

Innovating for individuals

Permobil supplier quality manual
Edition 2024



Welcome to our quality journey

We are delighted to see that you are interested in learning more about Permobil's commitment to delivering world-class quality.

Permobil is a leading provider and a trusted partner in complex rehabilitation technology with satisfied users across the globe. We are proud that our products and services create a meaningful difference in the lives of our users daily.

Quality lies at the heart of Permobil's promise. From the outset of our foundation, we have been inspired by the idea of delivering outstanding product quality and safety. The reliability of our products and services and the experience of our users are our guiding stars in all of our decisions.

Permobil believes in collaboration and partnership. We believe that the best results are achieved through a shared passion for continuous improvement and we recognize that committed business partners and suppliers enable us to make life better for our users.

To support and facilitate a seamless collaboration, we have gathered some of our most important requirements and expectations on our suppliers in this supplier quality manual. All suppliers to Permobil are expected to adhere to the principles, practices and tools outlined in this manual.

This is a prerequisite for joining Permobil's supplier family and our way of ensuring quality assurance throughout our supply chain.

We encourage all suppliers to review this manual and ensure compliance to its requirements.

With your commitment to participate as a Permobil supplier, we will succeed in our promise to our users and at the same time ensure a long term and mutually beneficial business relationship.

Sincerely,



Oscar Hertzman
VICE PRESIDENT
GROUP SUPPLY CHAIN



Juliana Van Winkle
DIRECTOR
SUPPLIER QUALITY MANAGEMENT

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1 Introduction

At Permobil, we are passionate about delivering premium, reliable, and safe healthcare solutions to our users. This is supported by state-of-the-art technology and excellent quality management.

We deliver on our passion through collaborating with a global network of high performing suppliers adhering to well-established quality assurance and regulatory practices. To facilitate this global collaboration, we have summarized some of Permobil's most essential requirements on its suppliers in this supplier quality manual.

The goal of this supplier quality manual is to provide our suppliers with a guiding document which can be used to better understand and to comply to Permobil quality and regulatory requirements.

This manual consists of 9 chapters, from understanding Permobil's values and quality culture to qualification as new supplier to continuous improvement:

In **CHAPTERS 1 TO 3** we explain Permobil's core values and general regulatory and Quality Management System (QMS) requirements.

CHAPTER 4 is focused on Permobil's culture of quality. We have a zero-defect mindset and our ambition is to assure quality in everything we do from the beginning.

CHAPTER 5 is written to give an overview of Permobil's process for qualifying new suppliers. This chapter is critical for suppliers aiming to join Permobil's supply chain network.

CHAPTERS 6 AND 7 outline Permobil's approach to new product development projects and explain Permobil requirements for the production process.

Finally, **CHAPTERS 8 AND 9** are dedicated to explaining non-conformity management and continuous evaluation of supplier performance.

We believe in a joint focus on continuous improvement and operational excellence together with our network of suppliers. This manual facilitates this joint focus and serves as a baseline, in alignment with and complementing other Permobil legal requirements.

2 Permobil core values

Permobil’s core values – depicted in the following four principles – are our guiding stars that capture the essence of our philosophy and inspire our decisions and operations. We share our Core Values to illustrate who we are and how we think, and what we expect to see in our collaborating suppliers:

OUR CORE VALUES

User first

This is our foundation. We make life better for our users and provide a user experience that cannot be matched.

Passionate

We are committed to meeting our users’ need and improving their life quality and mobility. We also care about each other and feel proud about our team.

Leading

We are responsible industry leaders who put innovation at the forefront and provide advanced solutions with highest reliability and quality.

Trusted

We are the trusted partner for our users, suppliers and other stakeholders. We uphold the highest standards of integrity and business ethics.

