



Supplier Manual

- *Guidelines for CEJN-suppliers*
Supplier Center Limited Edition



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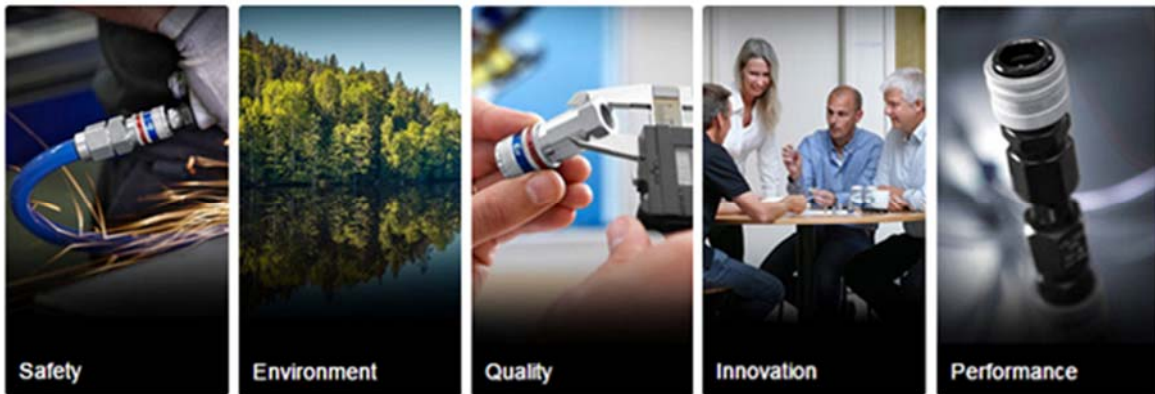
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OUR BUSINESS CONCEPT

CEJN is a leading global niche company with local presence providing innovative quick connect solutions, adding value and productivity to customer applications and processes. CEJN is committed to high quality products with focus on performance, safety and environment, secured through own development and production in a spirit of continuous improvements of processes, technologies and products. CEJN is an independent family owned business with its roots in Sweden since its start in 1955. CEJN is committed to maintaining its high standards of responsibility towards our customers, employees and the environment.

OUR CORE VALUES



SAFETY

Safety is vital to our business. It is not merely optional, but is essential to everything we do and we take responsibility for the safety of our customers and users. A safe work place is our top priority and we are not satisfied until our customers no longer have to choose between safety and high-performance products. Recent product launches and developments such as eSafe and the alert-ring on our Ultra High-Pressure couplings are proof of that.

ENVIRONMENT

Protecting the environment is essential to us and is something we take very seriously. Developing energy-efficient products is a matter of course for us, as this goes hand-in-hand with putting less pressure on the compressor. Spill-free products are another objective, to avoid contamination of the environment and hydraulic systems. Our Swedish production facilities are run on wind power and CEJN's aim is to work in as an environmentally friendly way as possible. We implement an Environment Management System with ISO 14001 requirements as our minimum standard.

QUALITY

Our goal is to deliver a high level of quality throughout the process, from raw material, product development and production to delivery and customer support. We put our

customers first and strive to exceed their expectations. Our operations have been certified in accordance with the ISO 9001 quality management system standard since 1995. This prioritises, among other things, customer focus, employee commitment and continuous improvements.

INNOVATION

By unlocking the creativity of our staff and their interest in experimenting with new technologies, we are constantly stretching the boundaries of what is possible. With six decades behind us and a number of different innovations in our arsenal, our global organisation remains one-step ahead. This includes how we operate, the technologies we apply and our commercial approach. Innovation by performance.

PERFORMANCE

Delivering products that provide a high level of performance is deeply rooted in our DNA, and was one of the reasons why the first CEJN coupling was designed. The surrounding world is constantly evolving, presenting us with new challenges every day, and that is why flexibility is one of our guiding principles. We work closely with our customers during the development phase and guarantee to provide them with the best and safest performance products on the market.

