1. INTRODUCTION

Our vision to ***"Set the industry standard"*** is our guiding principle for doing business and our core values are:

- **Customer Focus** - We constantly strive to exceed our customers' expectations and enable them to excel in their business;
- **Innovation** - We shape the future by creating pioneering solutions throughout our operations;
- **Fair play** - We conduct business in a sustainable and responsible manner;
- **Passion to Win** - We are passionate about making our company number one.

We base our partnerships on these core values. It serves as a common ideal that connects everything we do within our organization. Our mission is to create and deliver high-quality and innovative products, technical solutions and services that contribute to our customers' competitiveness. Our suppliers are a key part of achieving this, and we aim to establish and develop close and long-term relationships with them.

Our objectives are to have "Zero defects" in our products and to ensure that our products and services cause "Zero harm" to people and the environment. We expect that our suppliers share our objectives. This ***Supplier Quality Assurance Manual*** ("**SQAM**") sets out the quality requirements for our suppliers and for their Products and explains the process Sandvik uses to manage the quality of its suppliers. It includes the following: i) Supplier selection and approval requirements; ii) Product and Process qualification process, and iii) Supplier Quality Development.

The quality requirements specified in this SQAM (altogether referred to as "**Requirements**") are applicable on all Supplier supplying products, materials or services (altogether referred to as "**Products**") to Sandvik Mining and Construction B.V. and all affiliated companies within the Sandvik Group related to these business areas Sandvik Mining and Sandvik Construction (hereinafter altogether referred to as "Sandvik").

2. SUSTAINABLE BUSINESS

2.1 International Standards. Sandvik is committed to the fundamental principles on human rights, labor rights, the environment and the fight against corruption throughout our operations, which also includes building sustainable relationships with our suppliers. In our daily business and throughout our operations, we support the International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption as outlined in the ten principles of the United Nations Global Compact, in which we participate. We are committed to adhering to these principles and also to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. We believe that by doing so, we create a solid foundation for a sustainable future for us and our stakeholders. We also take responsibility for the suppliers with which we cooperate and expect from them the same level of integrity, honesty and ethical behavior as they can expect from us. Together, we must take into consideration the economic, environmental and social impact our activities have on our world.

2.2 Supplier Code of Conduct. For our Suppliers, we have developed the Sandvik Supplier Code of Conduct **("Code of Conduct")** and we require our Suppliers to comply with it. It applies to our entire supply base including Suppliers, contractors, distributors, and agents, hereafter referred to as **("Suppliers").** It is the responsibility of the Supplier to ensure that its sub-suppliers and sub-contractors comply with the Code or comparable requirements. We require our Suppliers to evaluate and monitor their supply chain, and collect relevant information regarding the supply chain's compliance to be given to Sandvik upon request. The Code of Conduct will be updated from time to time in which event Supplier will be given notice of such update. It is the responsibility of Supplier to comply with the latest version of the Code of Conduct, which can be found on internet or just by clicking on the hyperlink above.

2.3 Management System Requirements. Sandvik's Suppliers shall have effective management systems, implemented and certified as per the table below. If Supplier is not certified in accordance with these standards, Sandvik expects Suppliers to work actively to achieve certification on a mid-term basis. Certification planning shall be agreed between Sandvik and Supplier.

Area	Required level
Quality Management System	ISO 9001:2008 (or TS 16949) certified by an accredited third party
Environmental Management System	As a minimum, working in accordance with ISO 14001:2004 or equivalent with a mid-term planning for certification
Health & Safety Management System	As a minimum, working in accordance with OHSAS 18001:2007 or equivalent with a mid-term planning for certification

2.4 Other Requirements. Requirements that are not considered through ISO certification:

Aspect	Required level
Reliability	Upon request provide information about MTTF or equivalent
Verification and Validation	Upon request provide information about verification and validation of product EHS requirements
Products over 15 kg	Ensure that the product can be safely handled by providing correct lifting tools and instructions for safe use and handling
Transport	Suppliers are obliged to: - provide instructions for how to safely transport the product ; - comply with the United Nations recommendations for transport of dangerous goods; - comply with local legislation for transport of dangerous goods; - consider $C0_2$ emissions when choosing means of transport.
Packaging	Suppliers must ensure that: - Products are packaged or designed so that it can be stored safely and without damage - A minimum of packaging material is used - The packaging material can be reused - That the packaging material is recoverable in the form of energy recovery or through composting.