OUR FOUNDATION

“Every person has the right to have his or her disability compensated as far as possible by aids with the same technical standard as those we all use in our everyday lives.” PER UDDÉN (1925–2002), FOUNDER OF PERMOBIL

3 Quality management system and regulatory compliance

Quality management system requirements

Requirements of quality management system (QMS) differs based on the final product that a supplier or contract manufacturer delivers to Permobil.

- Suppliers and contract manufacturers of medical devices (as defined by relevant authorities) are required to have a quality management system certified to ISO 13485.
- All other suppliers must have a quality management system compliant to ISO 9001 or equivalent.

Suppliers are also required to have an assessment of their environmental impact and if necessary, implement an environmental management system compliant to ISO 14001 or equivalent.

Regulatory compliance requirements

Suppliers shall comply with applicable national and international trade and export control laws, rules, regulations and embargoes. They must not import, export or re-export any product without all requisite licenses and approvals from the applicable governmental agency or authority, the country of origin and the original country of export.

For Permobil to supply our products to users all over the world, we are required to meet guidelines and regulations from governmental authorities, for example FDA QSR 820, the EU MDR and China's National Medical Products Administration (NMPA).

These regulations are created for the medical device manufacturer and intended to ensure public and users' safety. They apply to the entire supply

chain and to any related manufacturing processes.

Suppliers are expected to be compliant with requirements of hazardous materials regulations such as Reach/RoHS and California Prop 65 and provide information to Permobil when requested.

Supplier Code of conduct

Permobil's supplier code of conduct defines and outlines the non-negotiable minimum requirements related to human rights, labour, environment and anti-corruption.

All suppliers shall be aware of and comply with all requirements specified in Permobil's Code of Conduct. Moreover, suppliers are expected to extend these requirements to their suppliers and take responsibility to ensure compliance.

4 Our policy: quality counts

Permobil has a quality-focused culture and aims to follow world class industrial best-practices for operations and quality management. We have a “zero defect” and “continuous improvement” mindset in everything we do, and we expect our suppliers to operate with the same mindset.

We have summarized our our global Quality Policy in our slogan “Quality Counts”. It consists of the core principles:

- **c**ontinuous improvement
- **o**utstanding service
- **u**nderstanding user needs
- **n**imble and effective quality processes
- **t**otal employee engagement
- delivering **s**afe and reliable products.

It is a privilege to design, manufacture, sell and service products that improve people’s lives. We earn the right to do so by demonstrating that every day, everywhere, Quality truly does count.

Permobil suppliers should demonstrate the culture of quality excellence in their day-to-day governance and operations. Our ambition is to create a long-term relation with suppliers who show the following quality mindsets and characteristics:

Leadership involvement in quality

- Supplier’s senior leadership team is interested and engaged in securing high quality and enables supplier teams to prioritize quality assurance at all steps
- Supplier’s leadership team sets the example and creates a culture of quality and respect for regulatory requirements

Understanding Permobil’s specified requirements

- Suppliers take an active role in understanding and delivering on product specifications including material, manufacturing technology and functionality. We expect suppliers to adhere to product requirements at all times



Every day, everywhere

**QUALITY
COUNTS**

Right first time

- Suppliers take a proactive quality assurance mindset to prevent problems from the beginning
- Suppliers utilize risk identification and mitigation plans embedded in all steps of production development and manufacturing

Problem solving and continuous improvement

- Suppliers effectively contain nonconforming product and drives structured root cause analysis and corrective action
- Suppliers have a continuous improvement mindset and strives for getting better a little every day

