



WE IMPROVE YOUR LIFE

Supplier Quality Manual

Version 2020

Applicable for supplying to

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And all other LINAK sub-contractors worldwide
jointly referred to as "LINAK"

Preface

It is LINAK's intention to create long-lasting relationships with all suppliers, in order to integrate all areas of business and create a strong trusting line of communication. The first step in this process is communicating the requirements of being a LINAK supplier. LINAK has therefore created this guideline for all current and/or potential Suppliers providing LINAK with materials, products, processing and related services, including intra-company Suppliers, and when applicable, to Supplier sub-tier sources.

All suppliers/companies doing or wanting to do business with LINAK should conform with the guidelines stated here in the Supplier Quality Requirement Manual. This manual acts as an instruction on how LINAK does business with our Suppliers e.g. assessment, evaluation, qualification, basic demands and how these relationships are managed.

This document describes LINAK's requirements to the Suppliers' level of quality and service. This will serve as a communication tool of LINAK's quality, supply chain and purchasing philosophy when interacting with Suppliers. The document will continuously be revised and controlled to ensure current quality- and business processes are being met and therefore an up-to-date version will be available.

If after reviewing the following information you still have questions regarding LINAK's supplier quality management or have questions regarding this manual, please address them to:

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Or your local LINAK contact person

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This Manual has been created as a service to new and current suppliers. The manual has the sole purpose of being a guideline. This must not be copied without permission from LINAK A/S Supplier Quality Management.

LINAK's suppliers are welcome to use this Quality Manual as a guideline in development of their own quality system. LINAK is willing to integrate supplier into business processes if it is in the interest of LINAK's stakeholders, customers, subsidiaries, shareholders, employees, suppliers and communities.

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1. Introduction to LINAK

1.1 LINAK

LINAK is a world leader in producing electric linear actuator systems, developing electric linear actuators and accessories thereto used in a variety of applications. Our complete range of products includes actuators, lifting columns, control boxes, controls and a wide range of accessories.

LINAK is globally recognized for high quality, technical advancement and innovative solutions that reach the marketplace as innovative products giving both our customers and LINAK a strategic advantage.

The LINAK mission is to provide innovative actuation solutions that improve people's quality of life and working environment.

1.2 Our Suppliers

LINAK cooperate with suppliers from all over the world. Our suppliers range from local businesses to global companies exporting high volumes globally. LINAK recognizes the very important role each of our suppliers have, in the value we offer our customers. As an extension of our own operations, we rely on our suppliers to provide material, products, and services, which meet the agreed upon requirements, applicable specifications, and quality management requirements.

1.3 Supplier Quality Policy

- LINAK purchases based on the zero-defect principle.
- LINAK suppliers shall maintain a quality system that meets ISO9001, IATF16949, ISO13485 or similar.
- LINAK suppliers must sign and comply with the Quality Agreement.

The Supplier is not obliged to be ISO 9000 certified, however LINAK is ISO 9000 certified and strives towards using best practices from the automotive industry. Therefore, it is important that Supplier has similar goals and tries to meet these described standards whether certified or not.

1.4 Supplier Quality Values

Our Supplier Quality Values explains how we implement our Supplier Quality Policy.

The Supplier Quality Values help both LINAK and our Suppliers to align our expectations and attitudes, thus increasing quality and minimising quality costs.

At LINAK, we strive for the following six Supplier Quality Values:

- Clear and understandable requirements.
- Our Suppliers to have the capability to consistently fulfil LINAK requirements.
- Our Suppliers to continuously strive for improvement.
- Effective communication with our Suppliers.
- A global partnership with our Suppliers.
- LINAK clearly conveys our expectation to our Suppliers in our Code of Conduct.

1.5 General

It is LINAK's responsibility to provide specifications and product requirements the Supplier can comply with when producing Components for LINAK.

It is the Supplier's responsibility to review all attached specifications and product requirements to ensure that they are clearly understood and complied with. The Supplier is responsible for providing components, and/or services which meet LINAK's specifications requirements. It is the Supplier who is responsible for the quality of the components, and services provided by its sub-suppliers and shall ensure that they adhere to the same quality requirements as to which the Supplier is subject. It is The Supplier's responsibility to inform LINAK of any change to the status of an approved quality or environmental certification and to provide proof of new or updated certification upon receipt from a notified approval body.