3. CONTRACTUAL FRAMEWORK

3.1 General Purchase Conditions. Unless otherwise agreed in a written purchase agreement ("**Purchase Agreement**") between Sandvik and Supplier all Products are supplied under the Sandvik General Purchase Conditions ("**GCs**"). Supplier agrees that the GSs apply and govern their relationship with Sandvik. The GCs have been deposited at the district court of Amsterdam, The Netherlands. A copy can be requested free of cost any time. The GCs can also be found on internet simply by clicking on the inserted hyperlink. The GCs will be updated from time to time in which event Supplier will be given notice of such update. It is the responsibility of Supplier to comply with the latest version of the GC's.

3.2 Purchase Agreement. The Purchase Agreement and/or the GCs form the entire contractual basis of the relationship between Supplier and Sandvik. Any other set of terms or conditions (pre-) printed on purchase orders or invoices shall not in any event be applicable on the supply of the Products. A so called 'battle of forms' is excluded. On the one hand the GCs contain the minimum standard terms and conditions, where on the other hand the Purchase Agreement contains more customized terms and conditions, tailored to the Product and/or the supply relationship. In the event of a conflict between the terms and conditions of this SQAM, the GCs and the Purchase Agreement, the terms and conditions of the Purchase Agreement will always prevail and the terms of the GCs shall prevail over this SQAM.

3.3 Sub-contractors. Suppliers have full responsibility for the quality of their sub-suppliers and contractors. Sandvik expect that all requirements defined in this manual, including any necessary additional information and documentation, will be passed on to sub suppliers to ensure compliance and consistency throughout the entire supply chain. In respect to transparent communication Sandvik requires notification of changes of sub-suppliers and sub-contractors changes. If Supplier uses an external laboratory for testing and verification services, the external laboratory must have a management system corresponding to ISO/IEC 17025. If the external laboratory is not accredited by a third party, it must be approved by Supplier through an audit, and the result of the audit must be made available to Sandvik upon request. If a third party certifies Suppliers management systems, that third party must be accredited to perform such services (examples: LRQA, BV, DNV).

3.4 Audit. Sandvik shall upon reasonable notice have entry to all relevant parts of the premises and operations of Supplier group that involve the manufacture, assembly, storage, inspection and testing of the Products for the only purposes of: (i) inspecting the Goods and the manufacturing procedure; (ii) performing customary audits to evaluate Supplier's compliance with: the quality management systems, Code, Purchase Agreement, GCs. The supplier permits Sandvik to carry out these audits. Audits can be carried out as a system, process or product audit. Supplier agrees that Sandvik has the right to make the results of the public. Supplier shall provide results of its audits of its sub- suppliers and subcontractors available to Sandvik on request. In specific circumstances such as a critical change in the supply chain, drop of quality performance, threat identified from risk analysis etc, Sandvik may require to audit sub-suppliers or sub- contractors. It is expected that our Supplier facilitates and supports the audit free of cost.

3.5 Warranty. Many of Sandvik's products are used in remote locations and hazardous environments. A failure in the field can result in significant risk of injury to personnel, or damage to equipment. It may result in production downtime for our customers, and often incurs significant costs to rectify. Time is of the essence when it comes to repair or replacement of the Products. The Purchase Agreement and/or the GCs prescribe Sandvik requirements related to delivery, after market service levels and warranty of the Products.

3.7 Non-conforming Product. Notwithstanding as agreed in the terms of the Purchase Agreement and/or the GCs, in the event of non-conforming Product Sandvik will notify Supplier and a response is required within 12 hours following the notification. Supplier shall provide details of the expected

root cause, the intended containment actions, risk to stock and repair/replacement procedure, etc. Sandvik may expect Suppliers to follow the '*8D problem solving method*' as specified in Clause 6.3. In some cases the Supplier may be required to provide staff on Sandvik sites to inspect, remove non-conforming Product and/or refit replacement Products. This will be at the cost of the Supplier. Any additional costs incurred by Sandvik due to non-conforming Products shall be charged to Supplier. Depending on the Product and/or Production Process, it might be cost efficient to have Sandvik or Sandvik's end-user repair, replace or rework the non-conforming Product. In those instances, Supplier shall support the repair, replacement or rework of the Product by Sandvik or Sandvik's end-user and compensate the incurred material, logistic and labor costs.

