

Ferrotherm's Supplier Requirements

Suppliers to Ferrotherm provide products or services that have been determined to have a potential impact on product.

Raw material purchased by Ferrotherm is subject to incoming inspection. Inspection may consist of a review of submitted documentation and a visual inspection of labels. When specified, Ferrotherm may send out a sample of raw material for validation.

Ferrotherm monitors "key" suppliers on-time delivery, delivery conformance and corrective actions. If supplier's performance falls below targets for 2 consecutive deliveries, they will be issued a corrective action. If suppliers provide material or services that negatively impact Ferrotherm or its customers, they can be removed from the approved supplier list.

Suppliers shall ensure the prevention of counterfeit parts/materials to ensure that no counterfeit work or material is supplied to Ferrotherm. (Reference: AS5553 or AS6174)

Suppliers shall ensure that no material contain any foreign contamination, embedded debris or other substances upon delivery to Ferrotherm. (Reference NAS 412)

Suppliers shall maintain and have available on a timely basis, quality records traceable to the conformance of the materials delivered to Ferrotherm. The supplier shall make such records available and provide right of access to Ferrotherm, Ferrotherm's customers and regulatory authorities. The supplier shall retain such records for 10 years from the date of shipment unless otherwise specified on the purchase order.

Supplier shall at all times operate in full compliance with all applicable laws, rules and regulations.

Supplier agrees to comply with section 1502 of the Dodd-Frank Act regarding "Conflict Minerals," (minerals that are smelted into tin, tantalum, tungsten and gold), Seller shall immediately notify the Buyer if material of manufactured product is affected by this requirement.

Supplier shall provided notification of organizational changes (process, location, and key people)

Requirements for Material and service conformity:

- Notify Ferrotherm of any problems meeting our quality, quantity, delivery or price requirements
- Notify Ferrotherm and get documented permission for any deviation from specified requirements.
- Ensure Ferrotherm received the quantity / amount ordered.
- Ensure materials / services meet specified requirements
- Ensure on-time delivery
- Provide certifications and test reports as requested by Ferrotherm

Supplier shall maintain a process for Product/ Material safety for the identification of hazards, reliable risk assessment and steps to reduce potential product risks. It serves as a benchmark for eliminating hazards that would be unacceptable during product use, delivering consistency across the board and establishing a culture of trust across all company functions.

Supplier shall commit to the highest standards of ethical conduct when dealing with its Personnel, suppliers, customers and other relevant stakeholders. Supplier shall accurately record and disclose information regarding its business and prohibit any and all forms of fraud, extortion, theft or embezzlement.