

# SUPPLIER MANUAL

March 23<sup>rd</sup>, 2016    Version 02

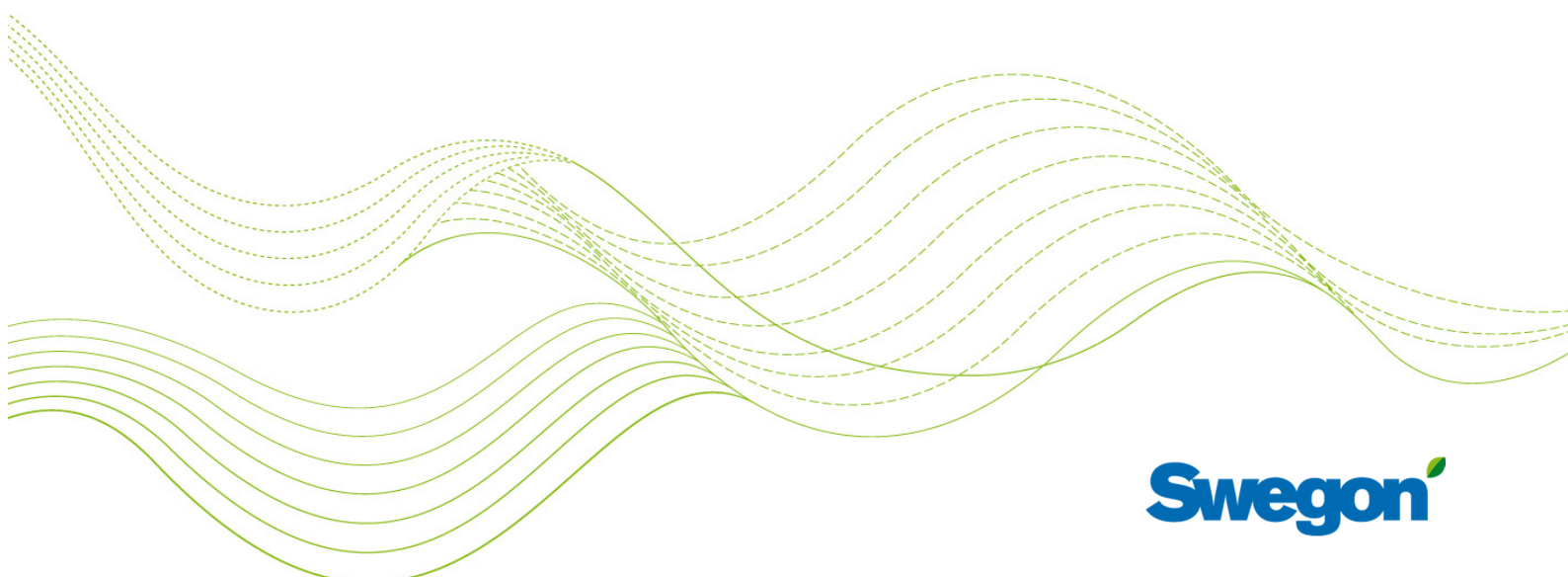


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## Introduction

This Supplier Manual describes the requirements and guidelines to which a Supplier to Swegon must adhere. Some of the guidelines and requirements are Swegon specific, others are laid down in more detail in various quality and business standards such as ISO 9001 etc. The Supplier Manual is not to be seen as a full and complete description of guidelines and requirements, but as an indication of the lowest level Swegon requires from the Suppliers.

The content of the Supplier Manual may change over time. To ensure that you have the latest version, please contact any representative of Swegon's purchasing organization. Please note that any print-out of this Supplier Manual is an unregistered copy. The latest version can be found on the following web-link: <http://www.swegon.com/en/Contact/For-suppliers/>

## Swegon Business Policy

Swegon conducts development, efficient production and global sales of energy-saving products and system solutions for indoor environment with the goal of generating profitable and sustainable growth.

This business policy for quality, environment and working environment describes how Swegon, in a responsible way, relate to their business environment.

