



# Supplier Quality Manual (SQM)

SPX FLOW-200-2.7

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Signature: 



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## 1. SCOPE

This Supplier Quality Manual (SQM) defines the quality and compliance requirements and applies to suppliers and contractors providing goods and services to SPX FLOW.

SPX FLOW expects its suppliers to meet SPX FLOW, customer, and applicable statutory and regulatory requirements. This shall be accomplished, by working with SPX FLOW to meet its goals by implementing continuous improvement and growth initiatives.

All delivered products and services must comply with SPX FLOW quality requirements, including those in the RFQ, PO and this SQM. Sub-tier supplier management referenced later in the manual.

This Supplier Quality Manual outlines the expectations of suppliers to SPX FLOW. The objective of this Quality Manual is to provide suppliers with an understanding of the minimum requirements, to be an approved supplier of SPX FLOW. In addition, suppliers must ensure that their employees, contractors, and suppliers understand the requirements of this SQM.

The Sourcing Strategy of SPX FLOW intends to establish and maintain long-term relationships with suppliers committed to continuous quality, delivery, statutory conformity and service improvements while ensuring cost competitiveness. This commitment is an expectation of all suppliers that provide products and services to SPX FLOW. SPX FLOW will deal with suppliers honestly and with integrity, strive to resolve suppliers requests and concerns, communicate requirements and provide suppliers with appropriate support, to perform at world-class levels.

## 2. APPLICABILITY AND GENERAL EXPECTATIONS

This manual applies to all SPX FLOW purchases of goods and services under SPX FLOW purchase order (PO) terms and conditions supporting SPX FLOW products.

This Supplier Quality Manual sets forth specific minimum terms which we expect of our suppliers. These terms are additional to those outlined in applicable written agreements, Purchase Orders (PO) and the SPX FLOW standard Terms and Conditions of purchase (sent with or incorporated by PO). Note that – except where trumped by particularly applicable written agreement or Terms and Conditions of purchase – the sale of all products to SPX FLOW is subject to and governed by the applicable SPX FLOW standard terms and conditions of purchase associated with the PO received by the supplier.

SPX FLOW expects its suppliers, to be committed to meeting SPX FLOW's and our customer's requirements for quality performance, technical support and timely delivery. This shall be accomplished by working with SPX FLOW to meet its goals by implementing continuous improvement and growth initiatives.

All delivered product and services must comply with SPX FLOW's quality requirements, including those in the PO and this SQM.

**3. REFERENCED DOCUMENTS**

Document number/Alternative number	Description
ISO 9001: 2015	Quality Management Systems – Requirements
SPX FLOW-200-2.7.1	Two-Way Non-Disclosure Agreement EMEA
SPX FLOW-200-2.7.23	Two-Way Non-Disclosure Agreement Non-EMEA
SPX FLOW-200-2.7.2	SPX FLOW Supplier Self-Assessment Questionnaire
SPX FLOW-200-2.7.5	FAQ Report
SPX FLOW-200-2.7.6	Quality Control Plan
SPX FLOW-200-2.7.7	Tool Passport
SPX FLOW-200-2.7.9	Supplier Audit Checklist
SPX FLOW-200-2.7.10	Inspection Release Note

**4. DEFINITIONS AND ACRONYMS**

Term	Definition
AVL	Approved Vendor List sometimes referred to as Approved Supplier List (ASL)
Direct Material	Material contained in the product or services to be sold to a customer
EHS	Environment, Health and Safety
FAQ	First Article Qualification
FCM	Food Contact Material
FMD	Full Material Disclosure
FIM	Free Issued Material
FOC	Free Of Charge
Hazardous Material	Materials, which because of its chemical, biochemical, microbiological or radiological properties, temperature or state of compression could in sufficient concentrations cause: <ul style="list-style-type: none"> <li>• Harm to human health and safety or personal injury</li> <li>• Property damage</li> <li>• Environmental harm or environmental nuisance</li> </ul> Typical hazardous substances are persistent, bioaccumulative, toxic (PBT), very persistent and very bioaccumulative (vPvB), corrosive, ignitable, explosive or otherwise chemically reactive.
Hold Points	Places in the manufacturing sequence where parts are to be held for SPX FLOW inspection since a feature may not be possible to be inspected in operations continued.
IMTE	Inspection, Measuring and Test Equipment
ITP	Inspection and Test Plan
MSDS	Material Safety Data Sheet may be referred to as SDS (Safety Data Sheet)
NC	Non-Conformance
PPAP	Production Part Approval Process
PO	Purchase Order or Contract including all associated specifications and drawings
QCP	Quality Control Plan
QMS	Quality Management System
RFQ	Request for Quotation
RMA	Return Material Authorization
SCAR	Supplier Corrective Action Request
Special Process	Processes where you are unable to verify the characteristics of the product