3.8 Zero defects. Sandvik strives for '*Zero Defects*' in its products and expects its Suppliers commit to this Zero Defect approach as well. Sandvik uses a Supplier scorecard to monitor and report Supplier's performance. '*General Performance Targets*' will be defined by the Sandvik's Supplier Quality Organization and are as stated in below table. '*Specific Performance Targets*' will be set per site; those specific targets will be based on gaps between the General Performance Targets and actual level of performance.

Measurement	Target
Non Conformity rate	<1 % for proprietary and critical commercial items[1] <10 PPM for commercial high volume items
Non Conformity response time	< 24 hours step D3
	< 10 days step D6
	< 60 days step D8
Delivery Accuracy	> 95 %

% to be used only for proprietary and critical commercial items with single or low batch sizes. Rejection rate should include all checkpoints and critical measures in the control plan for the specific item.

4. Regulatory Framework

4.1 Supplier shall comply with all regulatory obligations related to the manufacture, distribution and use of its Products.

4.2 Supplier shall keep record of all regulatory certifications (such as but not limited to safety certifications), quality records and documentation (altogether referred to as "**Documentation**") in accordance with the ISO 9001:2000 requirements. Upon Sandvik's request Supplier shall provide Sandvik with copies of such regulatory certifications, quality records and documentation. For the avoidance of doubt the definition of Documentation contains amongst others but not limited to the following: risk assessments, prototype and industrialization approval data, Product and material specifications, design FMEA/ drawings, process FMEA/ flowcharts, control plans and control charts, SOP's and manufacturing instructions, inspection data and test results, material safety data sheet/ certificates, Product audits, internal and third party audit results, stamped drawings, sample parts (marking, packaging, tools ID), statutory and regulatory certificates.

4.3 Supplier shall keep the Documentation available for Sandvik for a period of -at least- five (5) years as of the first commercial shipment for Products, and for a period of eleven (11) years as of the first commercial shipment for Products that are subject to Safety certification. The design and qualification data should be maintained at least during the total product-life cycle, but in any event not shorter than ten (10) years.

4.4 Supplier agrees to investigate and inform Sandvik about any export restrictions and regulations and about the Export Control Classification Numbers (ECCN) relating to the Product(s). Supplier shall adhere to all relevant laws and regulations with respect to export control. Without prejudice to other means that Supplier shall use to prevent harm, damage to, or loss of the Products, Supplier shall take all measures to secure that the Products in its care or moving under its care are protected in such a way that any misappropriation, theft, unobserved goods replacement, addition of unfamiliar goods or any other unauthorized access to the Products will be prevented.

4.5 It is Supplier's responsibility to organize its administration and Production Process in such a way that on request by Sandvik the Products can be supplied with *'Preferential Origin'* or *'Country of Origin'* Certificates and the appropriate documentation evidencing the Preferential Origin-status or the Country of Origin-status.

4.6 Supplier is committed to be actively involved in and to adhere to its supply chain security program that will be discussed in regular review meetings and business communications between Supplier and Sandvik. Supplier agrees and commits to notify Sandvik within five (5) working days of any incident of loss, theft, or other event or issue(s) that in the reasonable opinion of Supplier impact lead-time or scheduled delivery date.

4.7 The European Union regulates the import and export of chemicals through 'Registration, Evaluation, Authorization and Restriction of Chemicals ("**REACH**"). REACH addresses the production and use of chemical substances, and their potential impacts on both human health and the environment. Under REACH hazardous substances can be intermediates, chemical products or chemicals in articles. The list of hazardous substances is continuously growing and requires organizations to constantly monitor any announcements and additions to the REACH scope. This can be done on the European Chemicals Agency's website.

4.8 One of the major elements of the REACH regulation is the requirement to communicate information on chemicals up and down the supply chain. This ensures that manufacturers, importers and also their customers are aware of information relating to health and safety of the Products supplied. It is Supplier's responsibility to check if their Products supplied to Sandvik contain substances regulated by REACH, and inform Sandvik of the use of such regulated substances in Products. On request of Sandvik or a third party Supplier of an article containing a substance meeting the criteria in Art. 57 and identified in accordance with Article 59 in a concentration above 0,1 % (w/w) shall provide Sandvik or the third party with sufficient information, available to Supplier, to allow safe use of the Products, including, as a minimum, the name of that substance.