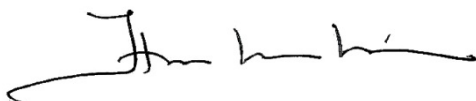
- We are genuinely interested in and know our customers' businesses and challenges and are driven by a sincere determination to find the best solution for them and win their long-term confidence
- We create trust by maintaining high delivery reliability, provide accurate and validated technical documentation for all products and services
- We give priority to energy efficiency in our product and process development and create conditions for sustainable development
- Through clear communication and continuous learning, we create engagement and a responsible organization with focus on quality, environmental and safety issues that meet internal and external requirements
- We focus on continuous improvement to create premium products and services, a sound external environment and a safe and attractive workplace

It is important for us to:

- the product - and process development thinking safety, recycling, selecting raw materials and processes with as little environmental impact as possible, with the balance between what is technically possible, financially reasonable, environmental and labour environmentally justified
- comply with customer specifications, legislations, standards, other environmental and health and safety requirements and prevent pollution
- systematically monitor and set new business goals with related activity and action plans that lead to continuous improvement for the customer, quality, lead time, efficiency, environment, health and safety
- create a good transparency and open communication about quality, environment, health and safety issues with employees, customers, suppliers, contractors, government agencies, the public, owners and other stakeholders to provide input to continuous improvement

Our values; Customer Empathy, Trust and Commitment shall guide us in everything we do, how we act toward each other and in the decisions we make.

2015-08-19



Hannu Saastamoinen  
CEO

All suppliers are to be aware of the Swegon Business Policy.

## Swegon Code of Conduct

All Suppliers are to follow the Swegon Code of Conduct.

Swegon Group is part of the Latour group and follows the Latour Group Code of Conduct.

### Latour's core values

Latour's core values are built on three pillars; **long-term**, **professional** and **development**.

Since Latour is an investment company each individual holding may have its company culture. Latour's overriding core values must however permeate all the companies that Latour has an ownership interest in.

The concept long-term means that, from a decision-making perspective, short-term changes in external circumstances will not influence Latour's choice when a decision is considered best in the long-term. In order to be perceived as long-term our business must then be built on integrity and run according to the laws and regulations that govern Group activities. Working long-term also means that the Group's engagement in sustainable development has been and will be reflected and woven into the Group's guidelines, decisions and actions.

The Latour Group strives to have a good reputation as a company that takes corporate social responsibility. The purpose of this Code of Conduct is that it should be comprehensive but at the same time easy to adapt. If this document does not give enough guideline after all, our businesses are recommended to seek further guideline in UN's and OECD's guidelines regarding sustainability.

### Scope of this Code of Conduct – all employees

The Latour Group's Code of Conduct has been adopted to emphasize the principles that govern the Group in relationship to employees, business partners and other interested parties.

It steers all the board members and employees in the Latour Group. Senior officers act as role models. "Tone at the top" is important and a guiding principle. The comportment of senior officers must be such that they are seen as sponsors of Latour's core values and this Code of Conduct.

The Latour Group encourages its suppliers, agents, consultants and other business partners to apply these principles as well and the principles in this document are used to evaluate current and future suppliers.

### Business principles – Obeying laws

The laws and regulations of every country the Latour Group operates in must be obeyed. In situations without legal guidance Latour Group's own norms, built on the Group's values and culture, are applied. Should any of the principles in this Code of Conduct conflict with obligatory laws, national laws take precedence.

### Relations with business partners

The Latour Group's relations with business partners are characterized by impartiality. The Latour Group does not offer customers, potential customers, governments, authorities or representatives for such organs any kind of reward or advantage that is illegal, excessive or which goes against accepted business practice. The Latour Group's employees may not receive payments, gifts or any other kinds of reimbursement from a third party that might influence, or can be perceived as influencing, their objectivity in business decisions.

In addition to this Code of Conduct we have an Anti-bribery policy which governs all our employees.

### Accounting and reporting

The Latour Group's financial transactions are always reported according to generally accepted accounting principles and our accounts must present the nature of the transactions correctly and not be misleading. Latour Group accounting must be transparent, relevant and comprehensible.

### Conflict of interest

Employees and board members in the Latour Group must handle their private or other external activities and financial interests in such a way that they do not go against, or can be perceived as going against, the interests of the Group. If someone finds themselves faced with this kind of conflict they must immediately report it to their supervisor.

## Political engagement

The Latour Group has a neutral stance in the matter of political parties and candidates. Neither the Group's company name nor its assets may be used to promote the interests of a political party or a candidate.

## Environmental principles

### Resource efficiency

The Latour Group strives to form its products and processes so that they use energy and raw materials efficiently and minimize waste and residues over the lifetime of the product. The Latour Group has an environmental policy and all of our individual holdings are encouraged to draw up environmental policies that are tailor-made to fit their own operations as well.

The Latour Group applies the precautionary principle by avoiding material and methods that can lead to environmental and health risks when other alternatives are available.