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	during manufacture without destroying the product as part of the evaluation
SQE	Supplier Quality Engineer
SQA	Supplier Quality Assurance
SQM	Supplier Quality Manual

**5. CONFIDENTIALITY AGREEMENT**

SPX FLOW and its suppliers, within a common business, desire to exchange certain information including proprietary formulas, methods, processes, designs, software, samples, test and chemical & physical analysis data, product descriptions, specifications, manuals, plans, prices, customer information, supplier information, financial information (confidential information).

To facilitate the exchange of such specific information, SPX FLOW will provide supplier with a Two-Way Non-Disclosure Agreement for EMEA Region (SPX FLOW-200-2.7.1) and a Two-Way Non-Disclosure Agreement for the Non- EMEA Regions (SPX FLOW-200-2.7.23) that sets the rules of data interchange for each side.

**6. RIGHT OF ACCESS/INSPECTION NOTIFICATION**

Inspections and auditing – SPX FLOW reserve the right of access to inspect, audit, or witness testing at suppliers manufacturing location. SPX FLOW shall provide reasonable notice to the supplier prior to the commencement of any agreed audits. The supplier is expected to close any findings as a result of the audit within (30) thirty days.

With reasonable notice, SPX FLOW and their representatives (including SPX FLOW appointed service provider or SPX FLOW customer representative accompanying with SPX FLOW representative) shall have access to the suppliers facilities and their sub-tier’s facilities for the purpose of quality audits and for assessing manufacturing processes capability to meet PO requirements. This access shall be made available during the award, execution and warranty periods of the PO of SPX FLOW. The Supplier shall notify SPX FLOW, either the Supply Chain Representative, SPX FLOW Quality Leads, SQE, the Inspector unless otherwise agreed when an inspection is due to take place. This shall be in accordance with the notification period specified in the purchase order/subcontract (e.g. typically 5 working days).

The notification shall be by e-mail and shall include the following information as a minimum:

- a. Supplier/subcontractors name and address
- b. Contract/Purchase Order Number and item number
- c. Equipment
- d. Quantity
- e. Supplier self (internal) inspection report/record (if performed)
- f. Project name
- g. Inspection and Test Plan activity reference
- h. Date of inspection
- i. Location of inspection

## 7. CONTROL OF SUB-TIER SUPPLIERS

Suppliers are responsible for ensuring compliance to this SQM, including goods and services delivered by the suppliers sub-tier suppliers. Suppliers must flow down all SPX FLOW PO/SQM requirements to their sub-tier suppliers.

Suppliers shall maintain effective control over their sub-tier suppliers. Suppliers on request shall provide SPX FLOW with the necessary QMS documentation to confirm that their sub-tier suppliers have been adequately assessed and are approved to supply the relevant products and services.

SPX FLOW reserves the right to select the sub-tier supplier from an approved vendor list if requested by the customer or based on quality performance.

Where specified by SPX FLOW in the PO, suppliers must use SPX FLOW required sub-tier supplier. Using SPX FLOW required sub-tier suppliers does not negate the supplier from maintaining the appropriate controls over their sub-tier suppliers.

## 8. REQUIREMENTS REVIEW FOR RFQ AND PO

Suppliers shall have procedures and processes in accordance with ISO 9001: 2015 section 8.2 “Requirements for products and services” or equivalent, to ensure SPX FLOW requirements are reviewed, understood and incorporated into the suppliers processes, products, and services. If the supplier is uncertain about any aspect of the SPX FLOW requirements, the supplier shall immediately contact SPX FLOW and resolve the uncertainty prior to proceeding or incurring any cost or committing to supply.

