

Attachment no. Z02\_P1009  
1th issue, valid from 20.04.2018.

## **II. General Conditions of Order Execution - Quality, Environmental Protection, Health & Safety**

### **1. Review and approval of basic documents.**

All documents constituting a proof that MAAG's Supplier shall furnish a product that complies with the requirements ought to be submitted to MAAG at the beginning of collaboration and ought to be updated after the expiry of their validity, or if substantial changes concerning their quantity, scope of application, or quality level resulting from them have arisen. This in particular concerns the following cases:

- certification of laboratories,
- current metrological status of measuring instruments,
- certification of personnel performing special examination (e.g. non-destructive testing, such as UT, MT, PT, etc.),
- certification of personnel performing special processes (e.g. welding),
- validation of special processes,
- inspection of machinery and production equipment in terms of their capability to ensure the required results (e.g. verification of precision and machine geometry).

### **2. Review of MAAG's requirements by the Supplier**

The Supplier must review MAAG's requirements. Any uncertainty, lack of required documents, etc. have to be clarified prior to submitting a proposal and prior to commencement of the Purchase Order execution.

Should any doubts arise or lack of any documentation be observed during the Purchase Order execution, they have to be clarified with MAAG without delay. It is the Supplier's responsibility to ensure that their products comply with MAAG's requirements.

### **3. Purchase Order execution**

The Supplier must ensure that MAAG's requirements are available and clear to the personnel executing the Purchase Order during the entire production process.

The Supplier must inspect the parts furnished by MAAG, if such delivery results from the conditions stipulated in the Purchase Order. If the requirements for inspection are not defined in MAAG's Purchase Order, then the scope of inspection ought to include at least identification of the part and its visual inspection. The Supplier must maintain records of performed delivery inspections, e.g. in delivery acceptance protocol.

Unless accepted by MAAG in writing, any repairs or other not agreed upon processes, welding in particular, which lead to a change in product properties and which are not part of MAAG's Purchase Order are prohibited.

Execution of operations resulting from MAAG's Purchase Order must be confirmed by the Supplier in their production process internal documentation. The operation is confirmed by the Supplier's personnel by placing a legible signature and the date. The Supplier's personnel must be authorized to inspect and confirm operations. At MAAG's request, the Supplier must provide a list of personnel authorised to perform inter-operational and final inspection as well as to release product for shipment.

During the production process, the Supplier must observe European Directives: 2006/42/EC 94/9/EC, if applicable.

### **4. Change implementation**

All arrangements for changes to MAAG's original requirements or to the scope of the Purchase Order must be in writing and their execution must be confirmed by the Supplier in quality documentation. This requirement applies to, in particular, all changes in the drawings, used materials or repairs that deviate from MAAG's Purchase Order.

### **5. Quality documentation, product marking and traceability**

The entire quality documentation required by MAAG is deemed a part of the delivery. Only complete delivery (i.e. the ordered product and quality documentation) is subject to MAAG's receiving inspection.

Due to a dynamic nature of the supplier qualification and evaluation processes, apart from the documentation originally required in the order, MAAG may request additional documents related to the supplier evaluation, such as quality certificates, measurement protocols of all accepted design dimensions as well as shape and location tolerances, welding and casting allowances, and in case of doubts, other documentation ascertaining product quality.

The product must be marked in accordance with MAAG's Purchase Order requirements. If the existing product marking has been removed during the Purchase Order execution, it ought to be copied beforehand and placed back immediately after the operation is complete. Product marking is always checked during MAAG's receiving inspection and must be checked by the Supplier before shipment.

The Supplier must ensure clear connection between the marked product and quality documentation thereof.

The Supplier must keep production documentation connected with MAAG's Purchase Order execution for the period of minimum 10 years.

## **6. Nonconformities. Corrective and preventive actions**

Should any product nonconformities appear, the Supplier must halt the Purchase Order execution and notify MAAG of that fact. Product nonconformity may be reported with MAAG's Nonconformity Protocol or with a nonconformity form used by the Supplier and which complies with ISO standard as well as contains all necessary data. Due to international nature of MAAG as well as the need to make a decision in offices outside Poland in certain cases, the reporting ought to be executed both in Polish and English. In order to ensure better understanding of the nonconformity description, the report may be complemented by drawings, photos, etc. All data necessary for product and nonconformity identification as well as further actions must be reported. This concerns the following data:

- MAAG's Purchase Order number,
- Purchase Order item number,
- material number,
- drawing number,
- quantity of nonconforming products,
- project number,
- nonconformity description,
- nonconformity root cause,
- assumed corrective and preventive actions,
- documentation of root cause as well as actions by using quality tools. At least 8D or A3 report.
- impact of nonconformity on delivery dates (in case of repair/scraping).