## Human rights

Within its sphere of interest the Latour Group supports and respects the protection of internationally sanctioned human rights and we make sure that we do not participate in violations against human rights.

## Against discrimination

The Latour Group recruits and treats all its employees fairly and equally regardless of their gender, race, religion, age, physical disadvantages, sexual preferences, nationality, political opinion, union membership and social or ethnic origin. The Latour Group encourages diversity on all levels in the Group.

## Labor force

The Latour Group does not tolerate child labor, forced labor or corporal punishment. The minimum age for employment is the age when school attendance is no longer compulsory. All workers have the right to be organized in a union and engage in collective bargaining and agreements must be respected throughout the Latour Group.

## Working environment

All employees in the Latour Group must be provided with the necessary conditions for a safe and healthy working environment.

## Management and employee responsibility

Latour Group managers are responsible for information on, and presentation of, the contents and spirit of this document within their organization, and for encouraging employees to report behavior that does not follow these principles. Expressed or implicitly understood approval of dubious actions is not tolerated.

It should be clarified that wholly owned business areas within Latour can design their own code of conduct. In such case, the spirit of this document shall be reflected in the business areas own document.

Violations against this Code of Conduct may be reported anonymously and confidentially to an employee's closet supervisor or to business area management (addressed to the business area's HR Director). Those who report this kind of violation in good faith do not risk any repercussions.

This Code of Conduct will be applied immediately and continuously. Any failure to follow these regulations can lead to disciplinary measures.

This Code of Conduct has been adopted by the board of Investment AB Latour and can only be amended or revoked by the board. Any additions or amendments will be announced.

*Gothenburg, 15 December, 2012*

## Swegon Contact Information

Contact information to the Swegon group production plants and the purchasing organization can be found on the following web-link:

<http://www.swegon.com/en/Contact/For-suppliers/>

## General requirements

All Swegon suppliers are expected to work according to a documented Quality- and Environmental Management system, i.e. ISO9001 and ISO14001 or similar.

All Swegon suppliers are expected to work according to a documented Environmental Policy.

All Swegon suppliers are expected to comply with all laws and regulations that applies to the Supplier's business.

Quoting suppliers are expected to provide information about item weight and country of origin.

When supplier is design responsible, 2D drawing and 3D model should be provided to Swegon.

When ISA is accepted (samples including documentation approved and stored), Swegon will not accept any changes, modifications or adjustments of item or process that may affect form, fit, function or other characteristics of item. Any changes of item or production processes must be communicated and agreed (in writing) with Swegon. In cases where characteristics are not covered by the specification, Swegon will refer to the documented ISA.

Supplier is expected to provide item table of contents (material specification) free of charge when requested: [http://www.swegon.com/Global/Supplier\\_Handbook/Table\\_of\\_content\\_suppliers.xltx](http://www.swegon.com/Global/Supplier_Handbook/Table_of_content_suppliers.xltx)

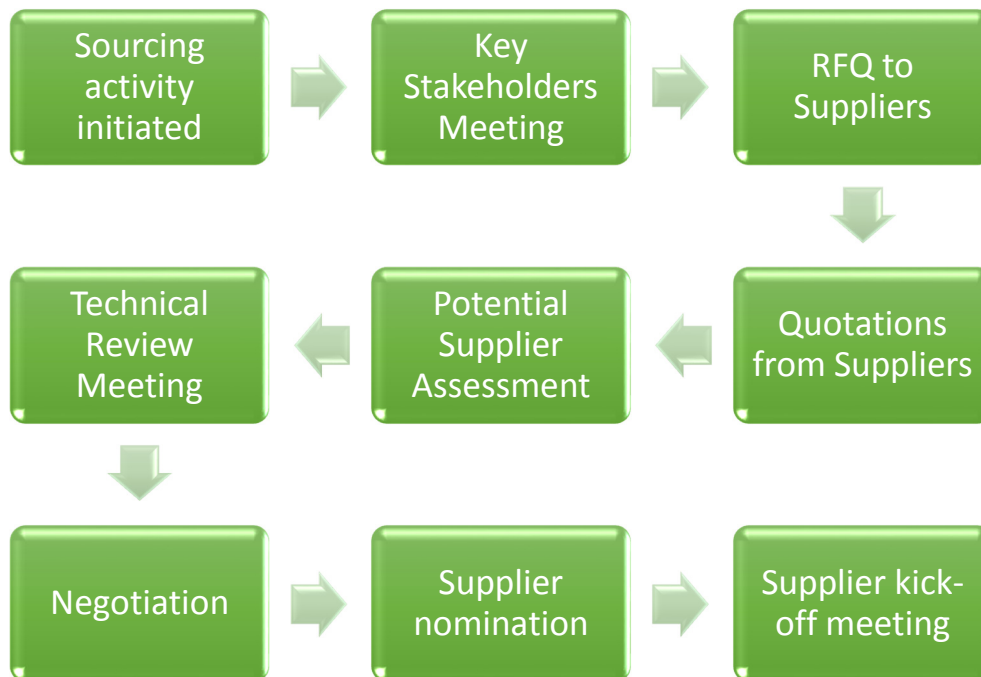
Supplier is expected to provide item Nano-certificate free of charge when requested: [http://www.swegon.com/Global/Supplier\\_Handbook/Supplier\\_Nano\\_certificate.dotx](http://www.swegon.com/Global/Supplier_Handbook/Supplier_Nano_certificate.dotx)