Suppliers are also expected to use the most current levels of technology available and appropriate for the design and production of quality goods and services. This may include equipment and resources which support bringing new products to market faster, including rapid prototyping capability. A Pre-Production Meeting (PPM) may be conducted at the discretion of the Quality Lead. Prior to the meeting, an agenda will be sent by SPX FLOW for comment and agreement. Meetings shall be recorded and agreed upon by both parties through formal correspondence. It is expected that attendees from the supplier shall include, as a minimum, all personnel responsible for the Project Management, Quality and Production of the P/O. If applicable, the customer will also be in attendance.

## 9. CONTROL OF DOCUMENTS AND RETENTION OF QUALITY RECORDS

Suppliers shall have effective procedures, processes, and controls of quality records in accordance with ISO 9001:2015 section 7.5.3. “Control of documented information” or equivalent. The procedures shall, amongst other things, define the controls for the identification, storage, protection, retrieval, retention, and disposal of records.

SPX FLOW uses prints and other controlled documentation to communicate material requirements. SPX FLOW will provide the latest revisions of controlled documentation to the appropriate person identified by the supplier. Suppliers must have a written procedure for controlling these documents according to ISO 9001 section 7.5 “Documented information” or equivalent and use the latest revision for purchasing, supplying, and inspecting based on the purchase order requirements. All superseded documents will be marked “OBSOLETE.” It is the suppliers responsibility to assure they have all current documentation required.

## 10. INSPECTION (INCOMING, IN-PROCESS AND FINAL), MEASURING AND TEST EQUIPMENT (IMTE) CONTROLS

The suppliers calibration and control system for IMTE used to validate compliance to SPX FLOW requirements shall comply with ISO 9001:2015 Section 7.1.5 “Monitoring and measuring resources” or equivalent. Examples of IMTE that must be controlled are devices used to measure acceptance criteria such as pressure gauges, micrometers, vernier calipers, scales,

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jigs, fixtures, tools, dies, tape measure, etc.

IMTE calibration shall be performed by accredited laboratories meeting the requirements of ISO 9001:2015. The suppliers IMTE calibration system and procedures must ensure that an assessment, in accordance with ISO 9001 section 7.1.5, of the validity of previous measuring results is undertaken when an IMTE is found to be defective or out of calibration. SPX FLOW shall be notified in the event of potential non-conforming products and services as a result of a defective or out of calibration IMTE. Suppliers shall have procedures and processes to ensure conforming product and services are delivered to SPX FLOW. This may include visual inspections, traceability checks, dimensional inspection, NDE, performance test etc., at various stages in the processes. This also includes suitable authorized and qualified personnel used for inspections (ex. all welding will be inspected by inspectors qualified to their country standards VT level 2 or equivalent)

## 11. SPX FLOW TOOLING

Suppliers are responsible for the care, maintenance, and proper use of SPX FLOW tooling and fixtures. When appropriate, suppliers will be requested to submit tooling details prior to production approval based on the form "SPX FLOW-200-2.7.7 Tool Passport". All tools should be clearly marked with the SPX FLOW name and a tool number. All suppliers are expected to maintain tool maintenance records and be able to provide them to SPX FLOW when requested. The supplier must use SPX FLOW's Tool Passport or an approved equivalent. Pictures of all tooling are required. SPX FLOW requires that suppliers immediately report any loss or damage to tooling. Unless otherwise agreed to in writing, storage and regular maintenance of SPX FLOW tooling is the suppliers responsibility. Suppliers shall notify SPX FLOW when a tool is nearing the end of its useful life in time to repair or replace the tool without interruption to continuous production. Tools are expected to be adequately packaged and protected from damage when sent out for repair or rework. Suppliers are responsible for assuring that the tooling is always capable of producing product within SPX FLOW specifications.

## 12. PRODUCT MARKING, TRACEABILITY, PRESERVATION AND PACKAGING

The supplier shall identify as a minimum and include the following information in the SPX FLOW Product and delivery documentation.