2. Code of Conduct

The LINAK Code of Conduct is designed to support LINAK's process for identifying suppliers that demonstrate a firm commitment to safety, ethics, the environment and continuous improvement. We strive to utilize only those suppliers who can adhere to the Code of Conduct and who can provide us with world-class goods and services with the lowest total cost, best on time delivery, shortest lead-time, exceptional quality, unique capability, and a high level of customer responsiveness.

This Code of Conduct clearly outlines LINAK's expectations concerning the supplier relationship. We are committed to providing a solid basis for our relationship built on the principles of law, fairness and efficiency. As such, LINAK expects Suppliers to follow the Code of Conduct based on adherence to all applicable laws and regulations with respect to conducting business. These expectations must also be followed by our Suppliers' employees and they should be communicated to your sub-tier suppliers.

LINAK adheres to the principles of this Code and expects the same of our Suppliers.

LINAK respects the Universal Declaration of Human Rights (1948) and the core labour conventions of the International Labour Organization and we expect our Suppliers also adhere to said commitments.

This means:

- All Suppliers must provide a safe and healthy working environment for all employees as well as others acting on its behalf.
- Employees must have freedom of association and the right to collective bargaining consistent with applicable local laws.
- Suppliers shall refrain from all forms of forced labour.
- Working time shall not exceed the legally determined limit.
- Suppliers shall refrain from using child workers as part of their normal workforce (below 15, or 14 years in countries with ILO exemption).
- Suppliers should refrain from any form of discrimination.
- Suppliers should support a precautionary approach to environmental challenges and work actively to reduce environmental impact.
- LINAK does not accept bribery and corruption and expects its Suppliers to refrain from such and other corrupt practices.

If this Code conflicts with national law, the national law shall always prevail. In this case, LINAK should be notified.

Compliance:

- LINAK reserves the right to monitor Suppliers compliance with this Code of Conduct.

- LINAK is willing to engage in dialogue with the Supplier to develop a corrective action plan, with appropriate improvements and time for implementation.
- If improvements do not progress LINAK reserves the right to terminate the contract.

3. Conflict Minerals

The American Congress has adopted a law concerning the use of “Conflict Minerals”. The “Dodd-Frank Wall Street Reform and Consumer Protection Act” requires U.S. listed companies to disclose whether their products contain Tin, Tungsten, Tantalum or Gold (3TG’s), and whether these materials originate from the Democratic Republic of Congo (DRC) or surrounding countries.

Although the Dodd-Frank Act only applies to US-listed companies, suppliers to US-listed companies will be required to conduct RCOI and due diligence on conflict minerals. LINAK is not a U.S. listed company but is working actively towards full disclosure of the origin of 3TG in LINAK products as many of LINAK customers are. Therefore, LINAK has decided to incorporate a Conflict Minerals policy on its global supply chain.

3.1 Policy

LINAK’s Conflict Minerals Policy outlines our principles and commitment against human rights violations related to the mining and trade of conflict minerals. Because of the widely reported linkage between the mining and trade of conflict minerals and the human rights violations in the DRC, we obligate ourselves to increase transparency and insure responsible procurement throughout our supply chain. This policy is an attempt to reduce the funding of the ongoing conflict in the DRC, and thereby help ending the humanitarian crisis.

LINAK’s goal is to ensure that all components and materials used to manufacture our products only contain minerals from DRC conflict free sources. We do not knowingly tolerate, or contribute to, any activity that fuels illegal conflicts or violates human rights.

3.2 Supplier requirements

LINAK requires suppliers who provide components or materials containing any of the 3TG’s to actively work towards DRC conflict free sourcing. LINAK suppliers must perform their own Reasonable Country of Origin Inquiry (RCOI) and due diligence processes in order to facilitate valid and reliable DRC conflict free sourcing. We expect our suppliers to work with their own suppliers in the same way, to ensure traceability of conflict minerals to the originating smelters.

To optimize the reporting process and ensure traceability, LINAK requires all suppliers to provide a Conflict Minerals Reporting Template (CMRT) each year. LINAK uses the Assent Compliance portal to collect CMRT’s from our supply chain. If it is not possible for the supplier to use Assent Compliance, then LINAK requires CMRT reports to be sent directly to the Conflict Minerals Compliance Team at conflictminerals@linak.com.