4.9 Sandvik expects its Suppliers to comply with amongst others but not limited to the following European Directives: i) EC 1907/2006 Registration, evaluation, authorization and restriction of chemical substances (REACH); ii) EC2002/95 Restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS/RoSH II); iii) 2011/65/EU Restriction of the use of certain hazardous substances in electrical and electronic equipment (recast). The relevant information shall be provided, free of charge, within 45 days of receipt of the request. The following table defines the compliance level to be used by our suppliers:

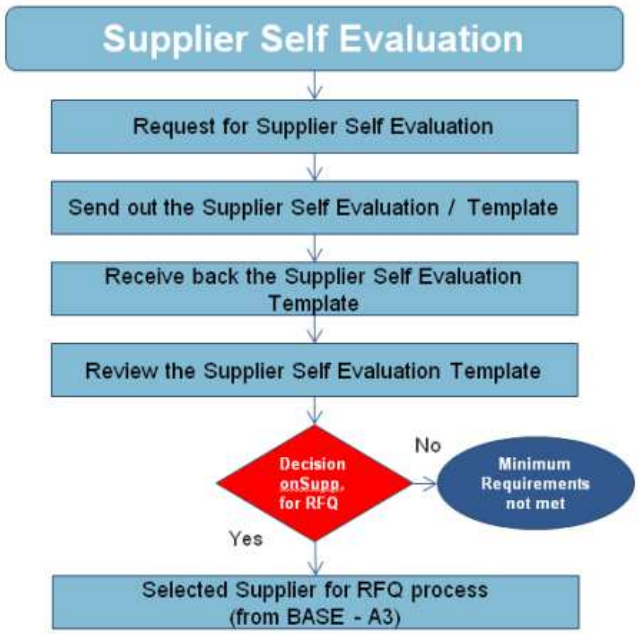
Legislation	Compliance Level
REACH art. 33 (EU)	Suppliers are: - obliged to inform Sandvik of the presence of very high concern of substances included in the candidate list. The information must include at least the following: o the name of the substance; o how many grams of the substance the article contains; o safety requirements for use; o handling requirements; o storing requirements; o requirements for disposal of the article - obligated to declare the presence of substances of very high concern included in the candidate list on the delivery note on packages
RoHS and RoHS II	The use of the following substances in equipment as defined by the WEEE directive must be restricted to the maximum permitted concentrations are 0.1% or 1000 ppm: - Lead (Pb) - Mercury (Hg) - Cadmium (Cd) - Hexavalent chromium (Cr6+) - Polybrominated biphenyls (PBB) - Polybrominated diphenyl ether (PBDE)

5. Sourcing Process

5.1 The sourcing process includes the following steps: 1) *Supplier (self-) evaluation / Supplier release*; 2) *Request of Quotation*; 3) *Supplier audit*; 4) *Prototyping/Product approval*; 5) *Production Process Approval*.

5.2 *Step 1*: Supplier (self-) evaluation (**Figure 1**). All potential suppliers have to complete a self- assessment before they can be selected as Supplier. The self-assessment shall contain questions about, and is based on, requirements flowing from the Code of Conduct, the GCs, regulations and quality standards (altogether referred to as "**Requirements**"). The self-assessment shall be provided by email. Following the completion of the self- assessment Sandvik will evaluate the input and information provided by potential supplier. Upon completion of the evaluation Sandvik will: i) if the potential supplier fully complies with the Requirements, release the potential supplier as Supplier to be engaged in a product development projects, or else; ii) if the potential supplier does not fully comply with the Requirements, agree with the potential supplier on a corrective action plan, before releasing the potential supplier as Supplier to be engaged in a product development projects, or else. The corrective action plan should clearly specify the GAPS and corrective actions to be completed by the potential supplier. Also the corrective action plan should specify the dates by which the corrective actions have to be completed.

Figure 1



5.3 *Step 2*: Request for quotation ("**RFQ**"). Following the release of a Supplier, Supplier will be added to an approved 'Supplier short list'. Before engaging in a tender process Supplier will be asked to sign a non-disclosure agreement, such to ensure that confidential and proprietary information

shared between the parties in the tender process is kept confidential. Supplier will be asked for a quotation for the supply of Products based on specifications and requirements provided by Sandvik: technical specifications and Required Quality Information (RQI). In every tender Sandvik intends to provide detailed information to the participating Suppliers, including specifications, quality requirements, cost breakdown template, standard contract terms, delivery schedules and details of how and by when the Suppliers should respond. All questions contained within the RFQ should be answered and further detailed through a technical review meeting and failure to do so will be treated as a non-conformance, thus may lead to exclusion from the tender process.