- a. PO number
- b. PO line item number
- c. Item description
- d. SPX FLOW part number/tag number and revision number
- e. Quantity
- f. Manufacturer's part number and country of origin
- g. FAQ Samples: Should be marked FAQ sample and with the FAQ number

**Goods packaging methods and materials:** If SPX FLOW does not specify packing methods and/or materials, it is the suppliers responsibility to ensure that items purchased by SPX FLOW are properly packed so that damage does not occur during transportation. Supplier shall ensure packaging material and packaging is as per the national standard requirement of the country of delivery. The Delivery document shall be in English language or English and local language if English is not the official language of that producing country.

The Supplier must follow the packaging requirements that prevents rust, dust, damage, sea water ingress and the possibility of utilising environmentally recyclable packaging to avoid harming the environment.

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### 13. CONTROL OF SPX FLOW OR CUSTOMER SUPPLIED MATERIALS

The supplier shall ensure materials supplied by SPX FLOW or its customers are controlled and protected from damage while in the suppliers control in accordance with ISO9001:2015.

This control shall include:

- a. An incoming inspection - to document the acceptability of material as received;
- b. Traceability of the material up to and throughout the production processes.

Quality documents (reports/records) supplied along with Free Issued Materials shall be retained and controlled by the supplier as per document control procedure. If calibration validity of the operational life of FIM is about to expire:

- a. It is the responsibility of the supplier to notify SPX FLOW within time;
- b. Or the supplier to calibrate equipment without additional cost.

Unused SPX FLOW or customer material, including cut-offs, scrap, remnants, etc., shall be marked and remain traceable throughout the time it is in the suppliers' control.

### 14. SUPPLIER ASSESSMENT, EVALUATION AND PERFORMANCE

In order to supply direct material or service to SPX FLOW, the supplier must be approved and on SPX FLOW's Approved Vendor List (AVL). This list identifies the suppliers and the commodities it is approved to supply. SPX FLOW has assessed suppliers on the AVL as having an acceptable QMS to fulfil SPX FLOW's requirements.

**Supplier Self-Assessment Questionnaire:** As part of the approval process, all suppliers must complete a Supplier Self-Assessment Questionnaire (SPX FLOW-200-2.7.2). The questionnaire must be submitted with supporting evidence of the implementation of the QMS.

**Supplier Evaluation:** After an acceptable review of the Self-Assessment Questionnaire, SPX FLOW may perform an on-site or Virtual Supplier Audit. (SPX FLOW-200-2.7.9).

Supplier audits are scored against a Supplier Audit Checklist, and the following acceptance criteria are awarded:

- a. Best in Audit Supplier – Scoring 90% or above
- b. Approved Supplier – Minimum approval limit scoring  $\geq 65\%$
- c. Interim Approval - Interim Approval for 3 months if overall actual score is  $>50\%$
- d. Rejected – The audited supplier is rejected if the overall actual score is  $<50\%$

**Non-conformities or observations:** If non-conformities are found during the on-site/virtual audit, the supplier develops a corrective action plan prior to approval. SPX FLOW Supplier Quality or Supply Chain may require additional evaluations prior to approval.

**Supplier Scorecard:** SPX FLOW maintains a scoring system on the suppliers aimed at improving supplier performance. Information is shared with key/strategic suppliers, and when quality/on-time delivery concerns arise, suppliers receive copies of their quarterly performance through the Supplier Scorecard Power App Dashboard.

Key Metrics include:

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- a. Delivered quality: DPPM – Number of SCARs raised
- b. Nonconformance events: Number of repeat SCARs raised
- c. Effectiveness of corrective action: Number of repeat issues – PPM
- d. Cost of poor quality -
- e. Deliveries on-time: SOTD to suppliers first confirmed date
- f. Year over year deflation
- g. Invoice accuracy
- h. PO acceptance timing – PO confirmation
- i. Compliance with SPX FLOW payment terms

SPX FLOW requests the supplier for an investigation and corrective action initiatives when three consecutive scorecard results are below the overall target. If the quarterly scores for the Quality Metric is found to be below 25% then a SCAR will be raised to the supplier, the aim here is to assist the suppliers in improving their performance.

**Additional Surveillance for supplier sub-contractors for special processes such as e.g. foundries, and forgings suppliers:** Once suppliers have been approved, they are added to the AVL. Suppliers on the AVL may be audited or have other reviews performed by SPX FLOW's Supplier Quality and Supply Chain departments needed to ensure the supplier can consistently meet SPX FLOW's quality and delivery requirements.