4. General requirements

4.1 Quality Requirements

LINAK purchases components from the Supplier based on a 0-fault principle. The 0-fault principle is a target, which the Supplier must strive towards, i.e. that components supplied to LINAK are not faulty or defective. All supplied components and other material must meet agreed product specifications.

It is Supplier’s responsibility to maintain a production and quality system to provide Components with 0-fault defects that meets LINAK’s specifications. In order to achieve the objective of zero defects, the

Supplier should have an active and continuous improvement program in place. The Supplier should notify LINAK of any changes to company certifications within 30 days.

4.2 Quality System Requirements

Suppliers shall maintain a Quality Management System (QMS) suitable to the products and services provided to LINAK. The Supplier is not obliged to be ISO 9000 certified, however LINAK is certified to the latest version of the following:

- ISO 9001 - Quality Management System Requirements 1
- IATF 16949 - Quality System Requirements (Automotive, Truck & Heavy Equipment)
- ISO 13485 - Quality Management System Requirements (Medical)

Therefore, it is important that the Supplier has similar goals and tries to meet these standards.

4.3 Change Control

The Supplier should have a process to ensure that relevant versions of applicable documents provided by LINAK (as well as those specified of external origin) are available at points of use. The Supplier is responsible for the timely review, distribution and implementation of all LINAK engineering standards/specifications and changes in accordance with the schedule required by LINAK. Timely review should be as soon as possible. The Supplier shall maintain a record of the date on which each change is implemented in production. Implementation includes updated documents.

Suppliers shall not make changes to their processes, location, facilities, equipment, material, product design (or any change which may affect product design or function) without written approval from LINAK.

4.4 Control of Sub-suppliers

The Supplier, as the recipient of the contract, is responsible for meeting all requirements, including work performed by the Supplier's sub-tier Suppliers (also known as Sub-Suppliers or subcontract Suppliers). When the Supplier uses sub-tier sources to perform work on products and/or services scheduled for delivery to LINAK, the Supplier shall include (flow-down) on contracts, to its sub-tier sources, all of the applicable technical and quality requirements contained in the LINAK contract. This includes quality system requirements, regulatory requirements, the use of LINAK designated sources, and the requirement to document and control 'key characteristics' and/or 'key processes,' and to provide certifications and test reports as required.

4.5 Supplier Facility Access

LINAK may at any time conduct an audit at the premises of the supplier and/or their sub-contractor, or have the audit conducted by a third party, except from any competitors of the supplier. The supplier must have all relevant information ready for the auditor, both for audit preparation and during execution of the audit. LINAK reserves the right to perform an audit in cases where significant quality problems arise, or at agreed audits.

4.6 Communication

LINAK encourages open communication between both Parties to ensure a successful supplier/customer relationship. The Supplier should regularly provide LINAK with necessary information to support LINAK's Purchasing-, Development, Logistic- & Quality departments and other departments within LINAK. In order to generate, maintain, and expand a good relationship the Parties should strive towards extended cooperation, particularly regarding LINAK specified products.

As a part of developing the relationship between Supplier and LINAK it is important that both Parties have up to date and relevant information on key persons within the relationship. Further it is important that the relationship is built on mutual trust, openness and an understanding of LINAK's future needs. Therefore, both the Supplier and LINAK should inform each other of applicable organizational changes. The Parties shall without undue delay inform each other of applicable organizational changes.

All communication internally and externally at LINAK is preferred to be in English. Therefore, the Supplier must ensure that they have adequate language and communication skills in order to ensure open and accurate communication without language as a barrier.

4.6.1 LINAK SIS (Supplier Information System)

LINAK SIS is a web portal used to share documents between the Supplier and LINAK.

LINAK communicates through LINAK SIS with the Suppliers when an Engineering Change Order (ECO) or an Engineering Change Notices (ECN) occurs. Documents provided by LINAK through LINAK SIS include, but are not limited to, drawings, test specifications, software, BOM list, ECN or ECO.

When the Quality Agreement has been signed the Supplier can download specifications from LINAK SIS.

4.7 Trained Employees

The Supplier should ensure that the employees are qualified and have received the relevant training. LINAK components should only be handled by qualified personal.