Good control of changes

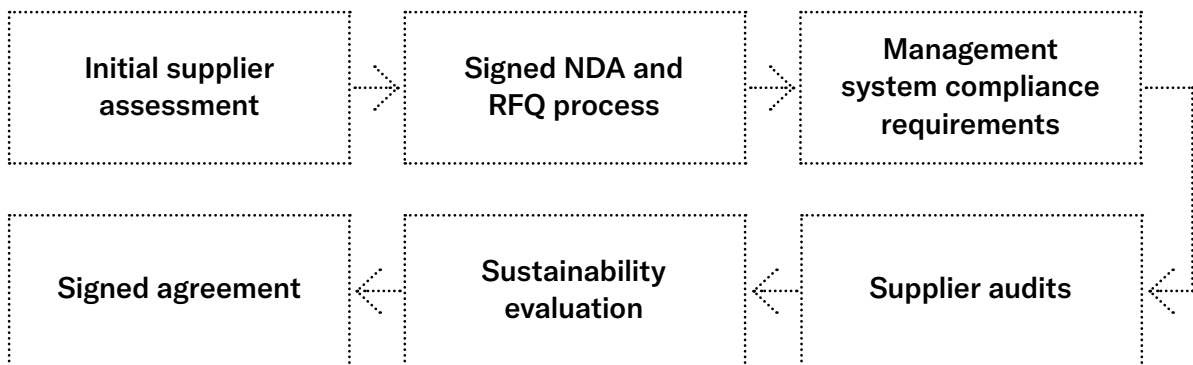
- Suppliers understand the importance of having good change control procedures in place and utilize a structured approach to control engineering changes in production
- Suppliers take an active role in informing Permobil about supply disruptions, changes of material or methods or any other changes from agreed specifications

Understanding and utilizing above-mentioned mindsets provide a good starting point in becoming a Permobil supplier. The next chapter of this manual explains Permobil's approach to qualifying and onboarding new suppliers.

It is also useful for existing suppliers to review the qualification procedure as Permobil continuously monitors supplier performance and can reconsider the need for audits and evaluations.

5 Supplier qualification process

Awarding business to a supplier is one of the most important decisions made by Permobil. Suppliers directly impact our ability to understand and deliver on our users' needs and how we can improve their quality of life through state-of-the-art healthcare solutions. Permobil has therefore developed a way of working to ensure consistent evaluation and approval of suppliers as we embark on a partnership. We follow steps in our supplier qualification process as outlined below:



The purpose of the supplier qualification process is also to determine the suppliers' ability to provide products that meet Permobil's supplier requirements.

Suppliers have an important role to play in the qualification process:

- Actively participating in evaluation audits performed by Permobil
- Demonstrating their capability to achieve future quality results
- Responding to action plan to reach the requested level

The following chapter explains some of the main steps related to quality expectations to become a Permobil supplier.

Initial supplier assessment

When suppliers have their initial contact with Permobil, they are requested to

complete a supplier assessment. This is a self-assessment that collects general information about the company, its products and capabilities. Specific quality topics included in the supplier assessment are Quality systems and Sustainability.

The purpose of the assessment is to verify that the potential supplier meets Permobil's requirements.

Current suppliers to Permobil that have not participated in a recent evaluation may be requested to complete a Supplier assessment or to participate in a qualification process before Permobil does additional business with them.

Non-disclosure agreement

When communicating with suppliers, Permobil may need to share documentation and data that are sensitive in nature. Before receiving a Request for quotation (RFQ) suppliers are required to sign and return a Non-disclosure agreement (NDA). Supplier shall treat all information and data related to the business relationship with Permobil in strict confidence and report any breach of confidentiality to Permobil.

Request for quotation

Suppliers must fully complete each section of the Request for quotation (RFQ) and include all the requested supporting documents in order to be considered a potential supplier. This includes, but is not limited to:

- Product specifications
- Quality and logistics requirements
- Control Plan (when applicable)
- Documents needed to support the information in the RFQ response

Permobil will then evaluate pre-selected suppliers' performance and review answers, dates and consistency of the quotation received. Permobil will select the most suitable supplier.

Suppliers are expected to fulfil all quality requirements needed. Permobil may audit in relation to the fulfilment of these quality requirements. If the supplier cannot fulfil the requirements, it may be required to submit an action plan with the returned RFQ. Suppliers are responsible for all costs associated with the fulfilment of the quality requirements.