When applicable, a DoC (Declaration of Conformity) is to be provided free of charge.

All electrical items shall comply with RoHS and a certificate is to be provided free of charge when requested.

The document terms and general regulatory framework underpinning Swegon's dealings with suppliers 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 for goods (direct material), please refer to Orgalime S 2012 (unless otherwise specified in a specific supplier agreement). Orgalime S 2012 relates to the terms and conditions for the supply of mechanical, electronic and electromechanical items.

## Swegon Sourcing Process



## Supplier Assessment / Potential Supplier Assessment

Applied on potential and current suppliers.

Swegon supplier assessment is a tool that is used to obtain a deeper knowledge and understanding of a current or potential supplier for Swegon's purchasing organization. The SSA is focusing on routines controlling the production processes and compliance of these routines.

The assessment can be performed on a potential supplier in order to obtain deeper knowledge of the supplier and its routines, before decision making. Swegon can also choose to apply the assessment on a current supplier, either if Swegon is facing repeatedly poor or varying supplied quality, or by other reason. Time consumption of the SSA is normally 8-10 hours, and requires, besides general management representatives, presence of key personnel within the functions Quality, Production, HR, Customer Service and Environmental.

The SSA consists of five (5) chapters focusing on material, production, customer service, environmental and corporate social responsibility. Each chapter includes up to 30 questions which each will be evaluated and given a point on a 0-10 scale. Points will be weighted and summarized, and the total points awarded will be translated into an A, B or C ranking.

A is a well-functioning supplier with only minor deviations. B would indicate a functioning supplier with areas that should be improved. C means a supplier lacking several critical routines and is not desired as a supplier to Swegon.

The completed assessment will result in ranking, findings & summary, and also an action list aiming to improve identified weak areas. The (potential) supplier will receive a copy of the completed assessment in full.



## SQAP – Supplier Quality Assurance Program

It is the supplier's responsibility to take necessary action to assure and prove that supplied items meet quality, environmental, form, fit and function standards agreed upon.

Swegon would normally not carry out any form of inspection to verify that the received items are within specification. It is the Supplier's responsibility to ensure that only compliant items are sent to Swegon.

Swegon may request the supplier to assure quality by using all of, or a selection of the below standardized quality assurance tools.

Suppliers delivering custom items and assemblies **will** be requested to ensure quality by using a selection of the tools. Suppliers delivering non custom items **may** be requested to use one or more of the tools. All agreed actions should be performed, presented and accepted by Swegon before start of delivery.

The general purpose of the Supplier Quality Assurance Program is to ensure robust and durable quality & delivery performance.

### **DPR – Design Producibility Review**

The supplier performs a feasibility study and gives Swegon feedback of what could be optimized in order to assure quality and lower costs.

### **P-FMEA – Process Failure Mode and Effect Analysis**

Risk analysis focusing on incoming materials, production processes and transports.

### **DoE – Design of Experiments**

A structured method to identify the supplier's key process parameters and set points in order to ensure robust quality performance.

### **Control Plan & Process Flow Chart**

Describing how the supplier controls the production. Should include a graphical flow-chart including control points with used method & frequency.

### **Quality Plan for Sub-suppliers**

Describes how the supplier has assured the sub-suppliers & material used.

### **MSA – Measurement Study Analysis**

A practical study analyzing the reproducibility and repeatability of the chosen measurement method, including operators.