5. Supplier Approval Process

All Suppliers must be approved by LINAK, regardless of approvals by customers or other entities. The following section explains the supplier approval process at LINAK.

5.1 Potential Supplier Assessment

A Supplier is selected based on the total value of:

- Competitive price and other financial conditions.
- Continuous improvement of productivity and price.
- Openness and receptiveness.
- Service.
- Flexibility.
- Quality and quality control system.
- Organization, culture and technology and the will to change this.
- Fulfilment of LINAK's rate of growth.
- Delivery time and ability to supply.
- Expertise and knowledge.

The above is not ranked according to importance. This is in each case based on an estimation of importance to LINAK.

Furthermore, the Supplier is assessed on the ability and will to improve their performance on the quality and productivity side.

5.2 Request for Quotation (RFQ)

The RFQ is the basis for business negotiations between the Parties. LINAK utilizes a standard template for RFQ which consists of three major points: Terms of Delivery, Terms of Payment and Production Part Approval Process (PPAP).

The Supplier should conduct all relevant analysis and examinations of the specifications, PPAP and other requirements. Questions and reservations concerning the specifications received shall be resolved before an offer is given. Reservations must be stated and shall accompany the offer.

The Supplier must specify the expenses to possible product specific measurement/control equipment in the offer.

5.3 Self-evaluation document (Scorecard)

The scorecard is a self-evaluation excel document that LINAK sends out to all new Suppliers for them to fill out. The purpose of this pre-supplier evaluation is to obtain a comprehensive view of a potential LINAK Supplier. This evaluation will assist LINAK in evaluating whether a Supplier can achieve LINAK's expectations as a preferred Supplier. The scorecard considers the key business characteristics of a successful company, as well as their visions for future enhancement. The business elements evaluated are:

- Quality
- Logistics
- Production & Technology
- Finance
- Management
- Employees
- Environment
- Feasibility
- Market Situation and the Suppliers' suppliers (i.e. sub-contractors)

The scorecard is a key component in the LINAK supplier selection process.

The scorecard is based on 11 criteria, which are included in the evaluation, have different "weighting factors" based on the perceived importance to LINAK. These "weightings" are the current standards but can be changed based on the product and/or business area being serviced.

Some areas in the scorecard represent the minimum requirements a supplier must meet, in order to be a LINAK supplier.

*The scoring procedure: Simply give **1 point** if the evaluation tells you the supplier is at **Level 1**, **2 points** if he is at **Level 2** etc.*

All discussed points must be verifiable via documentation from the supplier for the LINAK assessment.

5.4 Audits

LINAK operates with three kinds of audits, of which one is related to Quality Management, a System Audit and the third being a Logistic audit.

LINAK reserves the right to at any time conduct an audit at the Supplier's premise and/or its subcontractors or have a third party conduct the audit. All relevant information should be available to the auditor for both audit preparation and the audit. The Supplier may require LINAK to sign a separate confidentiality agreement in case it is necessary for the Supplier to disclose proprietary information.

LINAK reserves the right for an escalated audit in case of:

- Relocation of production sites.
- Poor quality performance as a result of insecure processes.
- Or accompanying preventive action if necessary.

An escalated audit is normally undertaken in the event of a major failure. Unlike a general ISO systems audit, which reviews the whole operational system/process, an escalated audit concentrates only on the specific area of concern and provides insights into a specific part of the production/operational process.

5.4.1 System Audit:

This audit will be performed after the scorecard has been approved. This audit will cover the quality system and the quality processes of the supplier. The audit questions are related to the ISO: 9001 standard and the IATF 16949 standard. This audit consists of questions from 13 business areas.

- Document and Change control
- Control of suppliers and sub-contractors
- Control of incoming materials
- Process planning and follow-up
- Process Control
- Inspection and testing
- Training
- Finished product handling, Storage, and Delivery
- Non-conformities
- Corrective and preventive actions
- Management
- Feasibility
- Code of conduct

Based on the points given to each question, a score will be calculated. This score will be translated in to 3 results: Approved, Conditionally Approved and Not Approved. If the supplier is deemed Not Approved, the approval process is ended. If deemed Approved or conditionally approved, the supplier can continue in the approval process. If deemed conditionally approved the supplier will be given a timeline, to correct the points not approved by the LINAK auditor.