The description of nonconformity root cause and assumed corrective and preventive actions must be approved by MAAG.

## **7. MAAG's inspections at the Supplier's**

If inspection points are provided for in MAAG's Purchase Order or in the attached Quality Assurance Plan / Quality Inspection Plan, or they have been agreed upon during production, the Supplier must inform MAAG of their readiness for inspection at least 3 days prior to such inspection. MAAG's inspection at the Supplier's is executed by MAAG's Quality Department, or by a third party designated by MAAG. Respective quality documentation must be sent to MAAG prior to inspection, or, unless otherwise agreed upon, it must be made available during the inspection. The documentation must include all deviations from the original Purchase Order, nonconformities as well as changes applied during execution. All these documents must have a closed status, i.e. agreed upon with MAAG. The product to be inspected must be checked by the Supplier and its status must be marked in accordance with the Supplier's ISO system and procedures. If there is no system in place, a green card stuck onto the element indicates that the product has been inspected.

## **8. Product release by the Supplier**

Product release by the Supplier as well as its shipment to MAAG are permitted when all MAAG's requirements have been satisfied, the product has been inspected and accepted by the Supplier's quality inspection that is independent from the production and all reporting to MAAG has been completed.

If the required complete quality documentation has not been sent before, it must be sent along with the shipped product at the latest.

In case of lack of quality or any other required documentation at the moment of actual delivery, the payment is suspended until all the documentation has been received. The payment is also suspended until all nonconformities are clarified and closed.

The Supplier must provide appropriate packing list to ensure the entire traceability of the supply.

Unless otherwise specified in the Purchase Order, the product released by the Supplier must comply with the following:

- marking in accordance with 700.21111;

- preservation in accordance with 700.02389;
- transport and packing as well as the aforementioned criteria must comply with the requirements specified in the Purchase Order in accordance with the Supplier's obligations resulting from INCOTERMS, which are in force on the day of the Purchase Order placement.

#### **9. Environmental requirements**

The Supplier ensures that the accepted Purchase Order shall be executed respecting the principles of environmental protection which are in force and which result from legal regulations as well as MAAG's Environmental Policy.

- The Supplier has identified all potential environmental hazards which might arise during the Purchase Order execution and has developed scenarios for prevention, readiness and reaction to identified situations that might be hazardous for the environment as well as has trained their personnel and subcontractors in that scope.
- The Supplier possesses all required and justified environmental permits/decisions to commercially use the environment in terms of works related to the Purchase Order execution as well as satisfies the requirements included in the required and obtained legal permits.
- The Supplier maintains separation of waste produced during Purchase Order execution, its evidencing and disposal in a proper manner ensuring its further processing or elimination.
- The Supplier ensures that the vehicles used for ordered transportation are in good technical condition and in case of a malfunction, the Supplier has developed the procedures which ensure that the malfunction effect onto the environment is minimized. In case of a vehicle malfunction that has an impact on the environment at MAAG's premises – the Supplier immediately notifies MAAG of that fact.
- The Supplier ensures that the ordered products are packed in accordance with industrial standards in such a manner which protects them and prevents them from uncontrolled release into the environment.

#### **10. H&S requirements**

The Supplier ensures that the accepted Purchase Order shall be executed while ensuring safe working conditions imposed by legal regulations in that scope.

- The Supplier's personnel are trained in terms of their duties at their workplaces as well as they know the manner to perform their work at designated workplaces, possess valid permissions to perform work (medical examination, specialist permissions, e.g. Polish Association of Electrical Engineers).
  - The Supplier has trained their personnel in terms of health & safety and fire-fighting.
  - The Supplier has identified hazards at workplaces as well as defined occupational risks at workplaces.
  - The Supplier has instructed their personnel in terms of principles of conduct and application of preventive and protective means in case of malfunction / emergency, or in potentially hazardous situations.
  - During the order execution, the Supplier provides their personnel with machines and equipment that are in good working conditions.
  - During the order execution, workplaces are marked, clean and properly maintained.
- At MAAG's request, the Supplier shall demonstrate proof that the aforementioned requirements have been observed.