### **Capability Study**

Study of a series of items focusing on one or two dimensions or characteristics aiming to identify the process stability. Normally performed on 30 pcs or more.

**ISA – Initial Sample Approval**

A minimum of 3 items well within specification, manufactured in serial production equipment and under serial production conditions. Including documentation verifying that form, fit & function are met. Will be stored and used as Master Samples by Swegon. The samples are to be separately packed and clearly marked according to instructions in ISA report. The samples are to be sent free of charge.

In cases where items are not fully specified by drawing, Swegon will refer to the approved and documented samples (ISA) concerning form, fit, function or other characteristics requested by Swegon.

**R@R – Run at Rate**

Full run production test of the supplier's capacity & capability to produce items according to specification in needed volumes.

Example ISA report:



## INITIAL SAMPLE APPROVAL REPORT

			ISA Report nr 10089
Contact person, Swegon Marcus.andersson@swegon.se	Contact person, Supplier john@ccr.com	Date 2015-01-26	Swegon's order number 20033
Swegon Operation Arvika  Contact person technical issues daniel.svensson@swegon.se		Name of Supplier CCR West Cumbria Ltd	
Product name dispenser plate	Quantity of samples 5	Article number 2565583	
<p>Evaluation</p> <p>Visual inspection (appearance, color, shine, deformation etc)</p> <p><input checked="" type="checkbox"/> Approved                      <input type="checkbox"/> NOT Approved                      <input type="checkbox"/> n/a</p> <p>Comments: Color and shine checked by comparison scale and tester.</p> <p>Assembly test</p> <p><input checked="" type="checkbox"/> Approved                      <input type="checkbox"/> NOT Approved                      <input type="checkbox"/> n/a</p> <p>Comments:</p> <p>Dimensional inspection</p> <p><input checked="" type="checkbox"/> Approved                      <input type="checkbox"/> NOT Approved                      <input type="checkbox"/> n/a</p> <p>Comments: Dimensional report from supplier reviewed</p> <p>Functional test</p> <p><input checked="" type="checkbox"/> Approved                      <input type="checkbox"/> NOT Approved                      <input type="checkbox"/> n/a</p> <p>Comments: Tested in full speed in approx. 50+ cycles.</p>			
<p><input checked="" type="checkbox"/> APPROVED</p> <p><input checked="" type="checkbox"/> Master sample will be sent to supplier</p> <p>Samples have been evaluated by Daniel Svensson (daniel.svensson@swegon.se) at Swegon AB</p>			
<p>Attachments:</p> <p>Dimensional report from supplier, attachment <i>dim rep 10089_1</i>.</p> <p>Photos from mock-up and test run, attachment <i>testrun210089_2.jpg</i></p>			
<p><input type="checkbox"/> NOT APPROVED; New samples needed</p> <p><input type="checkbox"/> Deliveries not accepted</p> <p><input type="checkbox"/> Deliveries temporarily accepted to date</p> <p>Comments:</p>		New samples to be sent to:	Quantity of samples requested:
		Mark pallet/shipment with this text:	

Approved ISA samples including documentation to be stored physically in relevant operation in designated area. Approved ISA documentation including attachments to be stored electronically in j:\X-functions\Global Supplier Quality\Suppliers\

### Swegon AB

Postaddress /Postal address Box 300 SE-535 23 KVÄNUM SWEDEN	Besöksadress /Visiting address Fregatan 14 535 30 KVÄNUM	Telefon/Phone +46 512 322 00 Fax +46 512 323 00	Internet: www.swegon.se E-mail Headoffice: info@swegon.se	Bankgiro/Bank Transfer Account 220-0285 Plusgiro/Postal Check Account 33 66 33-3	Organisationsnr/Registration No. 556077-8465 V.A.T. No. SE556077846501 Säte/Registered Office KvÄnum, Sweden <small>Initial Sample Approval Report - example</small>
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## Claim process

Swegon presupposes that all delivered items meet specification. The target should be zero defects.

In the case of detection of non-conforming items Swegon will start a claim procedure. The claim will include a description in what way Swegon considers the claimed items are non-conforming. Supplier is obliged to respond to claim no later than 48 hours.

If non-conforming items have been detected at Swegon sites the supplier is supposed to take all reasonable actions possible to minimize disturbances at Swegon sites. Action could include swift replacement of non-conforming items, complete and realistic short term plan describing how the supplier will ensure continuous supply. Swegon reserves the right to return, sort or adjust all items of the delivery at the Supplier's expense after contacting the supplier for approval.