GENERAL

Being a supplier to CEJN means being a fully qualified and reliable provider of competence into our value chain. Having been chosen requires an attitude of continuous improvement and a spirit to always strive for competitive excellence, efficiency and added value into the daily operations. This supplier manual describes and specifies the principles and demands that all of our suppliers must comply with and follow. Some sections are specific CEJN-requirements, whilst others are related to different quality- and operation standards as for example ISO 9001 or ISO 14001. The content of the supplier manual may change over time. To guarantee you have the latest version, contact CEJN: s central purchasing department.

Business values and Guiding principles

Our fundamental values are built on the following foundations:

- A good and healthy supplier co-operation is built on professionalism, trust, responsibility and accountability by all parties involved. A co-operation built on these principals will lead to respect and a long-term relation.
- With professionalism, we mean the appropriate competence, behaviour and ability to deliver expected results.
- We have a considerate and precautionary view on all human relations and our environment.
- Continuous improvements and increased efficiencies are a natural and daily part of work behaviour and culture.
- Decisions and corrective actions are always based on measurable and objective factors.

We chose to cooperate with suppliers who:

- Share our fundamental values and principles and who are always fully aligned with our code-of-conduct requirements.
- Follows international rules and regulations for human rights, national labour- and environmental laws.
- Fulfils our technical and commercial demands on supplied goods or services.
- Have the right communication skills, logistic solutions and administrative routines in place for an efficient trade of goods or services.
- Have the appropriate management-, process- and quality systems in place.

All of our suppliers are grouped into strategic, prioritized or conventional suppliers and our ongoing supplier development work is targeted towards manoeuvring the complete supplier portfolio into the strategic and prioritized supplier segments.

Code of Conduct & Corporate Social Responsibility

CEJN is a global company with operations in many different countries where different laws, cultures, values and traditions apply. In all areas in which we operate, we are aware of and respect the views of the public and effects of our operations, which impose exacting demands on the way we conduct our work. At the same time as we strive for future profitable growth and continued success we are committed of contributing to a sustainable development by assuming our social and environmental responsibility and by doing business in a highly ethical manner.

Our solid belief is that the best and most beneficial and successful business conducted between parties is based on honesty, respect, accountability and professional behaviour. We create competitiveness and cost benefits by ensuring a high level of professional achievement and never resort to unethical or illegal business practices. We will never do business with someone who is likely to harm or jeopardize our brand name or reputation. Our ethical requirements and code of conduct for all of our suppliers are primarily based on the UN ten principles (Global Compact) in the areas of human rights, labour, the environment and anti-corruption, as follows;

HUMAN RIGHTS

Principle 1: CEJN suppliers must support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

LABOR

Principle 3: CEJN suppliers must uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

Principle 7: CEJN suppliers must support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Our belief is that all environmental considerations and challenges are very important and of profound interest. We are today certified according to the environmental management standard ISO 14001, which focuses on how our organization and operations can minimize any negative environmental impact, how to fulfil applicable laws and agreements, and how to continuously improve within the environmental field towards a sustainable future. In order to become a prioritized or strategic partner to us you must be certified according to ISO 14001 or to an equivalent standard. You must also comply with national and international laws and with the EU's chemical legislation, REACH no. 1907/2006 issued by the European parliament and its council.

ANTI-CORRUPTION

Principle 10: CEJN suppliers must work against corruption in all its forms, including extortion and bribery.

COMMUNICATION

A fundamental requirement for good cooperation is good communication. In order to avoid misunderstandings, straightforward and clear communication is required, on the part of both CEJN and its suppliers. This applies to all areas. It is essential that the supplier always contact the relevant person at CEJN to check on any matters where there is any risk of doubt. We consider it very positive that our suppliers act pro-actively in all of these communication matters.

BUSINESS TERMS & CONDITIONS

The documented terms and general regulatory framework which forms the base for all CEJN supplier agreements and for individual orders must be interpreted in accordance with **Incoterms 2010** (international rules for interpretation of trade terms), issued by the International Chamber of Commerce. For individual orders of goods (direct materials or –services), refer to **CTC** i.e. “**CEJN Terms & Conditions**”, (unless

otherwise agreed in a specific supplier agreement). Prices stated on purchase orders are considered as fixed until otherwise agreed with CEJN: s central purchasing department.

