QUALITY REQUIREMENTS FOR SUPPLIERS
(Edition 01, dated 4 January 2017)

DFME ,,DAMEL" S.A.

1. INTRODUCTION

This document is the property of DFME-DAMEL S.A. Its purpose is to ensure and maintain quality throughout the planning, execution and delivery of projects. It applies to suppliers of raw materials and other materials, as well as services related to the manufacture and repair of products.
The Supplier shall comply with the provisions of contracts, purchase orders and contractual terms and conditions. These Quality Requirements for Suppliers have been developed on the basis of ISO 9001.
The Supplier is required to familiarize itself with these requirements and comply with them.
In the event of any conflict between the requirements specified in a purchase order, agreement or contract and the provisions of this document, the requirements set out in the relevant purchase order, agreement or contract shall prevail.

2. RIGHT OF ACCESS

The Supplier shall ensure that representatives of DFME-DAMEL S.A., its customers and supervisory authorities are granted access to all equipment and facilities related to the fulfilment of the order, including those of the Supplier's subcontractors and suppliers, as well as to all records and documentation relating to the performance of services and the Quality Management System.

3. TERMINOLOGY AND DEFINITIONS

The terms and definitions used in this document are those specified in ISO 9000.

4. GENERAL REQUIREMENTS

The Supplier shall have the technical capability to manufacture and deliver products and provide services that meet the requirements of DFME-DAMEL S.A.
Each Supplier shall be evaluated and approved prior to the placement of an order and shall also be subject to periodic evaluation. Unsatisfactory evaluation results shall require the Supplier to implement corrective and improvement actions. Such actions shall be a condition for the Supplier to remain on the Register of Approved Suppliers of DFME-DAMEL S.A.
Suppliers of products and services are expected to hold a valid ISO 9001 Quality Management System certificate. If the Supplier does not have a certified Quality Management System (QMS), it shall demonstrate its willingness to adapt its QMS to the quality requirements of DFME-DAMEL S.A.

A. DOCUMENTED INFORMATION

DFME-DAMEL S.A. shall be responsible for providing the Supplier with its own documentation or customer documentation (drawings, standards and instructions) necessary for the proper fulfilment of the order.
The Supplier shall be responsible for obtaining generally available standards, including Polish Standards (PN) and Industry Standards (BN).
The Supplier of products or services shall be responsible for preparing, protecting and archiving documentation and records relating to manufacturing and inspection activities, including process documentation, work instructions, production route cards, test reports and other relevant records.
All quality-related documents and drawings shall be retained for a period of ten calendar years.

5. RESPONSIBILITY

The Supplier shall bear full responsibility for the quality of its own products and services and for ensuring that its suppliers meet the applicable quality requirements.

6. COMPETENCE AND AWARENESS

The Supplier shall ensure that personnel performing activities affecting product or service quality are familiar with all quality requirements communicated by DFME-DAMEL S.A.
Personnel granted access to documentation provided by DFME-DAMEL S.A. shall be required to maintain its confidentiality.

7. ORDER FULFILMENT

A. CONTRACT REVIEW

The Supplier shall review the agreement, purchase order or contract to assess its ability to fulfil the requirements, taking into account the technical and quality requirements and the agreed delivery schedule.
The Supplier shall ensure the confidentiality of technical documentation provided by DFME-DAMEL S.A. for the manufacture of products or provision of services, as well as any other information belonging to the customer.

B. COMMUNICATION

All correspondence relating to deliveries shall be addressed to the person who issued the purchase order.
The Supplier shall notify the Logistics Department of DFME-DAMEL S.A. of any non-conformities arising during the fulfilment of the order.
For matters concerning technical requirements related to the manufacture of products or the provision of services, the Supplier shall contact the Development Department of DFME-DAMEL S.A.

C. DESIGN AND DEVELOPMENT OF PRODUCTS AND SERVICES

The Supplier shall be responsible for planning and preparing the technical

documentation necessary for the manufacture of products or the provision of services.
The technical documentation shall ensure product identification and traceability and enable accurate information to be retrieved after completion of the work, for example through the indexing of manufacturing process documentation.
The technical documentation shall be updated to reflect any changes communicated by the customer.

D. PURCHASING

Where the Supplier purchases products on behalf of DFME-DAMEL S.A., the relevant purchase order shall require:

- compliance with these Quality Requirements for Suppliers;
- the provision of quality documentation.