If claimed item has been subject of non-conformance before current occasion, Swegon may issue an 8D report, of which the supplier is obliged to complete in full. Report may be issued for first-time deviations. The purpose of the 8D report is to find root cause of the deviation and take appropriate corrective & preventive actions in order to prevent further deviations.

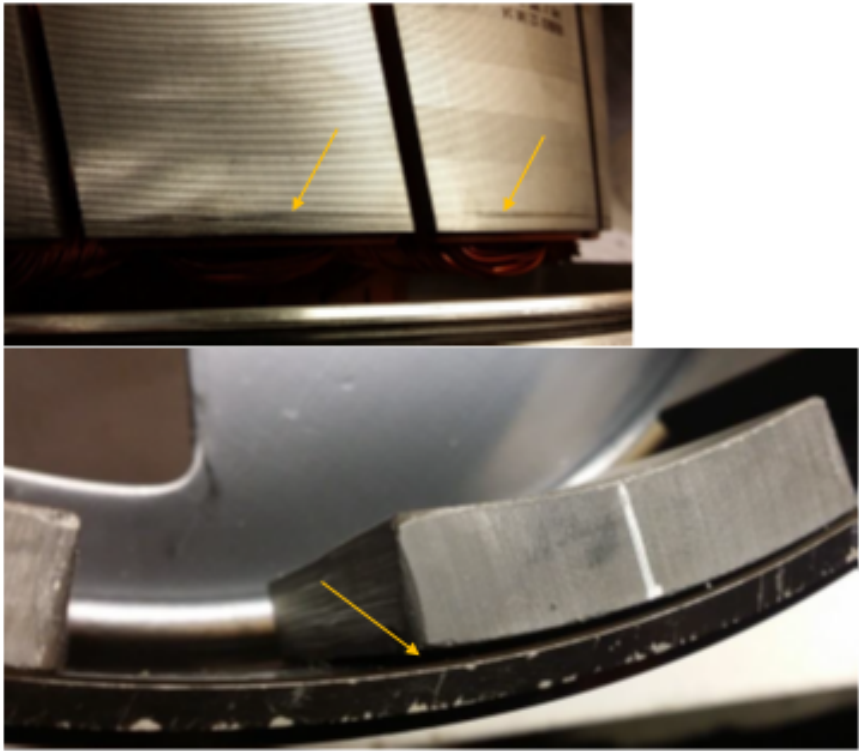
Swegon may issue an administrative fee of € 100 in order to cover part of the extra administration occurred related to the claim procedure. Fee is not applied on first-time claims.

In the case of Supplier serial faults that generates field costs for Swegon, a dialogue will be initiated in each case to discuss occurred costs.

Example 8D report:

### DEVIATION REPORT

FAKTA no: 529

Issued at Swegon: Receiver: Part name:	Dan Hållgren 2000 xxxx Motor 11 kw	Date: Responsible at supplier (e-mail): Part no:	20150114 xxx@xxxx.com 02205992	Connected to reclamation: <span style="background-color: yellow;">12345, 32371</span>
Deviation type:	Safety <input type="checkbox"/>	Function <input checked="" type="checkbox"/>	Finish <input type="checkbox"/>	Productivity <input type="checkbox"/>
Number & cost defect parts:	At Customer Cost: To be investigated Number of defect parts (% or no): 1		At Swegon Cost: To be investigated Number of defect parts (% or no): 2 pcs	
<b>1 Description (completed by Swegon)</b>				Description by: Dan Hållgren
We discovered that one of the magnets were incorrectly fitted in 2 pcs of 11 Kw motor. Photos in this report describe gap of the defect motor that we detected. The edge of the magnet touched the stator when running. Major force contact friction can be seen on top left photo. Similar problem on motor #1. We have also seen 2 pcs motor where one of the magnets has fallen off (claim from customer, 2 years old motor). I do not know if these two motors are connected to this deviation regarding badly fitted magnet. Please investigate the problems with badly fitted magnet and take preventive actions in order to ensure that this do not occur again. Walk your way through points 2-6 in the report.  Dan Hållgren, SQA				Dan Hållgren
<b>Photos:</b>				
				

Example 8D report continued:

<b>2 Temporary actions at Swegon (completed by Swegon)</b>		Responsible (e-mail)	Planned date	Action date
2a	Staff instructed to listen carefully for any noise when turning the fan/motor.			
2b				
2c				
<b>3 Temporary actions at Supplier (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
3a	Temporary control instruction is in place. We check all incoming magnets towards a fixture/gauge. All motors are manually rotated and controlled for any noise.			
3b				
3c				
<b>4 Action in stock (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
4a	Sealed off all produced motors, then checked them manually			
4b				
4c				
<b>5 Root cause (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
5a	Magnets have been found out of tolerance. The radius was too small which caused contact between magnet and rotor.			
5b	No incoming inspection or in process control of magnets were present.			
5c				
5d				
<b>Conclusion:</b> Deviating purchased component and insufficient control at site.				
<b>6 Corrective actions (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
6a	Information to our supplier of magnets			
6b	8D report sent to supplier.			
6c	100 % control of magnets by gauge			
6d	100 % end-of-line control checking for noise coming from contact magnet-rotor			
<b>7 Verification actions (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
7a	440 pcs of motor built with new routine, 1 pcs magnet found out of spec. Discovered in gauge control. No deviating magnets found after supplier found root cause.			
7b	Supplier of magnets has found root cause and performed corrective actions			
7c				
<b>8 Preventive actions (completed by Supplier)</b>		Responsible (e-mail)	Planned date	Action date
8a	All magnets are passing a GO-NOGO gauge before assembly			
8b	Supplier visited and quality control is increased			
8c				
<b>9 Deviation report closed (completed by Swegon)</b>		Responsible (e-mail)	Closed date	
No deviating motors due to contact between magnet-rotor have been noted in 4 months, report is closed.		dan.hallgren@swegon.se	20160519	

Completed document is filed at J:\X-functions\Global Supplier Quality\Suppliers

Example claim report from M3



**CLAIM NOTE**

Page: 1(1)

Date  
150829

Claim no  
13453

Supplier  
0893224696

Arr dt  
150819

Supplier  
SWEGON BE  
Z.I DES TROIS FONTAINES 28A  
B-1370 JODOIGNE  
BELGIUM

Dely note  
PRODUCTION

Your order no  
1560723

Your reference  
Jonathan Andersen

Our reference  
HÅKAN BRORSSON 0512-323 97

REQUESTED ACTION:  
Credit to be issued

OTHER ACTION:  
M6 thread on motor drive shaft out of tolerance. Impossible to enter M6 screw.  
We return 15 motors for credit.

Pos	Item number Description	Received quantity	Approved quantity	Rejected quantity	U/M
1	92MOTOR Your item no MOTOR For further information please contact Dan Hallgren, SQA dan.hallgren@swegon.se	15,00 92M1848461		15,00	PCS

Swegon AB  
Box 300  
SE-535 23 KVÄNUM  
Sweden

VAT-regno:  
SE556077846501

Telephone  
+46 512 322 00

Telefax  
+46 512 323 00

Svenska Handelsbanken  
SE-405 40 GOTHEBURG

SWIFT/BIC HANDSESS

SEK IBAN SE43 6000 0000 0003 2933 6398  
EUR IBAN SE30 6000 0000 0000 4700 4649

## Supply Chain requirements

### Delivery Terms

FCA (Free Carrier) goods to be made available for pickup by Swegon appointed forwarder.

Routing order to be setup and supplier is responsible for booking of transport.

DAP (Delivered at Place) the supplier takes responsibility for choice of forwarder and booking for pickup.

### Delivery precision

Swegon's requirement is that 100% of the order lines should be delivered on time. The Supplier is responsible to inform Swegon immediately if a suspicion for delay of a delivery occurs. Swegon can, if the delays results in problem, cancel the order. If the delay is caused by the supplier, the supplier is obliged to compensate Swegon for all extra cost the delay results in.

### Bar codes

Supplier should be able to provide Bar codes on demand on labels and documents. Standard GS1-128 with the following prefix:

- 240 = Item number

- 30 = Quantity

- 400 = Purchase order number

Example



### After sales requirements

Items from suppliers shall be available for purchase either as original item or by equivalent component for a period of minimum 10 years after end of serial production for aftermarket requirements.

### Warranty conditions

Swegon general warranty condition from suppliers is 36 months after date of delivery.

Customized conditions can be negotiated case by case.

### Order confirmation

To be sent to the operative buyer within two working days from receiving the order. The confirmation should contain Swegon PO-number, item number, confirmation of quantities and the Supplier's order number.

### Invoice

To be sent by email in pdf-format to: [invoice.mat@swegon.se](mailto:invoice.mat@swegon.se)

Invoice shall contain Swegon PO-number, item number, quantity, Supplier's invoicing date, invoice number and information indicating partial- or full delivery. NOTE: Only one invoice per pdf-file.