If the supplier uses sub-suppliers, the supplier is still responsible for ensuring the quality of subcontracted parts, materials and services. Permobil may require the supplier to provide information about their sub-suppliers including sub-supplier manufacturing site, equipment and type of outsourced processes.

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Supplier audits

Permobil has established a Supplier Audit process to determine the suppliers' ability to provide products that meet Permobil's supplier requirements.

The audit activities can vary based on risk assessment by Permobil.

The Supplier Qualification process has two methods to evaluate suppliers' Quality Management System: Self-assessment and Quality Management Audit. Manufacturing process audits may also be performed as part of qualification. Suppliers need to resolve any audit findings prior to full qualification approval.

Supplier quality management audit

Permobil Supplier Quality Management Audit is based on requirements from ISO 9001:2015 and ISO 13485:2016. The audit is developed to provide a broad overview of the supplier's organization and its Quality Management System.

Manufacturing process audit

Permobil may perform technology-based process audits that focus on manufacturing processes that use technology that is considered critical to the function of the product.

Manufacturing process re-audits may be performed depending on the risk of the component, or history of issues.

Manufacturing Process technologies that may be audited include but are not limited to:

- Casting (grey iron, aluminum)
- Welding
- Forging
- Polymers (plastic and rubber)
- Surface treatment
- Electronics
- Coating

Post-qualification audits

Permobil may request to perform audits after initial qualification. Suppliers are expected to accommodate audit requests and support any follow up requested.

Sustainability evaluation

Permobil is committed to operating a sustainable and responsible business. We put great emphasis on ensuring that all our partners have (or are working towards) the highest environmental and sustainability standards and regulations.

Permobil evaluates all potential suppliers' capability to meet Permobil's code of conduct. All suppliers are asked to fill out a sustainability self-assessment. Based on the result from this assessment, suppliers may be evaluated by Permobil on site during either the qualification or serial production.

Permobil may also request highly critical suppliers to participate in a Sustainability audit, which may be performed by a third-party auditor.

Permobil's current suppliers that have not participated in a recent Code of Conduct evaluation may be requested to participate in an audit.

Supply agreement

Prior to serial production, a supply agreement shall be signed by both Permobil and the supplier.

Suppliers shall treat all information and data related to the business with Permobil in strict confidence and report any intentional or non-intentional breach of confidentiality to Permobil management.



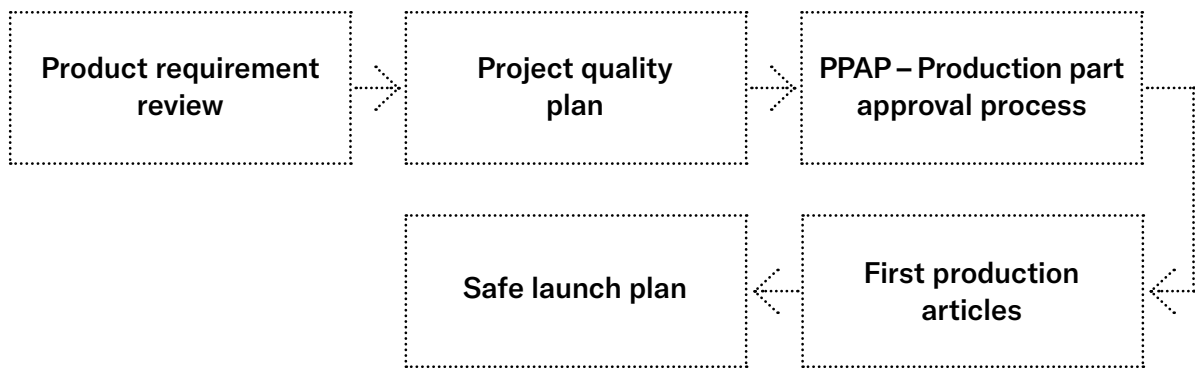
6 Product realization

Permobil requires continuous development of new products and regular improvements of existing products to meet market needs.

