

## Introduction

MEWA is a modern company which has been successful on the European markets for many years now thanks to innovation, quality, continuity and successful partnership with its business associates. Further expansion of our business activities can only be ensured if capable suppliers are integrated into the overall concept. MEWA would like to use this guide to provide its suppliers with additional support as part of our mutual partnership. This guide is designed to present our requirements to suppliers and make our internal workflow procedures more transparent.

- The supplier/customer partnership is of critical importance to further business development.
- When implementing our purchasing goals, we work together with our suppliers and internal employees in all departments to guarantee the ideal combination of service, quality and price.
- We are responsible for quality in the procurement of the items needed. Our objective is a zero-error level.
- Against this backdrop, we need capable and innovative suppliers with whom we can enter into open, fair and long-term cooperation. We engage in positive and active relationship management with our suppliers.
- Our purchasing decisions are taken based solely upon objective, understandable criteria. We reach internal agreements and act according to standardised criteria and procedures when selecting suppliers, implementing goals and evaluating supplier services.
- We continually work to improve structures and workflows in purchasing itself, as well as in the entire procurement process.

## Queries / offers

Queries sent to existing suppliers are dealt with through MEWA materials management.

The basis for queries includes:

- Purchasing conditions
- Product specifications
- General technical specifications
- Product descriptions

The following guidelines are valid for offer preparation and the resulting production approvals:

- All documents and information of MEWA authorship are, and shall remain, our property. They are confidential and may not be made available to third parties without written permission from us.
- All documents are to be reviewed by the recipient. If he or she does not feel they are sufficient, or regards them as erroneous, immediate clarification will follow through our purchasing department.
- The supplier must fully implement all information and guidelines contained in the documents as long as he/she has not objected to them in writing.
- It is the supplier's responsibility to independently procure the standards and guidelines (DIN, ISO, EN, etc.) indicated in the MEWA documents.
- The supplier is obliged to provide written confirmation of receipt and implementation of the MEWA documents, regularly review the documents to confirm they are still up to date, and to take into consideration their current validity status.
- Taking its technical and logistical possibilities and capacities into account, the supplier will perform a feasibility study and send an offer to the purchasing department. We also request that any ideas for improvement or potential problems be indicated in the offer. Constructive suggestions are regarded as highly positive in this context.
- MEWA Materials Management is the contact for the suppliers. It coordinates all answers and questions which may arise, forwarding them to the relevant specialist departments.

If the supplier obtains products from sub-suppliers, he/she is responsible for ensuring that the sub-supplier is acquainted with the contents of this guide and for ensuring the implementation of these guidelines by the sub-supplier, as well as for ensuring that the quality specifications agreed upon between the sub-supplier and MEWA are also fulfilled by its sub-suppliers. Auditing of the sub-supplier by MEWA is possible at any time after appropriate advance notice.

### **Logistic requirements**

Our purchasing goals are oriented to our customers' requirements and satisfaction. Secure supplying of our customers, whilst taking economic aspects into account, is therefore one of MEWA's primary objectives. This means:

- The supplier must react quickly and flexibly to changes in demand and conform to them on short-term notice. Electronic communication media are required.

- MEWA requires that the supplier immediately review incoming orders and requirements with regard to quantities and dates. If supply difficulties are to be expected, or other unforeseen events occur, the supplier is to inform MEWA immediately. Measures to safeguard supply security in critical situations are agreed upon in advance and documented. Order confirmation is not required if the items ordered are shipped immediately. In all other cases, confirmation of the order is to be sent to the MEWA company placing the request.
- Demand/capacity planning is coordinated together with the supplier and a demand fluctuation range defined. MEWA expects the supplier to provide a 100% supply within the defined demand fluctuation range. Capacity adjustment is agreed upon with the supplier in the event of extensive changes in demand.

The supplier sends the consignment note and transport date to the individual MEWA companies. This enables the availability of the required goods to be established before they arrive. MEWA expects its supplier to be willing to implement mutual concepts.

### Complaints

If damaged goods are found in deliveries, defects are recorded in a written *inspection report*. Should a subsequent delivery of replacement goods not be possible right away, the supplier must perform sorting and/or follow-up processing work at MEWA immediately. If the supplier does not comply with this obligation right away, MEWA is authorised to arrange for follow-up work and have it charged to the supplier. In order to prevent this problem from recurring, the supplier is obliged to perform an analysis, implement suitable countermeasures *and provide MEWA with a written report*.

### Documentation

In the interest of product security/liability, the supplier is obliged to fully document and archive all quality-related documents and records, e.g. product specifications. The supplier must maintain a functioning system for administering and distributing documents and records for changes.

### Supplier audits

MEWA reserves the right to conduct its own process and/or product audits despite having supplier certification at hand.