5.4 *Step 3*: Supplier audit. At any moment during the supply relationship between Sandvik and Supplier, Sandvik may request Supplier to perform an audit or have a third party appointed by Sandvik perform an audit The audit is undertaken to better understand the Supplier, its Products, its manufacturing processes and capabilities and to check it Supplier still complies with the Requirements.

5.5 *Step 4*: Prototyping/ Product approval. If the Supplier is selected to supply the Products as requested in the RFQ, in the event of customized Products, Sandvik may order a prototype of the Product ("**Prototype**") based on the RFQ specifications. The quality requirements of the Product will be defined in the technical specifications and Required Quality Information (RQI). Before Supplier starts manufacturing the Prototype, Supplier must provide Sandvik with an 'Advanced Quality Plan', which at least consist of a review of Documentation and quality requirements, before the start of prototype manufacture. Supplier undertakes to manufacture and supply to Sandvik complete and fully operational Prototypes, and Supplier shall supply to Sandvik all documentation and information reasonably necessary for testing. . Sandvik will assess and follow up on the Advanced Quality Plan according to the defined milestones and time schedule.

5.6 Tests of Prototype. In accordance with the agreed time schedule, Sandvik shall perform tests to verify that the Prototypes conform to the requirements specified in the preliminary specifications and Sandvik shall keep Supplier informed of the results of the tests. Sandvik shall give Supplier a reasonable opportunity to be present at the tests, at Supplier's costs and expenses.

a) If, as a result of the tests, Sandvik is of the reasonable opinion, to be confirmed in writing, that certain additions, alterations or modifications to the Prototypes are required to make these comply with the Preliminary Specifications and applicable requirements, Supplier shall modify the Prototypes and make them comply and shall supply such new Prototypes free-of-charge to Sandvik.

b) If, as a result of these tests, Sandvik desires modifications or enhancements to the Prototypes in excess of the Preliminary Specifications, then upon Parties' mutual agreement, Supplier shall provide a quotation and a revised time schedule for Sandvik's approval, and Supplier's fulfillment of any such modification or enhancements shall be subject to Sandvik's separate Purchase Order.

Any modified or enhanced Prototype shall be subject to Sandvik's Prototype testing as per this Clause 5.5 as well. Upon the finalization of the tests, provided that Sandvik has verified that the Prototypes are conforming to the technical specifications and RQI, parties will agree to and establish the final specifications of the Product ("**Specifications**"), evidenced by a written confirmation thereof. Supplier shall deliver Prototypes in accordance with the terms of the Purchase Agreement, or GCs.

5.7 Pre-production samples. After the establishment of the Specifications, Sandvik may request Supplier to provide pre-production samples of the Product ("**Pre-production Samples**") in accordance with the Specifications. Unless otherwise agreed in writing between the parties, the Pre-production Samples shall be made with components, materials, technologies and processes identical to those to be applied during mass production of Products. Together with the Pre-production Samples, Supplier shall provide Sandvik with the Product documentation and the technical service information (altogether referred to as "**Documentation**"). Sandvik may perform tests to verify that the Pre-production Samples are conforming to the Specifications and Sandvik shall keep Supplier informed of the results of such tests. Sandvik shall give Supplier a reasonable opportunity to be present at said tests, at Supplier's costs and expenses.

a) If, as a result of the test, Sandvik is of the reasonable opinion to be confirmed in writing that certain additions, alterations or modifications to the Pre-production Samples are required to make these comply with the Specifications or to eliminate faulty or substandard workmanship and/or material, Supplier shall modify the Pre-production Samples to make them comply and shall supply such new Pre-production Samples free-of-charge to Sandvik.

b) If, as a result of the test, Sandvik desires modifications or enhancements to the Pre-production Samples in excess of the Specifications, then upon parties' mutual agreement, Supplier shall provide a quotation and a revised time schedule for Sandvik's approval and Supplier's fulfillment of any such modification or enhancements shall be subject to Sandvik's separate Purchase Order.