Supplier Center

On CEJN Supplier Center you will find more information and documents.

<http://www.cejn.com/Guides-Support/Supplier-center/>

QUALITY AND BUSINESS MANAGEMENT

General

Quality is a cornerstone of CEJN: s activities. This is partially a question of understanding the customer's requirements and wishes and translating them, through product development and manufacture, into reliable, high-performance products. It is also a question of reliable, secure deliveries and value-adding services, such as technical support and maintenance. These and other matters form the basis for CEJN: s quality, which has a very strong market position and which in the future will be a very important success factor. CEJN AB is certified according to international standards for the quality management system ISO 9001 and environmental management system ISO 14001.

CEJN: s monitoring of suppliers

CEJN generally monitor and follow-up on the achieved quality results of suppliers. If the result concludes that, a supplier is failing to comply with CEJN: s quality requirements, CEJN will demand that the reasons for this shall be identified and measures implemented to improve the outcome. These measures and corrective actions must be communicated to CEJN in a detailed timetabled action plan. CEJN can carry out system- and/or process audits, or similar, at the supplier's premises or through the complete supply chain, if so required.

Quality system

In order to become one of CEJN: s prioritised suppliers; you must have a quality management system that complies with ISO 9001 or equivalent. Alternatively, the supplier should have a clear aim, a schedule and an action plan for implementing such a system.

Continuous improvement

Continuous improvement is a basic requirement for all supplier activities. With the help of motivated employees and a selection of tools and methods for continuous improvement, actions must be performed that contributes to competitiveness over time.

The supplier's goals

The supplier's management must establish goals, at least within the areas of quality and delivery performance, create action plans to achieve those goals and systematically monitor the outcome and results.

The zero-defect principle

The supplier should adopt a fundamental strategy for quality development in accordance with the zero-defect principle. This implies a mental attitude and mind-set of not accepting defects and constantly striving for a flawless result.

Quality Assurance Activity (QA levels)

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PRODUCT DEVELOPMENT

General

CEJN develops products that stand out as being of the highest possible class and synonymous with top quality, reliability and flawless high performance for a variety of media, and for all sorts of demanding applications. When developing new products, rigorous testing is carried out to ensure both the function and quality prior to launching the product on the market. Function and quality are also, what a customer choosing CEJN products expects, and it is extremely important to continually live up to those expectations. This applies to both ongoing production and the introduction of new or changed products.

CEJN: s systems and requirements for suppliers for new or changed items

When a new or changed product is to be launched, or when a new supplier starts supplying CEJN, the following steps must be reviewed as applicable:

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Quotation (RFQ)

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Supplier Assessment

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Contract Review

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Agreement

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Risk Analysis of the supplier's process

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Control Plan

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Capability Studies

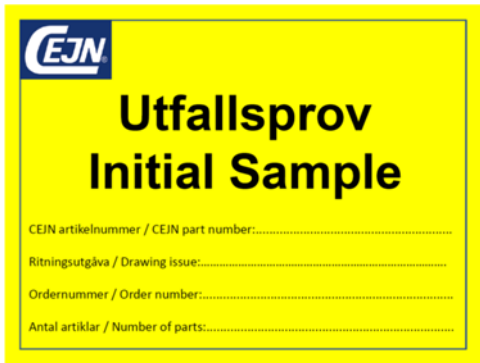
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Initial Samples of Approval

Initial samples are ordered by means of an order containing detailed delivery terms. The parts/documentation for initial samples must be verified against the relevant specification. The supplier is responsible for the verification of the initial samples and that they are correct according to specification. When unsure of the status of the initial samples an independent third party shall be engaged. When a PPAP is required to be performed, it shall be agreed in the contract review.