5.4.2 Logistic Audit:

If deemed necessary, there will also be performed a logistic audit on the Supplier. This audit may be performed in connection to the quality audit or as an autonomous audit. The Supplier will be notified and informed about the process if an audit will be performed.

5.5 Quality Agreement

When the System Audit is approved, a contract stating the exact quality agreements will be signed. The Quality Agreement is a more specific contract between LINAK and the Supplier than the information stated in this document. Meaning some agreements in the Quality Agreement may deviate from this document. The Quality Agreement must be signed by both Parties and is therefore a binding agreement.

The contract consists of several points that concerns the quality requirements LINAK have to the specific Supplier. The outlining of the agreement is based on a streamlined template that can be modified based on negotiations with the individual supplier. Some of the points will also be stated in this manual, but as previously mentioned, there can be deviations from this manual. This document should only be used as a guideline rather than an actual agreement.

5.6 Delivery Agreement

The supplier will also be asked to sign a Delivery Agreement. This agreement contains the LINAK delivery and logistic requirements and must be signed by both LINAK and supplier.

6. Production Part Approval Process

When the supplier has been approved, the Production Part Approval Process can start. The purpose of the PPAP is to secure that all LINAK engineering design records and specification requirements are

correctly understood by the supplier. Furthermore, the PPAP is used to determine whether the manufacturing process has the capability to produce products consistently and meeting the stated requirements during an actual production run at the quoted production rate.

6.1 Introduction to LINAK PPAP

PPAP is a structured way of assuring that the supplier:

- Has understood the LINAKs design- and specification requirements.
- Can supply a product according to the specification requested by LINAK.
- Has processes that support the specification.

Based on the PPAP standard, LINAK has created PPAP templates, which can be used, when submitting a PPAP to LINAK. The specific requirements of the PPAP depends on, which category the supplier falls in to.

The categories could be:

- Batteries
- Box Build
- Cables
- Coated Parts
- Metal
- Motors
- PCBA
- Plastic
- Springs
- Transformers
- Tubes.

Each category is asking for the same type of information regardless of the category in requirement 1 to 16. Requirement 17 will vary from category to category, as it covers the specific requirements for the individual category.

LINAK will decide whether all 17 requirements of the PPAP must be submitted LINAK. In some cases, LINAK will ask for a requirement to be completed, but not submitted to LINAK. In other cases, some requirements are not applicable, and will therefore not be a requirement for the supplier.

PPAP is only to be used if the part in question fulfils following criteria:

If an order, size is more than 1000 pcs/year. If the order size is below 1000 pcs/year, LINAK will still request a 100% measurement of all checking dimensions on the drawing.

6.2 PPAP after the approved initial PPAP

After the PPAP has been approved by LINAK the Supplier shouldn't make any changes to the Components, the production processes, the material or the manufacturing that can have effect on the form, fit and/or function of the Component, unless LINAK has agreed to such changes.

The Supplier needs to notify LINAK via PPAP and obtain a written approval from LINAK for the following changes at least 30 days prior to implementation.

At minimum, a PPAP shall be submitted in the following instances:

- Upon initial submission of a production part or material.
- Upon engineering changes/drawing revisions.
- Upon manufacturer tooling changes.
- In case of persistent history of Supplier non-conformance.
- Upon change of manufacturing material(s).
- Upon Sub-Supplier or material source change.
- Upon change in Supplier manufacturing process.
- Upon change of Supplier manufacturing location.