All product introductions and improvements are expected to meet Permobil quality, time and cost requirements. This requires a well-defined project plan, including robust validation of products and processes of manufacturing processes at the supplier and sub-suppliers.

Suppliers may be required to report the project status at established intervals during the project development.

The following chapter describes Permobil's requirements and expectations of suppliers in development and improvement projects.



Product requirement review

Permobil expects suppliers to take responsibility for reviewing and understanding all documented product requirements and ensuring the capabilities exist to meet the requirements. This includes but is not limited to dimensions, material specifications, and test requirements. Questions from the supplier are encouraged so that both companies have full confidence the requirements are properly documented and understood to enable a zero-defect production. For some projects Permobil will initiate a collaborative design review and in these cases participation from the supplier is expected.

Project quality plan

As part of the project activities for new or changed products, a Project Quality Plan



should be established and applied by all suppliers that provide custom parts and assemblies. This includes Permobil designed products, supplier designed products based on Permobil specific requirements and co-designed products. In cases of generic (also called off-the-shelf) products, the supplier is expected to provide either a generic quality plan or similar documents to verify quality control activities.

The purpose of the Project Quality Plan is to ensure that purchased parts meet quality and regulatory requirements throughout the supply chain. To make sure supplier will meet the requirements according to project plan, a Project Quality Plan shall be established to identify the activities to be completed, the expected time plan, and the person assigned responsibility for the project and for each activity. (this includes preparing the PPAP submission documents to Permobil)

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Permobil expects suppliers to create a Project Quality Plan to support:

- A launch of all new components intended for serial production
- Significant changes to existing products or processes
- Development of the new manufacturing processes

The Project Quality Plan contains all activities required to:

- Execute robust validation plans to verify the product design meets all design, specifications and requirements
- Ensure that the supplier's and sub-suppliers' manufacturing process have the capability to produce conforming parts in the actual production environment
- Ensure that the supplier's and sub-suppliers manufacturing process have the capacity to support production quantities at a consistent quality level

Control Plan

To ensure quality after project closure, the supplier is expected to provide a control plan or similar documents ensuring that there are quality control activities during volume production which support the initially identified quality needs in Project Quality Plan.

Critical components

Some components have characteristics that may present a higher impact on safety or reliability of the product. Permobil identifies these component characteristics as critical (also called EDO, Essential Design Output).

EDOs require an enhanced level of quality control and suppliers are expected to review and implement necessary additional controls to fulfill Permobil requirements on these components.



Selection criteria for Critical Components include, but are not limited to, the following:

- Safety Critical components
- Regulatory or legal requirements
- Parts with critical characteristics
- Supplier designed products
- Complex parts or components
- High value parts or components
- Parts with known or potential quality concerns

Collaborative responsibilities

Permobil believes that project success depends on a joint commitment to quality. Here is a short list of the key areas of responsibility related to a project:

SUPPLIER RESPONSIBILITY	PERMOBIL RESPONSIBILITY
Assign dedicated project quality plan owner/leader	Identify/communicate key milestones and project parameters
Organize an internal crossfunctional project quality plan project team	Provide clear point of contact at Permobil for questions related to project quality plan
Developing/exectuting a product quality plan to support successful product launch	Respond to any questions, to ensure all requirements/-expectations are clear

Production parts approval process (PPAP)

Permobil utilizes well known industrial processes including Production Parts and Approval Process (PPAP) to ensure zero defect launches. PPAP is a standard way of working in many industries which enables suppliers and Permobil to demonstrate that a manufacturing process used to produce parts for Permobil has been fully

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developed, thoroughly verified and proven capable of serial production of parts which conform to the specifications.

Permobil will issue a request for PPAP to the supplier in early stages of the project. The supplier needs to obtain Permobil's approval of the PPAP to be authorized to proceed to serial production. Permobil will communicate specific requirements for documentation required for PPAP approval.