**Supplier Re-Evaluation:** When the following criteria are found not to be met by the suppliers, SPX FLOW starts the process of Supplier Re-Evaluation:

- a. Supplier re-evaluation after an extended period of not being used.
- b. The Supplier is found with poor performance within our supplier scorecard system (On-time delivery, Quality, Cost, Operational Excellence) and is unable to provide an action plan to improve.
- c. The Supplier did not provide evidence for corrective actions after the supplier qualification audit.
- d. The Supplier has changed their location (depending on the circumstances the type of re-evaluation will be agreed).
- e. The Supplier delivers repeat quality concerns.

## 15. FIRST ARTICLE QUALIFICATION

In order for a direct material supplier to be added to the SPX FLOW Approved Vendor list, the supplier's product must pass the First Article Qualification (FAQ) process. The first delivery of a new part or an existing part that has been changed requires a successful FAQ. The supplier must provide SPX FLOW with an FAQ report (SPX FLOW-200-2.7.5 or similar) for sign-off by the Supplier Quality Engineer. If requested by SPX FLOW, this report shall contain a QCP (form SPX FLOW-200-2.7.6 or similar).

Examples of when FAQ's may be required are:

- New Product/Part Introduction
- Existing vendor new components
- New Vendor with existing components
- Existing vendor with existing component (first attempt for supplier)
- Design Change (new Part Number/VAVE)

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- Manufacturing Process Change
- A Factory Move (Change in layout to existing in which the product qualified)
- Change in non-consumable tooling (i.e., patterns, dies, press tools)
- When the supplier has not produced a part for a minimum of 36 months

If any of these changes occur, the supplier should contact SPX FLOW business unit Supplier Quality and/or Supply Chain for guidance.

If PPAP is requested - All suppliers shall submit PPAP documentation to the requested Level for new developments unless otherwise specified in the supply agreement or purchase order, without issuing a specific purchase order dedicated for PPAP submission.

Supplier Quality is the sole approver of all PPAP's.

## 16. QUALITY CONTROL PLANS

If a QCP/ITP is required in the PO, it must contain enough information to define what inspections and testing will be accomplished to meet SPX FLOW PO requirements. At times, there may be a need for SPX FLOW to evaluate product in-process. These inspections should be identified as hold points on the QCP. Hold points are particularly relevant for special processes or features that are not accessible on the final product.

If SPX FLOW or the supplier identifies hold points:

- a. The supplier must inform SPX FLOW of the timing of when the article reaches the hold point and the need to SPX FLOW to witness,
- b. The supplier must not continue past the hold point without an SPX FLOW representative present unless SPX FLOW Supplier Quality has formally waived the inspection in writing,
- c. A suitable QCP/ITP shall be available for review of SPX FLOW; QCP/ITP shall include quality characteristics and acceptance criteria for each stage of the process, third party inspection/test requirements (if applicable) and final approval criteria.

Where applicable, SPX FLOW might use an Inspection Release Note (SPX FLOW-200-2.7.10). This allows SPX FLOW to do the inspection on-site of the supplier and review previously identified hold/witness points. Final Inspection Release must include a review of the documentation to be provided by the supplier as specified by the PO/Contract. Once issued to the supplier, the Final Inspection Release Note represents the completion of the entire inspection assignment and formal final acceptance of the whole PO/Contract. If any deviations observed during the inspection process, a partial inspection release might be granted, with a request for the corrective action plan.

**17. SPECIAL PROCESSES**

Suppliers must have specific, documented, and controlled procedures for each special process performed. Suppliers are responsible for identifying the special processes performed. If special processes are performed, Suppliers shall submit copies of the process sheets which define how the process is to be performed and inspected, including process parameters and operators qualifications.

