actions, including reimbursement, and closing quality notification

Promeco reserves the right to separately invoice the supplier a fixed administrative fee 150 € for each notification and an hourly labour cost 50 €/h (min. 1 hour) to cover all additional work Promeco must conduct to manage the non-conforming supply. Labour cost includes, but is not limited to, packing and shipping the non-conforming product to the supplier, and possible repair of the non-conforming products. Administrative fee and hourly labour cost are subject to change.

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. Colourless 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 two days from receiving it.

If the supplier has any reason to believe that the supply 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.