Such modified or enhanced Pre-production Samples shall be subject to Sandvik's testing as per this Clause 5.6 as well. Upon completion of the tests, provided that Sandvik has

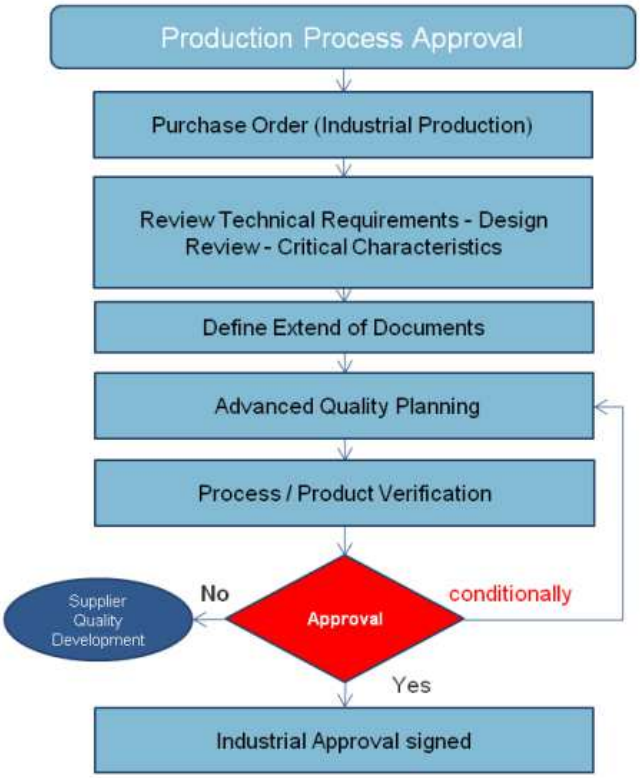
verified that the Pre-production Samples are conforming to the Specifications, approve the Product to be supplied in accordance with the Specifications. Sandvik may decide not to use Pre-production Samples in the process of Product approval. In that event the Product shall be approved following the establishment of the Specifications in accordance with the prototyping of Clause 5.5. Supplier shall deliver Pre-production Samples in accordance with the terms of the Purchase Agreement, or GCs.

5.8 Sandvik strongly encourages Suppliers to suggest improvements to the Products, which may be beneficial in terms of safety, quality, cost and lead time reduction. However, once Sandvik has accepted the Product, Supplier shall not make any changes or modifications to the Product without Sandvik's prior written consent. If Supplier wants to use other components and/or parts than the ones used in the approved Prototypes or Pre-production Samples, whether or not it affects form, fit, function or interchangeability of spare parts, Supplier requires Sandvik's prior written consent. Any Supplier wishing to change the Product has to submit a 'Change Request Form' to the relevant Sandvik Supplier Quality Engineer (SQE).If Sandvik approves the suggested change, Supplier shall provide Sandvik with an updated version of the Documentation as soon as possible at Supplier's costs. During all phases of the development Sandvik's technical, quality and service experts are entitled to make suggestions and proposals. Suggestions and proposals shall only be binding if confirmed in writing signed by authorized representatives of both parties.

5.9 Sandvik's inspection, testing or type approval of the Prototype or Pre-production Sample shall not relieve Supplier of any of its obligations under the Purchase Agreement or GCs, nor shall it constitute acceptance or approval of the Products or constitute or operate as a waiver of any defect, non-conformity, warranty or any rights or remedies available to Sandvik under the Purchase Agreement, the GCs or under the applicable law.

5.10 *Step 5: Production Process Approval* (**Figure 2**). Following the approval of the Product, Sandvik may request Supplier to: i) specify the complete production process ("**Production Process**") including details of the tools, moulds and machinery used in the Production Process; ii) demonstrate the ability to control the quality of the Production Process; iii) perform a site inspection to check the Production Process. Suppliers are responsible to continuously measure, document and improve -where needed- the quality of the tools, moulds and machinery used in the Production Process. It shall exhibit application of Lean Manufacturing Principles: i) Supplier define value as perceived by Sandvik; ii) Identify the value stream of Sandvik products; iii) Make the value stream flow; iv) Pull system through the production process; v) Supplier continuously strive for perfection by creating a platform of continuous improvement. Corrective actions may be requested when the continuity of the quality level of the, tools, machinery or complete Production Process is not kept at the expected quality level (in case of Cp and Cpk less than 1,33). Following an inspection of the Production Process Sandvik will provide Supplier with a written approval of the Production Process.