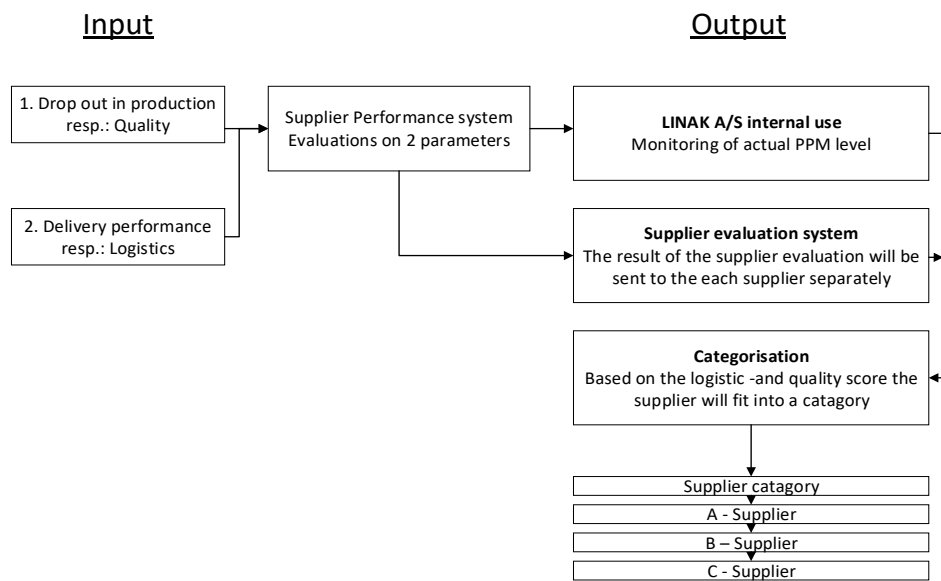
7. Running Production

This section describes LINAK's and the Supplier's relationship during running production meaning that this is relevant for approved Suppliers delivering approved products. This section is a description of how LINAK does: *supplier evaluation, supplier categories and process control.*

7.1 Evaluation

This subsection explains how LINAK evaluates their suppliers, and the process behind the evaluation.

Suppliers are evaluated on two parameters: Their drop-out in production and their delivery performance. These parameters generate a result that LINAK uses for internal categorization of Suppliers and how to support Suppliers. Figure hereunder describes the evaluation process.



Supplier evaluation process

Evaluation of suppliers can also be conducted by performing supplier audits.

7.1.1 Individual Quality Targeting

Every time an evaluation is made, a supplier report is generated which will be sent out to the supplier every quarter and stored at LINAK for internal use. The evaluation results in a supplier categorization that gives LINAK an overview of which suppliers needs to be motivated to take specific actions and/or helped.

The Suppliers should maintain a performance of an A-class suppliers as defined hereunder in LINAK's supplier performance evaluation system. If the Supplier score falls below the agreed level of 400 PPM, Supplier prepares a quality improvement plan, within 30 days for LINAK.

| Performance Rating | PPM | Score | Delivery Performance | Score | Evaluation |
|--------------------|------------|-------|----------------------|-------|------------|
| Excellent | < 50 | 5 | > 98% | 5 | A+ |
| Acceptable | 51- 400 | 4 | > 95% | 4 | A |
| Improvement needed | 401-3000 | 3 | > 90% | 3 | B |
| Not acceptable | 3001-10000 | 2 | > 85% | 2 | C |
| Critical | >10000 | 1 | < 85% | 1 | C- |

7.2 Process Control

With the first three deliveries of a new or changed product, LINAK anticipates that the Supplier has enclosed their measuring reports regarding the delivery. By measuring reports is meant the process control documentation agreed upon such .

Furthermore, the Supplier should keep all measurement reports for 5 years with continuous updates, so LINAK always can require an examination of the last 5 years' measuring reports.

To achieve a safe start-up on new items and to improve the quality level on items during the running production, the Supplier agrees to prepare a FMEA if LINAK requires it. The FMEA may be prepared in corporation with LINAK.

If LINAK requests:

- The Supplier must make a critical check of the drawing and other specifications. Questions and reservations concerning the specifications received shall be resolved before an offer is given. Reservations must be stated and accompany the offer.
- The Supplier must specify the expenses to possible product specific measurement/control equipment in the offer.
- The Supplier must always be able to send process control documentation for selected batches if LINAK requires it.
- If LINAK requires checking/control instructions on items delivered to LINAK, the supplier must agree to hand over all these documents.

7.2.1 Control of Inspection, Measuring and Test Equipment

The Supplier should perform MSA (Measurement System Analysis) studies on all gauges, test equipment, and measuring instruments used to measure critical dimensions. All test and measuring equipment should be calibrated in accordance with industry standards.

7.2.2 Calibration, maintenance and repair of equipment

The Supplier is responsible for payment of expenses related to calibrations of equipment as well as for maintenances of such equipment.