### Delivery note

Shall contain Swegon PO-number, item number, quantity, Supplier's invoicing date, invoice number and information indicating partial- or full delivery.



## Goods marking

Label on goods shall contain Swegon PO-number, part number and quantity.

## Supplier Performance Metrics

The following Supplier KPI's are measured on a monthly basis

### **Quality**

Swegon has chosen to measure their suppliers Quality KPI's according to:

ppm, Number of claimed components compared to number of delivered.

Number of claims; Definition: By Swegon documented deviation.

Number of disturbances; Definition: Swegon Production affected due to supplier deviation.

### **Delivery**

Delivery performance: On time order lines (fully delivered order lines).

Definition "On Time": -4 days – 0 (four days early accepted. 0 days late accepted).

Measurement based on agreed lead time = exact date (day) on the PO (lev.dt / del.dt).

If FCA: The date stated = Dispatch date

If DAP: The date stated = Arrival at Swegon plant date.

### **Continuous improvement**

Savings compared to last year

Payment Terms

Cost reduction proposals

Innovations/ideas that add value

## Non Disclosure / Confidentiality

### **Confidential Information**

For the purpose of this RFQ or communication, “Confidential Information” means all information - technical, financial, commercial or otherwise – which is obtained by the Recipient from the Discloser, whether oral or written for the above-mentioned purpose, including – but not limited to – documents, data or information related to products, technology, methods, material, appliances, design, research, results, specifications, know-how, trade secrets or marketing activities, etc.

### **Disclosure Restrictions**

The Recipient undertakes to take all necessary measures in relation to such employees to ensure that these do not forward or disclose any Confidential Information to any third party.

Furthermore, the Recipient undertakes to maintain the necessary confidentiality level in order to protect the Confidential Information as trade secrets in accordance with applicable law.

### **Return of Confidential Information**

Upon request by the Discloser to the Recipient the Discloser shall return all documents and materials that accommodates Confidential Information and the Recipient shall confirm in writing that no copies of the Confidential Information remains in the Recipient’s possession.

### **Term**

This Agreement shall apply from the date of information received until five (5) years after the completion of the cooperation between the Parties with regard to the above-mentioned collaboration or until ten (10) years from the date of information received, whichever is later.

### **Governing law and disputes**

This Agreement shall be governed by and construed in accordance with the laws of Sweden.

Dispute arising out of or in connection with this Agreement shall be finally settled by simplified arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The arbitration shall take place in Gothenburg, Sweden.

## Tooling and test equipment

The Supplier shall be responsible for ensuring that all test equipment and tools owned by Swegon are marked in such a way that it clearly shows it is Swegon property.

Equipment and tools shall be handled and maintained in such a way that damages and production stoppages do not occur. The cost of normal maintenance for this equipment shall be met by the Supplier. Any problems with Swegon's test equipment and tools (and the action taken by the Supplier to rectify the problems) shall be reported to Swegon immediately. It is the Suppliers responsibility to inform Swegon in due time before the tool's end of life.

Item specific equipment is 100% owned by Swegon AB.

The supplier is not allowed to use Swegon owned equipment for anyone except Swegon. The equipment cannot be transferred to any third party.

The supplier is obliged to have valid insurance for item specific equipment owned by Swegon.

## Definitions

8D report	Standardized and structured method to identify root cause of failure
DoE	Design of Experiment; method to identify optimal process parameters
DPR	Design Producibility Review
HR	Human Resources
ISA	Initial Sample Approval
Key Stakeholders Meeting	Swegon internal meeting for sourcing start-up
KPI	Key Performance Indicator; performance measurement
M3	Swegon ERP system
MSA / Gauge R & R	Measurement Study Analysis / Gauge Reproducibility & Repeatability. Standardized method to evaluate robustness of a control method
P-FMEA	Process Failure Mode Effect Analysis; a standardized method to identify and rank risks
PO	Purchase Order
PO-number	Purchase Order number
ppm	Parts per million; quality measurement showing faulty parts per million delivered
R@R	Run at Rate; full run production test
RFQ	Request for Quotation
SPC	Statistical Process Control; method to control production processes by monitoring & analyzing production output (dimensions & positions)
SQAP	Supplier Quality Assurance Program
SSA	Swegon Supplier Assessment
Technical Review Meeting	Meeting between Swegon and the supplier during sourcing activity