Instruction for initial sample of approval delivery:

- Number of parts, sent for initial sample approval, should be decided from case to case and are specified in CEJN: s order or according to agreement in the contract review . A typical range is 3-5 parts. When parts are to be manufactured in a tool with more than one cavity. A minimum of one part from each cavity must be sent as initial sample, separately marked with the identity of that specific cavity.
- Parts for initial sample shall be manufactured in the production equipment, intended for serial production.
- The supplier shall verify that the parts meet geometrical demands and other specifications according to drawing and other part specifications. If so demanded the supplier shall on own cost verify at external party if nothing else agreed.
- A measuring protocol, containing the suppliers measuring result of the different part properties, shall be attached to the initial sample delivery. Additional to the measuring result, the measuring protocol shall contain CEJN: s part number and drawing issue, nominal value with tolerance and measuring method.
- All geometrical properties shall be within tolerance.
- Material certificate or similar documentation where it is being specified what material has been used, shall be enclosed with the initial samples.
- The parts in the initial sample shall be individually marked and traceable back to the measuring protocol.
- When there are changes during running production, only the properties that are concerned of the change need to be measured, unless anything else is agreed.
- The initial sample delivery shall be labelled with the label below. The flag is available on www.cejn.com and can be printed out by the supplier. The label can be attached on the outside of the package or be included with the parts so that it is clear that they are initial samples. Initial samples shall always be sent separated from ordinary shipments.
- If there are any questions, please contact the concerned contact person at CEJN.



Label for initial samples

After the initial sample have been approved by CEJN, serial deliveries can begin in accordance with issued purchase orders.

Scope

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RUNNING/SERIAL PRODUCTION

This section contains a number of requirements for CEJN: s suppliers during running/serial production with the aim of ensuring a smooth process prevent defective parts being produced, as well as to ensure corrective action in the event of any non-conformity.

Quality responsibilities

It is the supplier's responsibility to ensure that all supplied parts are in accordance with specifications. A supplier should be able to prove that parts are manufactured in accordance with valid specifications and, if applicable, other required regulations. It should be possible to demonstrate and prove this at the request by CEJN. CEJN: s suppliers must always take full responsibility for delivered parts, i.e. including any operations carried out by the supplier's subcontractor or other contracted third party supplier. A contracted 3rd party supplier also has responsibility for ensuring that the included materials are in such condition that the prerequisites for a treatment to be successful exists, before the treatment commences, as well as taking responsibility for the final results after treatment being according to specification. CEJN do not normally carry out incoming inspection of goods. This is only performed on critical articles, after deviation occurrences or on new articles.

Competence

Staff competence and motivation are a basic prerequisite for achieving good results, regardless of the area concerned. The supplier must always ensure that the staff have the right skills, conditions and understanding to perform a satisfactory job. These skills should be utilised in the process of continuous improvement. All employees should be qualified for the tasks they perform on parts for CEJN, and this should be documented, for example, in a so-called 'skills matrix'. The relevant education and training must therefore be provided to all employees in order to give them the best possible qualification base to perform their duties in a satisfactory way.

Verification of equipment

The accuracy of the machinery should be known and verified, so that it can be shown that the desired tolerances easily can be fulfilled. Where applicable, some kind of capability analysis shall be carried out. If the distribution in a machine is known, it can be used for multiple parts without requiring a capability analysis for each part.

Measuring equipment

Measuring equipment used in production must be calibrated. The supplier must use measuring equipment that is suitable for measuring each property. The measurement accuracy must be known and sufficient enough to measure each property, for example through a measuring system analyse (MSA) or similar. In cases when the supplier do not have appropriate measuring equipment it is the supplier's responsibility to hire external resources to meet this requirement.

Control plan

The supplier must be able to, to the appropriate extent, develop a control/inspection plan, which, among other things, shows the characteristics to be controlled, and the frequency of controls/inspections. The control/inspection plan may be specific for each individual part number or general for several similar parts. The Control Plan shall be updated when for example process changes, deviations, change of supplier or when otherwise required.

Risk analysis

The supplier must be able to, to the appropriate extent, carry out a risk analysis before the first production run of a part, in order to prevent any errors. This may take the form of an FMEA (Failure Mode and Effect Analysis); although other types of risk analysis may also be used. The risk analysis may be specific for each individual part number or general for several similar parts. The risk analysis should continuously be updated when for example process changes, deviations, change of supplier or when otherwise required.