At a minimum, the supplier will be asked to document evidence of conformance to technical requirements. Additional process documentation and process steps such as control plans, FMEAs (or similar risk assessment), flow charts and First Production Run may also be required. All documents must be ready for submission at the time First Production Articles are built. Permobil will review the submitted documents while first production articles are being evaluated at Permobil locations.

In addition to new projects or changed specifications, Permobil might require approval of PPAP for current products to ensure conformance and identify continuous improvement opportunities.

Significant production run

A Significant Production Run (SPR) may be required for new or significantly changed parts and is part of the Production Part Approval Process. This sample run shall be done as intended for Permobil, that is, using the planned serial production tools, equipment with production operators, facility, production parameters etc. The minimum number of products to be produced during SPR is specified by Permobil, but the number can be increased by the supplier. It should be determined by the equipment, tooling and production processes needed for the specific part.

First production articles

To verify that the supplier has the capability to manufacture a product according to Permobil's requirements, a First Production Article order will be issued. This order is issued when there are new products, changed products or changed conditions.

Suppliers are expected to build First Production Articles using the validated production process intended for volume production.

Safe launch plan

After approving the PPAP and launching the serial production, the project enters a phase called Safe Launch. Permobil expects suppliers to consider temporary additional controls in the production process during the safe launch phase to ensure the process control plan is effective. This could include additional process audits or inspections. This activity reduces the risk to both companies by increasing the likelihood that quality issues are caught at the supplier and processes corrected before shipment to Permobil. Safe Launch phase can be removed when sufficient data is collected to prove the standard production control plan is effective.

7 Production requirements

After Permobil's approval of PPAP and other activities explained in the previous chapter, the supplier is granted permission to start volume production.

Permobil expects all suppliers to follow well-established good manufacturing processes to ensure reliability and dependability. Suppliers are required to manage a manufacturing process that can control changes in a structured way, secure preventive and corrective actions in cases of changes, non-conformities and other similar events.

This and the next chapter give an overview of some of Permobil's requirements for the manufacturing process.

Change control process

Permobil expects all suppliers to follow a strict change control process for ongoing production. Change control consists of two steps:

- 1. Change notification to Permobil
- 2. Change decision by Permobil

1. Change Notification

The supplier is not allowed to implement any changes in production without notifying Permobil in advance. Suppliers should inform Permobil about the change request well in advanced to allow sufficient time for Permobil to evaluate and understand the impact of change before it goes into implementation.

This step is mandatory for all suppliers and all types of changes. Examples include change of material (including change to local equivalent material), dimensions, production processes (e.g. machining, surface treatment, paint, coating, soldering, test and inspection etc.), changes in control plan and other changes such as change of equipment, production line, production address or change of key sub-suppliers and raw material sources.

2. Change Decision

Permobil's approval of the change is needed before supplier is authorized to implement the change. Supplier is expected to work with Permobil to align on the change scope and time plan for implementation. All change requests are evaluated by a cross-functional Permobil team. Any exceptions to this requirement can be reviewed with Permobil, but at a minimum, advance notification of change will always be required.

Based on the impact on Permobil products, type of the project and the risk associated with the change, Permobil may make one of the following decisions:

- Approval of or acknowledge the change request
- Modification of the change
- Rejection of the change request

An approval will be communicated by an official response to the change notice. After receiving the approval, the supplier shall implement the change according to an approved implementation plan.

If the approval involves a change of product parameters or requirements (such as materials or design), the change will be tracked by a Permobil team to verify the outcome and to ensure that the change is documented for traceability. In some cases, the change triggers a PPAP and its approval is needed to successfully close the change.

The supplier is expected to trace and track the change and keep records of first serial numbers, purchased orders, shipment documents, etc. showing the first products produced with the change.