8. Managing of deviating and non-conforming products

If the Supplier notes deviations in connection with incoming goods, processes or finished goods inspection, then LINAK is notified in writing, of all deviations before additional processing of non-conforming material. LINAK will then decide on the disposition of the non-conforming material and whether to accept the deviations before delivery of the units. If the parts are being exempted, they must be marked with an exemption number given by LINAK.

In case of diverging products found at LINAK the Supplier must commit to a quick and effective delivery of new products to LINAK, so lost LINAK production costs are kept to a minimum. If the Supplier is unable to deliver new products LINAK will be in their right to sort and do rework on the Supplier's costs.

8.1 Corrective Action Preventive Action (CAPA)

When critical or extensive non-conformities are detected, LINAK shall prepare and provide a 8D-report regarding non-conforming components. The report shall clearly specify the detected non-conformities.

If the Supplier needs additional information to process such reports, LINAK will provide the Supplier with pictures and/or defective samples at supplier's expense.

LINAK will send a 8D-template to the Supplier containing all necessary information about the non-conformities, including pictures if deemed necessary. The file will also contain the deadlines for submitting phase 1-5.

| <u>Phase</u> | <u>Title</u> | <u>Deadline (Days after issue date)</u> | <u>Deliverable</u> |
|---------------------|---------------------|--|---|
| Phase 1 | Containment Action | 1 business day | The supplier must inform LINAK about containment and immediate actions within 1 business day from the CAPA issue date. |
| Phase 2 | Root Cause Analysis | 7 business days | The supplier must complete a root cause analysis and inform LINAK. The supplier must explain the root cause for occurrence, escape and non-detection in the process. If possible, they can attach their root cause analysis tool. |
| Phase 3 | Corrective Action | 10 business days | The supplier must have a corrective action to eliminate the root cause of the issue. In the event that some nonconformities are more complex, the supplier must have a corrective action plan with an outlined action list, target dates and responsible. The supplier must inform LINAK about the corrective action. |
| Phase 4 | Preventive Action | 20 business days | The Supplier must have a preventive action to ensure similar products/processes are covered. In this phase, they can describe the system updates or proactive steps, including but not limited to process flow charts, PFMEA, control plan, work instructions, control charts, engineering documentation, MSA, preventive maintenance, training plan, design standard, etc. In the event that some nonconformities are more complex, the supplier must have a preventive action plan with an outlined action list, target dates and responsible. The supplier must inform LINAK of the preventive action. |
| Phase 5 | Follow-Up Plan | 45 business days | The supplier must complete a follow up plan. They must describe in detail the objective evidence of compliance and effectiveness of corrective actions. The supplier may contact LINAK personnel for inspection results of product supplier after implementation of corrective and preventive actions. |

8.2 Incoming inspection

LINAK does by default not do quality inspection on incoming goods, because LINAK purchases from a 0-fault principle. The Supplier is expected to do outbound inspection at their own facilities.

Specifications of the Supplier's finished goods inspection and/or process control must be approved by LINAK.

LINAK trusts that all products delivered meet the specifications and no inspection is necessary, however occasionally LINAK may at its own discretion inspect delivered Components. Such inspections can deviate depending on the Components, previous experience, requirements and the strategic value of the Component. This inspection can deviate depending on the product, previous experience, requirements and the strategic value of the goods.

If LINAK finds it necessary to supervise the quality of the delivered units, then LINAK will carry out an incoming goods inspection according to DS/ISO 2859-1. LINAK selects the sampling plan.

If LINAK discovers any faulty Components during inspections as referred to above, (either on stock or in production) LINAK reserves the right to reject and return the whole lot for redelivery or sorting by the Supplier.

If LINAK and the Supplier jointly agree that a rejection by LINAK of Components has been unjustified, LINAK shall pay all freight costs associated with the transfer of such Components which can be traced back to the unjustified rejection.

8.3 Deviations noted at LINAK

If LINAK discovers any deviations from the agreed specifications of a Component received, the Supplier will be informed on such deviations without undue delay. The Supplier should without undue delay notify LINAK on whether the Products should be discarded at the Suppliers cost or send back to the Supplier for review. Returned Components should not be “reused” for re-delivery or future deliveries.