Capability and statistical process control

The supplier must be able to carry out capability analyses and process control using SPC (statistical process control) if CEJN so requires. The supplier should, by own initiative, evaluate properties that needs capability analyses/SPC and implement this, where appropriate.

Critical process parameters

Some processes require that certain critical process parameters are to be closely controlled, e.g. washing, surface treatment and hardening. The supplier must identify these critical parameters and actively manage them so that the optimal results are obtained. The result should also be verified where possible. Critical processes must always be identified and evaluated in a risk analysis.

Error proofing

Solutions that prevent errors should be pursued as far as possible, so-called "poka-yoke" or "error-proof" solutions. Examples of this include components that cannot be turned the wrong way when mounting or operations that cannot be undertaken unless the previous operation is performed correctly.

Inspections and measurement

A "first piece inspection" and a "last piece inspection" shall always be performed at the start-up and ending of a production batch and the results must be documented. Measurements and checks should be performed continuously during the production of a batch in order to verify that the produced parts meet the specifications. The results shall be documented and saved to the extent applicable, so that evidence can be shown that manufactured parts meet the requirements whenever requested by CEJN.

Stop and start-up

On start-up after any stoppage during ongoing production, produced parts must be verified. It must be ensured that any parts which deviate from the specification are separated and removed. The supplier must have a structured approach to this work.

Deviating materials and parts

Any materials or parts that deviate from the specification and are discovered by the supplier must be handled in a controlled manner to prevent them becoming mixed up with materials or parts that meet the specification and are due to be delivered to CEJN. Deviating parts should always be placed in the appropriate, clearly marked packaging. After agreed with CEJN the goods shall be marked so it is possible to identify the deviating goods, for example after a deviation approval. The supplier is responsible to inform in advance how this marking looks like.

If rework or adjustment is necessary, there shall be routines for this. When an error is detected, the supplier must ensure that parts already produced are faulty-free. The supplier shall have a routine for demarcation during production. The problems and errors that occurs in the supplier's process must be followed up and mapped systematically. Corrective action must be taken to prevent a recurrence and ensure continuous improvement. When appropriate the risk analysis and control plan shall be updated.

Complaints

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Deviation flow

Deviation approval

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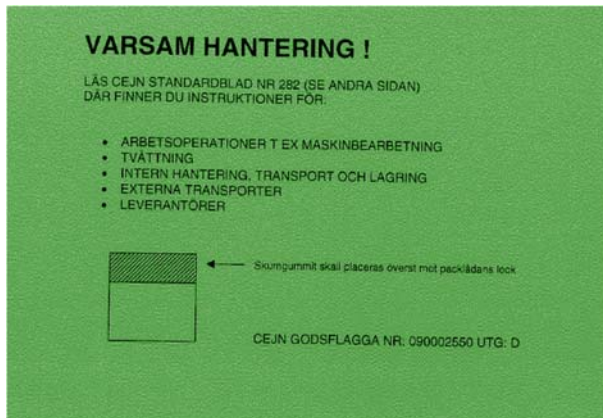
Product and process changes

If a supplier has called for specification changes to products, or a major change in the production process, the Product/Process Change Request form, to be found at www.cejn.com (Supplier Center), should be completed and sent to the central purchasing department at CEJN. Purchasing coordinates internally within CEJN so that the change can be approved or rejected and returns the completed form to the supplier with a decision on whether the proposed change has been accepted or not. CEJN can demand that no major process changes from an agreed production set-up are allowed, without CEJN: s approval. New initial samples shall be delivered when a

major product- or process change is carried out. If a change is to be defined as a major change or not has to be agreed from case to case with CEJN.

Careful/extra careful handling

For some sensitive items, CEJN requires careful handling to avoid handling damage. There are two classes: Requirements for careful handling and requirements for extra careful handling ("egg filler handling"). Detailed requirements for handling are specified in the relevant CEJN Standards, CS. A green goods flag, "careful handling", or a yellow goods flag, "extra careful handling", should be placed in each package (see images below).