Implementation of changes without proper change control (notifying and if needed obtaining approval of Permobil) may result in that:

- All costs connected to correcting the unapproved change will be charged back to the supplier
- The supplier may be denied opportunity to quote new business
- The supplier may be removed from Permobil's Approved Supplier List and needs to be qualified again for any new business decision



Traceability

Suppliers are responsible for ensuring that reliable material and/or product traceability, including associated records and documentation, are maintained throughout the entire supply chain, including raw materials. Retention of associated records will be discussed on a case by case basis.

Implementation of control plan in production

Suppliers are required to make sure the control plan agreed during the project and PPAP approval is fully implemented and followed-up. Suppliers should be able to present documents showing the implementation of controls, inspections, measurements, tests and other activities.

Deviations to the control plan implementation including (but not limited to) missing tests, missing dimensional controls and problems with equipment should be reported to Permobil representative and an action plan needs to be developed and followed to correct the deviations as soon as possible. Suppliers are required to immediately inform Permobil and support risk analysis and actions if they failed to follow the agreed control plan.

If the part did not go through full PPAP review (including control plan review), supplier is expected to implement own control activities to ensure product meets specification consistently.

Packaging material

Permobil might have general and specific packaging requirements which need to be followed by the supplier to secure safety, quality and cost of delivered products. General requirements include protection of product integrity and keeping it safe and undamaged during transportation and handling. Specific requirements might include packaging material and type, standardization of packaging, minimizing packaging cost and catering to specific needs of different Permobil production units.

Laboratory Requirements

During the quality assurance process, it might be necessary to perform testing, sampling and calibration activities by test laboratories. In such cases, Permobil might require that the laboratory to be compliant to ISO/IEC 17025 or equivalent standards.

8 Non-conforming products

All Permobil's suppliers shall have an established and maintained procedure to prevent use of confirmed or suspected non-conforming material and product(s). This process shall include how to identify a non-conforming product, how to document the discovery of nonconformity, how to evaluate the nonconformity and how to isolate the non-conforming product(s). It shall also include a decision on how to handle the nonconforming product (so called disposition).

The supplier must inform Permobil immediately if confirmed or suspected non-conforming products have been shipped, in accordance with Permobil's non-conformity notification process. This will reduce the risk of nonconforming products being sent out to final users. It is in the interest of both Permobil and the supplier to identify and address non-conforming parts quickly and effectively.

If a non-conforming product is found in a Permobil facility, a quality claim will be issued for all non-conforming products that are detected. Suppliers are expected to acknowledge the claim immediately, and complete any internal activities to contain and correct the non-conformity.

Permobil will take necessary action when nonconforming material is found in production. The products will be sorted, reworked or scrapped, depending on the type of non-conformance and on material status. Supplier approval is requested before any rework is done, except in circumstances where Permobil production requires immediate action.

Suppliers will be requested to perform some or all of the following actions after a non-conforming product has been identified at Permobil. Permobil expects prompt confirmation and resolution of any requested actions.

- Provide a replacement product
- Provide resources to perform sorting and/or rework
- Authorize Permobil to begin third party activities on the supplier's behalf
- Issue a credit note
- Implement quality Improvements

The supplier is responsible for all costs associated with the non-conforming product(s).

Supplier Corrective Action Response (SCAR)

Based on the severity of the non-conformity, Permobil may request a formal root cause analysis and corrective action report called SCAR. Suppliers are encouraged to be specific and detailed when filling out SCAR reports including problem description, 5Whys analysis, containment, and action plan to eradicate and prevent the nonconformity in future. SCAR report will be reviewed and followed up together with Permobil.

However, for all found non-conformities, the cause of the non-conformance should be investigated, and containment and corrective actions shall be decided and implemented to prevent that the non-conformity reoccurs.

It is of utmost importance that the supplier starts the investigation as soon as they learn about the non-conformity. When the supplier is informed about the non-conforming product, the supplier is requested to follow the timeline below.