Figure 2



5.11 Sandvik strongly encourages Suppliers to suggest improvements to the Production Process, which may be beneficial in terms of safety, quality, cost and lead time reduction. However, once the Production Process has been approved Supplier shall not make any changes the Production Process or change or modify the tool, moulds or machinery used in the Production Process without Sandvik's prior written consent. If Sandvik gives Supplier its prior written consent for a change of tools, moulds or machinery, Supplier shall provide Sandvik with an updated version of the Production Process documentation as soon as possible at Supplier's costs. Any Supplier wishing to change the Production Process has to submit a 'Change Request Form' to the relevant Sandvik Supplier Quality Engineer ("**SQE**"). This changes request form should be submitted at least **12 weeks** prior to the intended implementation of the change.

5.12 Any change request for change of the Product of the Production Process, submitted by either party, shall contain at least the following: stock of finished parts at Sandvik; stock of finished parts at supplier; parts already in production (work in progress-stock); timescale required to implement the change at the Supplier; process changes required at Supplier (new/modified jigs etc…); possibility to update existing stocks (rework); criticality of change; corresponding costs;

need of updating quality documentation (supplier and Sandvik). After clarification of the above and agreement on the implementation thereof, the change may be approved.

6. Supplier Quality Management

6.1 Once a Product or a Production Process is approved Sandvik may expect improvements over time with the goal of Zero Defects. This requires having solid capabilities and monitoring methods in place to prevent deviations and non-conformities. Supplier shall demonstrate that it has a learning organization, making use and of previous experiences, mistakes and defects.

6.2 If the Supplier wishes to supply Products that do not fully comply with the Requirements, a deviation request must be sent to the SQE. No parts should be sent before this deviation request has been approved and returned by Sandvik. The deviation request should contain the following information as a minimum: date of request; Supplier name and contact information; Product number and description; description of deviation; quantity of parts affected or expiration date of deviation request; serial number(s) of the applicable Products. Sandvik will assess deviation requests on a case by case basis and may not accept such requests. Sandvik may change the Requirements for Products accepted under a change request e.g. additional quality documents, quality inspections or special marking.

6.3 Problem Solving Method. The 8D (D=Discipline) problem solving method is the standard problem solving method used by Sandvik. Suppliers may use their own template, but Sandvik expects that each of the following 8 steps must be answered: D1) Problem description; D2) Risks on similar products and processes; D3) Containment actions; D4) Root cause for non-detection; D5) Root cause for occurrence; D6) Corrective action plan; D7) Effectiveness; D8) Lessons learned. Sandvik expects the supplier to have capabilities to drive root causes analysis with structure approach such as six sigma, 5Why, etc.

6.4 Performance Management. Sandvik expects its Suppliers to comply with the Requirements, and that they ensure that their sub-suppliers also comply with the Requirements. Suppliers are expected to monitor their own performance by way of agreed key performance indicators and processes. Sandvik will communicate Supplier's performance on a regular basis, and monitors Supplier's quality performance with the following indicators:

Non Conformity Rate (NCR):	$\left(\frac{\text{Qty Non Conforming parts}}{\text{Quantity of Parts Received}}\right) x\ 100\ \%$ Or $\left(\frac{\text{Qty Non Conforming parts}}{\text{Quantity of Parts Received}}\right) x\ 1000000$ **PPM**
Response Time:	According to D1 to D8 established deadlines
Delivery accuracy:	On Time Delivery in accordance with the agreed time schedule.

6.5 Traceability. Suppliers must have a traceability procedure in the event Sandvik should request traceability on their Products. This procedure should ensure integrity throughout their supply chain, including but not limited to raw materials, components, products and any sub contracted operations. Traceability, unless otherwise stated, should ensure that delivered Products can be traced back to: finished parts, sub-components, raw material state, rework operations carried out, and any deviation acceptance. Packaging and labeling will be defined and communicated locally to match with site specific requirements.

7. Supplier Quality Assurance Declaration:

This SQAM defines the Requirements and the overall quality targets, ways of working and reference documents for Products and related Production Processes.

This SQAM does not need to be signed when it is used as Annex to a Purchase Agreement. However in the event that it is used as separate -standalone- document Supplier is required to sign it as part of the self evaluation in the Supplier selection process (Clause 5.2).

It is the responsibility of Supplier to ensure that the latest revision of this SQAM is adhered to. The latest revision of the SQAM can be downloaded from the supplier portal on the internet page http://mining.sandvik.com and will be provided free of cost upon request.

Supplier hereby confirms to have read and understood the Requirements as set forth in this SQAM.

Supplier name:	
Supplier address:	
Submitted by (name):	
Function:	
Phone number:	
Email address:	
Date/ Place: ……,…..,….. ……	Signature: ……