Careful handling



Extra careful handling

Maintenance and efficiency

The supplier must carry out planned preventive maintenance of machinery and equipment. Measures of performance such as Overall Equipment Effectiveness (OEE) should be known. Furthermore, losses in manufacturing must be continuously mapped and activities for continuous improvement implemented. Examples of losses may include set-up losses, short stoppages, rejects and reworks, etc. It is recommended that the supplier obtain knowledge in the field of TPM (Total Productive Maintenance) or LEAN production.

Cleanliness

Many of CEJN: s components are included as parts in other systems in which cleanliness is of paramount importance, e.g. hydraulic systems. Cleanliness is very important for the function and tightness of many parts and components. Larger particles visible to the naked eye can cause functional problems and leaks in the

hydraulic system. Even smaller particles not visible to the naked eye can reduce the service life of components in the hydraulic system. Cleanliness is also essential to achieve an acceptable surface treatment finish. Components provided to CEJN shall be free from contaminations visible to the naked eye (chips, burrs and other irregularities). The components must also be free from oil, unless otherwise agreed (e.g. for rust protection). It is the supplier's responsibility to monitor those influencing processes and to follow up on delivered parts to ensure they are satisfyingly clean, free of burrs, etc. The requirements for cleanliness must also be taken into account during handling, packaging, storage and transportation. In some cases, CEJN may set specific, quantified requirements for cleanliness. Corrosion, see "Packaging" below.

Subcontractors

Quality and delivery precision for materials from subcontractors must be continually evaluated and corrective measures must be introduced in the event of any deviations.

Surface treatment and hardening

Surface treatment and hardening must be carried out in accordance with relevant CEJN standards (CS). Please note that all surface treatment must be Cr6-free and meet CEJN's demands for corrosion protection.

Silicone

Please note that the use or addition of silicone to products or processes used to produce products for CEJN is not permitted (for example, for lubrication, etc.), as silicone can be present on parts delivered to CEJN and subsequently be spread to CEJN's customers' processes. The reason is that silicone could cause major problems for some of CEJN's customers (e.g. painting facilities).

DOCUMENTATION AND TRACEABILITY

In general, the supplier must, to a sufficient extent, document the results of the various checks and control parameters in their process, so that there is evidence that the products meet the requirements. CEJN can set requirements for traceability and demand that certain specific activities are carried out and documented, and that the results are saved and can be linked to each delivery to CEJN. This is to verify that all process steps have been performed and that parts meet the requirements set. In some cases, requirements may call for certain results documentation to be sent with the goods. Hardening certificates, material certificates, certificates of dehydrogenization, and capability analyses (SPC) results shall be saved for a minimum of 5 years after delivery at the supplier's site. If asked for results shall be sent to CEJN within 24 hours (excluding weekends and planned vacation).

DELIVERY, LOGISTICS AND INVOICING

General

CEJN's customers are constantly demanding stricter requirements for shorter and more reliable deliveries. In addition, requirements concerning flexibility are increasing in order to be able to rapidly meet changed needs over time. Delivery precision is a very important parameter and it is essential for CEJN to meet customer demands and wishes for continuing good competitiveness. This affects both CEJN and its suppliers. In order to meet these demands, effective and reliable delivery systems must be

created with suppliers who meet CEJN: s requirements. In addition, continuous improvement work must be carried out in the area.

Follow-up

CEJN measures and continuously monitors its suppliers' delivery performance. Two measures of performance are used, delivery service and delivery reliability. Delivery service refers to the supplier's ability to deliver in accordance with CEJN: s original wishes. Delivery reliability refers to the supplier's ability to deliver in accordance with its own confirmed delivery date.

If the follow-up indicates that, a supplier is unable to meet CEJN: s requirements for delivery service and delivery reliability, CEJN may demand that the reasons for this be identified and that corrective measures be implemented to improve the outcome. These measures should be communicated to CEJN in a timetabled action plan.

Forecast

CEJN draws up a monthly breakdown of a forecasted number of parts by product code to be delivered, which creates the need for finished products and purchasing needs of raw materials, semi-finished and finished products through the net requirement calculation.

A forecast list including rolling 12-month needs for each part number is distributed to the concerned suppliers.