EXPECTED RESPONSE TIME (CALENDER DAYS) AND ACTION	
24 hours	Take initial investigation action to stop the future shipment of non-conforming products
15 days	Submit plan for corrective action implementation
60 days	Finalize implementation and effectiveness validated



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The expectation during the first 24 hours is that supplier immediately takes action to identify how to stop the risk to Permobil from growing further. This can include but is not limited to stopping the shipment of faulty products to Permobil, quick replacement of nonconforming components, implement 100% controls temporarily, etc. During the next 15 calendar days, supplier is expected to present an action plan for correcting and preventing the nonconformity. The plan should include mechanisms to verify effectiveness of the implemented solution too. Supplier is expected to finalize the implementation of all actions as mentioned in their action plan by 60 calendar days.

Request deviation to specification

There can be cases when the supplier has manufactured non-conforming products that do not impact the form, fit, function or safety of the products. In some cases (depending on the extent of the non-conformity and overall supply situation), the supplier can submit a request for temporary approval of non-conforming material to Permobil. This request must be approved by Permobil prior to that supplier can ship the non-conforming products to Permobil facilities.

Reworking a product before shipment to Permobil

If supplier identifies non-conforming Permobil products needing rework that is different from documented manufacturing process and control plan, then approval is needed from Permobil prior to shipment. If rework is approved, the parts must be tested and inspected again through the supplier's standard production system. The supplier must create a documented procedure for any approved rework.

Warranty

Permobil might initiate the process of warranty claims to the supplier in case of quality failures on components and products impacting Permobil users and caused by supplier processes. Permobil expects effective response to warranty claims and timely compensation for defective products.

For warranty errands, Permobil reserves the right to require a more thorough root cause analysis and corrective and preventive action implementation in line with previous requirements on non-conforming material. The details of the warranty period requirements will be regulated in the supplier agreement.



9 Monitoring supplier performance

Permobil has established different processes to review and analyze performance of all suppliers on a regular basis to ensure the suppliers' ability to maintain the requirements. In addition to weekly and monthly reviews, performance of all suppliers are evaluated on a yearly basis based on various quality risk aspects. Permobil drives a yearly Focus Supplier program for a select number of strategic suppliers. This program enables Permobil and supplier to analyze current maturity level and agree on a yearly desired state. Performance is measured using quality, delivery and competitiveness indicators.

Quality

The quality indicator is based on several factors, including but not limited to quality claims from production, complaints from users, SCAR timeliness and effectiveness and audit results. Quality performance of the supplier is impacted by the number of non-conformities and quantity of products being claimed, type and extent of nonconformity as well as the supplier's response and implemented actions.



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- Production non-conformities: these issues are identified at Permobil production facilities and a quality claim is created by Permobil production units for all work broken mities caused by the supplier.
- Post-production non-conformities: complaints are non-conformities reported by Permobil's sales channels, initiated from customers. When related to the supplier, those non-conformities can become quality claims.
- Audit non-conformities: these are the non-conformities identified as a result of a supplier audit.

Delivery

The delivery indicator refers to the supplier's ability to commit and deliver on time with the right quality.

Competitiveness

The competitive indicator refers to how competitive the supplier's current and future range of products, services and resources are. It also refers to the supplier's contribution to Permobil's projects and to the level of their competences and skills. Suppliers are expected at all stages of their cooperation with Permobil to share ideas for continuous improvement about manufacturability, delivery and cost effectiveness of Permobil products.

Performance results

Performance monitoring can lead to several implications, including a request from Permobil for action and improvements. Supplier performance will contribute to their scoring and ranking for risks, ease of doing business with, technical and commercial capabilities.

Suppliers with consistent and excellent performance will be recommended to commercial teams and may be identified for further business.

Suppliers who repeatedly fail to deliver conforming products or do not deliver on time (despite earlier requests for corrective actions) may be disqualified and denied the opportunity to quote new business and removed from the Approved Supplier List. A supplier's performance can also result in an increased number of inspections of the supplier's product. Moreover, Permobil may require audits and formal corrective action response reports.



**For more information about Permobil,
visit www.permobil.com**

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