Materials supplied for production shall be accompanied by manufacturer's inspection certificates containing the results of the tests performed.

E. PRODUCTION AND SERVICE PROVISION
Monitoring of production and service provision

Processes performed on products intended for DFME-DAMEL S.A. shall be carried out in accordance with the agreed manufacturing process and approved process documentation.
The Supplier shall notify DFME-DAMEL S.A. of any proposed change to the manufacturing process agreed with DFME-DAMEL S.A. that may affect the product or its characteristics. Such notification shall be provided before the change is implemented.
Where technological operations or tests are performed on products supplied by DFME-DAMEL S.A., the Supplier shall not subcontract the relevant work to another supplier without the prior written consent of DFME-DAMEL S.A.
Each delivery of products shall be accompanied by quality documentation, including a Certificate of Quality specifying the required product characteristics and parameters, together with reports of the tests performed.
The quality documentation shall contain sufficient information to enable the documents to be unequivocally linked to the relevant product.

Validation of production and service provision processes
Manufacturing processes shall be carried out using serviceable technical equipment and performed by appropriately qualified personnel. Process parameters shall be continuously monitored.

Identification and traceability
Materials and products shall be identified at every stage of production and delivery by means of a batch number, heat number, serial number or other appropriate identification marks.

Customer property
Materials and products supplied by DFME-DAMEL S.A., or otherwise owned by DFME-DAMEL S.A., shall be properly controlled and clearly marked. They may be used only for the purposes specified in the relevant purchase order.

Preservation of product
The Supplier shall protect products against damage, deterioration and mix-ups during manufacturing, handling, storage and transportation.

B. CONTROL OF MONITORING AND MEASURING EQUIPMENT

All inspection, measuring and test equipment used shall be identified and subjected to periodic metrological verification or calibration, as applicable. The results of such activities shall be documented.

1. MEASUREMENT, ANALYSIS AND IMPROVEMENT

A. GENERAL PROVISIONS
The Supplier shall strive to achieve the following objectives:

- zero non-conformities in product deliveries;
- deliveries in accordance with the dates agreed in the purchase order or delivery schedules.

The Supplier shall inspect incoming materials and maintain documented control of the manufacturing process to ensure that products comply with the applicable standards, drawings and technical specifications.
Suppliers providing machining services or special processes shall inspect product dimensions using controlled measuring equipment and gauges, as appropriate, and shall monitor the relevant process parameters for special processes.
A dimensional inspection and measurement report shall be prepared for each delivery of products.

B. INSPECTION
The source document contains a heading for this section but does not provide any additional substantive provisions under it.

C. NON-CONFORMING PRODUCT
DFME-DAMEL S.A. shall be notified immediately if any non-conformity relating to delivered products is suspected or identified.
If DFME-DAMEL S.A. submits a product complaint, the Supplier shall review and respond to the complaint within five days, unless otherwise agreed.
Non-conforming products shall be assessed jointly by the customer and the Supplier in order to determine the appropriate

disposition, such as repair, reclassification or scrapping.
If the agreed actions are not completed within the specified period or fail to achieve the agreed outcome, DFME-DAMEL S.A. reserves the right to terminate the contract with immediate effect and seek compensation for any losses arising from the Supplier's failure to meet its obligations towards DFME-DAMEL S.A.'s customers.
Products classified as non-conforming or accepted under a concession shall be segregated from conforming products and clearly identified. Any approvals or concessions granted shall be referenced in the relevant quality documentation.

D. IMPROVEMENT

DFME-DAMEL S.A. evaluates Suppliers on the basis of the following criteria:

- quality of products supplied;
- price, including the scope for negotiation, payment terms and payment deadlines;
- on-time delivery performance;
- number of delivery non-conformity reports;
- responsiveness to product complaints.

Where a Supplier receives unsatisfactory evaluation results, it shall be required to develop and implement improvement actions.

E. NON-CONFORMITIES AND CORRECTIVE ACTIONS

Any non-conformity identified by DFME-DAMEL S.A. in products or in the Supplier's documentation shall be analyzed by the Supplier. The results of the analysis shall be submitted to DFME-DAMEL S.A. in the form of a report containing:

- the root cause of the non-conformity;
- correction or corrective measures addressing the identified non-conformity, including product rectification where applicable;
- corrective actions intended to prevent the non-conformity from recurring.