Order

When there is a need for a part, an order is distributed to the relevant supplier, stating the quantity, desired delivery date, price (not for contract suppliers), shipping address and other terms of delivery. It also shows the relevant version for any drawing/specification and any other special requirements. The supplier shall check that the drawing version on the order matches with the version the supplier is using for manufacture. The supplier must also check carefully for any other requirements, as these may not always be indicated on the drawing.

Order acknowledgement

The supplier must confirm an order with an order acknowledgement, in which the quantity, delivery date and price, including any discounts, are confirmed. This is a confirmation that the supplier has understood the order correctly. Unless otherwise communicated, CEJN will assume that the agreed confirmed delivery date will be adhered to. The order confirmation must be sent within 3 working days of the order having been received. If no order confirmation is sent, it is expected that the delivery date requested by CEJN will apply.

Delivery Notification

The supplier must always send a shipment notification when goods are dispatched.

Distribution of drawing/specification

CEJN normally distributes drawings and other specifications in connection with the start-up of a new part from a supplier. New drawings are then distributed when a new version is issued. The supplier must always ensure that adequate routines are in place to be able to implement changes in a quality secured way.

Address

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Terms of delivery

Normally, the order states "FCA", (Free Carrier). This means that the supplier's duties are fulfilled once the goods are packaged and loaded on the chosen forwarding agent's vehicle. In this case, CEJN is responsible for the risk and insurance in transit, the supplier is responsible for the risk and insurances during loading. Other delivery terms may apply and are shown on the order.

CEJN's customer number at a few selected agents:

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Payment terms

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Packaging

The product shall be packaged with reference to its nature, susceptibility to damage, susceptibility to rust and method of transport without any undue increase in packaging costs.

Non-surface-treated steel components must be protected by enclosing them in a plastic bag with corrosion protection.

Cleanliness on parts shall always be taken into consideration when choosing type of packaging. If specific quantified requirements regarding cleanliness are set, the concerned parts shall be packed into plastic bags inside the delivery packaging, if nothing else is agreed with CEJN.

Recommended maximum weight for individual packages (boxes, etc.), intended to be handled manually is 15 kg. The maximum permitted weight is 20 kg.

Supplier shall aim at that there are no sharp edges, details or similar inside or outside on packaging which can cause injury to personnel during handling.

Normally, packaging will be considered as being included in the agreed price.

Goods labelling

Each individual packaging (box, bag or similar) shall be clearly marked with CEJN: s article number, drawing issue, quantity and purchase order number.

Documentation that must accompany goods

The associated delivery note must accompany deliveries of parts. At least one delivery note should be attached to the package/outside of the packaging. It should match what is delivered in reality. The delivery note must include:

- The supplier's name and address
- The supplier's unique delivery note number (reference number)
- CEJN: s order number

Each delivery line must include:

- CEJN: s complete part number
- The drawing version used in the manufacturing of the component
- Delivered quantity
- If agreed upon, batch numbers should also be included on the delivery line.

- If the delivery contains of same article number with different order number each delivery line must state correct order number.
- Documentation and goods labelling shall be clear and readable. Hand written documentation and labelling is not allowed.

Miscellaneous:

When parts are sent from CEJN for subcontract treatment, e.g. hardening and surface treatment, a document folder is included in which all enclosed documents must be collected, (the supplier's delivery note and, for instance, hardening results and dehydrogenization certificate). These folders with accompanying documents must be kept separate for each part number.

In some cases, requirements may call for certain results documentation to be sent with the goods. Examples include hardening certificates, material certificates, certificates of dehydrogenization, capability analyses, SPC results, etc. Hardening certificates, material certificates, certificates of dehydrogenization, capability analyses (SPC), results shall be saved for a minimum of 5 years after delivery at supplier. If asked for results shall be sent to CEJN within 24 hours (excluding weekends and planned vacation).

Administrative deviation

If administrative deviations occur, CEJN can issue an Administrative Deviation Report, called QA. Example of administrative deviations: order number missing on delivery note, missing document, poor goods marking, wrong quantity, etc., etc. The supplier shall, within 20 days after issuing date, respond to the issuer of the QA-report, with corrective actions, if nothing else is agreed.