LINAK reserves the right to return any nonconforming Components to Supplier within 4 weeks, unless otherwise agreed. However, such return maybe delayed due to logistical problems/reasons at LINAK or the Supplier.

It is the Supplier’s responsibility to facilitate an effective containment plan to minimize potential downtime and costs. In the event the Supplier is unable to deliver certified Components, which meet LINAK’s requirements; LINAK reserves the right to perform rework and/or sorting.

8.4 Deviations noted at the customers of LINAK

If LINAK notes a deviation in connection with a customer complaint, which can be traced back to the Supplier, then the supplier will be held responsible. LINAK will, after having informed the Supplier, charge the Supplier with a part of the costs arising from the deviation. Most often, an 8D report will be made, at LINAK, and if the Supplier is responsible for the failure, he will be contacted under this process. If LINAK’s customers suffers a production stop due to the Supplier’s inability to meet the specifications or deliveries, according to the first confirmed delivery time of acceptable supplier products, all applicable LINAK charges will be the responsibility of the supplier.

8.5 Failure cost

If LINAK discovers any deviations from the specifications of a Component delivered by the Supplier, and the deviation without doubt can be traced back the Supplier, then the Supplier is responsible for the deviation.

LINAK reserves the right (after having informed the Supplier) to charge the Supplier for costs associated with any rework or sorting of the deviated batch from the Supplier. In the event that a delivery is returned to the Supplier for rework, then the Supplier bears all costs associated with the return.

In the event LINAK does not receive any response from the Supplier within two (2) working days of receipt of notification on non-conformity from LINAK, LINAK reserves the right to initiate corrective action without having first sought acceptance from Supplier and to be paid by the Supplier.

If LINAK and the Supplier come to the agreement that a rejection has been unjustified, LINAK will pay all forwarding costs, which can be traced back to the unjustified rejection.

In this case LINAK reserves the right, after having informed the supplier, to charge the supplier with the value of the finished product and the value of lost time of production. If LINAK is forwarding costs to the supplier, the costs must be documented. Examples of costs hours spend, amount of parts where rework/sorting has been done, what type of rework has been done, etc.

9. Product compliance

At LINAK, there is a requirement to follow these regulations WEEE, REACH and RoHS. WEEE is a European directive on disposal of electric and electronic equipment. REACH is European regulation on chemicals. RoHS is a directive that restricts the use of hazardous substances in electrical and electronic equipment.

9.1 REACH and RoHS compliance

Supplier is (as applicable) responsible for fulfilling any requirements and obligations stipulated in EU Regulation No. 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals ("REACH") and EU Directive No. 2002/95/EC on the Restriction of Hazardous Substances Directive (RoHS). LINAK requires a COC (Certificate of Conformance) on REACH and RoHS compliance from the Supplier for all Components supplied.

9.2 Stockholm Convention on Persistent Organic Pollutants (POPs)

Supplier is (as applicable) responsible for fulfilling the latest requirements of the Stockholm Convention on Persistent Organic Pollutants from 17 May 2004. This includes complying with the list of POPs, eliminating, restricting, and reducing the use of POPs as mentioned in the convention.

9.3 UL Approval

Supplier is as applicable (applicable for the United States of America and Canada) responsible for ensuring that all UL critical Components and materials as specified in LINAK's specifications are in accordance with UL guidelines. Furthermore, the Supplier should maintain all necessary records, so they are readily available for review by a UL field representative at any time. UL local representatives will verify that the applicable requirements for traceability programs and requirements are met.

10. References

ISO 9001 Quality Management System Requirements (General) www.ansi.org www.iso.org

ISO/TS 16949 Quality Management System Requirements (Automotive) www.ansi.org
www.aiag.org

ISO 13485 Quality Management System Requirements (Medical) www.ansi.org www.iso.org

PPAP Production Part Approval Process Manual www.ansi.org www.aiag.org

SPC Statistical Process Control Manual www.ansi.org www.aiag.org

MSA Measurement System Analysis Manual www.ansi.org www.aiag.org

FMEA Potential Failure Mode & Effects Analysis Manual www.ansi.org www.aiag.org

RoHS http://ec.europa.eu/environment/waste/rohs_eee/index_en.htm

REACH <https://echa.europa.eu/en/regulations/reach>

WEEE http://ec.europa.eu/environment/waste/weee/index_en.htm