Transport damage

If the ordered product is delivered damaged to CEJN and it is beyond reasonable doubt that the goods were not already damaged as a result of packaging and handling by the supplier, the matter must be dealt with by CEJN and the transport agent as an insurance matter. The exception is where the product can be considered to be poorly wrapped and packaged by the supplier prior to collection. In these very infrequent cases, the matter will be dealt with by CEJN and the relevant supplier.

Delivery delay

CEJN expects the agreed and confirmed delivery date to be met. If a delivery delay becomes inevitable, the supplier must, as soon as possible, notify the relevant material planner at CEJN and agree a new delivery date. If necessary, an order must be partly delivered earlier, in order to secure CEJN: s delivery precision towards customers.

Difference in quantity

CEJN expects the agreed and confirmed quantity to be met. If delivered quantity differs from ordered quantity, shall the supplier, in advance, gain approval for this from the concerned material planner.

Lead time

The supplier must know the lead-time and throughput time required for a part. Where the lead-time for a part is changed, the supplier must inform CEJN. This information is important for CEJN: s planning.

The supplier should have knowledge of an optimised size of a manufacturing batch for a part in relation to need and warehousing costs.

Systems

The supplier must have material supply, production and delivery systems with high capacity and flexibility. Flexibility means the ability to rapidly meet changes in material need caused by changes in demand for the product.

Dimensioning

CEJN's suppliers should regularly estimate the overall workload of their respective equipment. By comparing the forecast coverage and the available capacity, bottlenecks can be identified, communicated and, as far as possible, eliminated.

Invoicing

Where invoices are issued, the invoice should state:

The supplier's and CEJN: s full name and address, invoice date, the supplier's serial number, the supplier's VAT number, CEJN: s order number, CEJN: s part number, invoiced amount, delivery date, unit price, the invoice sum excluding VAT, VAT rate, VAT amount, total and complete banking details and reference person at CEJN. For Swedish suppliers, it is important that the invoice state that the supplier is registered for F-tax (corporation tax). For suppliers from any other EU country, CEJN: s VAT registration number must be included.

ENVIRONMENT

General

CEJN: s view is that environmental issues are important and of profound interest. CEJN AB is certified according to the environmental management standard ISO 14001. This system focuses on how the organisation and production can minimise negative environmental impact, how to fulfil applicable laws and agreements, and how to continuously improve within the environmental field.

Environmental management system

In order to become one of CEJN: s prioritised suppliers; you should have an environmental management system in accordance with ISO 14001 or equivalent.

Laws and ordinances

The supplier must comply with national and international environmental laws.

The supplier must comply with the EU's chemical legislation, REACH requirements, (**R**egistration, **E**valuation, **A**uthorization and Restriction of **C**hemicals), regulation no. 1907/2006 of the European Parliament and of the Council.

In cases where the supplier is affected by the REACH requirements, a statement must be sent to CEJN, stating that the supplier meets the requirements laid down under REACH.

The REACH Candidate List of Substances of Very High Concern for Authorization is a list of identified and particularly hazardous substances that is regularly updated.

If substances on the REACH candidate list account for more than 0.1 percent by weight of a product delivered to CEJN, this must be continuously reported to CEJN in writing. On request, a safety sheet must be provided showing how the products should be handled in an environmentally safe and healthy way.

If the supplier delivers products that fall under RoHS directive 200/95/EC and WEEE directive 2002/96/EC, this must be reported to CEJN in writing.

The supplier must ensure that used material to CEJN: s products do not violate against the Conflict Materials Legislation (Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act)

The supplier must keep up to date on these issues and, on their own initiative, inform CEJN of any changes in requirements and/or changes to the product being supplied to CEJN.

IMDS

Since CEJN do deliver to customer in different market segments, for example the automotive industry, there might be a demand for reporting into the IMDS system (International Material data System). We do expect you to report into the IMDS system without undue delay – or at the very least supply all necessary information. Please contact your responsible purchaser if you are not able to report into the IMDS system.

TECHNICAL DOCUMENTATION/SPECIFICATIONS

Supplier Center Limited Edition