An example of special process requirements which can be stated in the PO's/Contracts/RFQ's:

<b>Special Process</b>	<b>Example Specifications</b>
Welding	ASME, ASTM, PED regulations, GB 150 regulations
WPS	ISO 15607
WPQR	ISO 15614-1
Welders Certification	Manual Welding: ISO 9606-1:2014 Machine Welding: ISO 14732:2013
Visual Weld	ISO 5817 Level B
Dye Penetrant	ISO 3452-1 with an Acceptance Level ISO 23277:2015 zero defects
X-Ray	ISO 17636-1 with an Acceptance Level ISO 10675-1 Accept Level 1
NDT Qualifications	The ISO 9712 scheme are followed and that NDT procedures are prepared by a minimum of a level 2 technician
SPX FLOW Specifications:	- Welding Instruction Food: AS-01.02.00#1
	- Surface Treatment: AS-01.02.00#2
	- Plate & Pipework: Main 100

Weld procedures and supporting Weld Procedure Qualification Records (WPQR's) shall be available for review on-site by SPX FLOW and/or their designated inspection agency

The supplier is responsible for ensuring that all workmanship meets the requirement of the contract and any specification identified within it. All inspection will be performed by competent, qualified inspectors.

The supplier shall ensure that the level of competence is defined in their procedures. As a minimum, all welding will be inspected by inspectors qualified to their country standards VT level 2 or equivalent, and coatings inspection shall be performed by inspectors qualified to Level 2 or equivalent. All NDT procedures shall be prepared and approved by competent, qualified personnel.

Copies of certificates shall be available for review at the supplier premises. All interpretation of results shall be conducted by a minimum of a level 2 technician.

All the above is a requirement for suppliers of fabrication/manufacturing workshops and SPX FLOW onsite installations.

**18. DEVIATION / CONCESSION APPROVAL REQUEST**

Products and services shall not be delivered to SPX FLOW if they do not fully comply with the PO requirements without an approved concession or deviation request.

If the supplier identifies a non-conformance in product or service before delivery and the condition may be acceptable by SPX FLOW, the supplier must request SPX FLOW acceptance. In such instance, the supplier must submit a Deviation / Concession Request Approval (Form SPX FLOW-200-2.7.4) to SPX FLOW Business unit Supplier Quality and /or Supply

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Chain representative. In response, SPX FLOW provides the supplier with a disposition of the request. Under no circumstances shall a supplier provide non-conforming material to SPX FLOW without formal written approval on a Deviation / Concession Approval Request Form.

The procuring SPX FLOW location shall provide any special packaging or marking requirements for parts accepted under a concession or deviation and the information will be entered into the SPX FLOW Approval Concession Database Power BI.

## 19. NON CONFORMITY HANDLING AND CORRECTIVE ACTION REQUEST

If a non-conforming product is found at the suppliers, SPX FLOW or its customer sites, the supplier shall take prompt and effective actions. These actions have to correct adverse conditions that have resulted or could result in the release of non-conforming material to SPX FLOW. SPX FLOW specifies when written documentation is to be provided with the corrective action. The Supplier Quality Engineer (SQE) is issuing **Supplier Corrective Action Request (SCAR)** to the supplier for any of the following reasons:

- a. Impact to SPX FLOW manufacturing;
- b. Repeat issue;
- c. High cost of poor quality (COPQ);
- d. Customer impact.
- e. Supplier Scorecard Quality Metric score below 25%

When the **SCAR** is issued, the Supplier is required to:

- a. Provide containment of non-conforming parts at suppliers site, in transit, at SPX FLOW (if needed), and at customer's site (if requested by SPX FLOW);
- b. Provide, if requested, replacements for non-conforming parts at SPX FLOW that are to be returned to the supplier;
- c. Perform a Root Cause Analysis of the issue to identify root cause and corrective actions, date when product impact is going to be eliminated and provide information to SPX FLOW – see next clause;
- d. When required, the supplier should identify the next 3 batches of parts in question delivered to SPX FLOW stating that the parts have been 100% inspected for the reported non-conformity and comply with SPX FLOW's requirements;
- e. Follow any additional request made by SPX FLOW related to the non-conformance, containment and issue resolution.

**Supplier Debit Note:** SPX FLOW shall be entitled to recover all cost from the supplier, which was reasonably incurred from a non-conformance. Recovery cost would be determined prior to debit and may include items such as:

SPX FLOW collects the cost caused by supplier poor quality and mainly on below aspects of goods & service:

1. Rework of goods
2. Scrap of goods
3. Warranty of goods
4. Customer complaint goods

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5. Incorrect Documentation
6. Goods related to transportation
7. Additional inspection & testing
8. Late delivery penalty (If mentioned in PO) & workmanship issue
9. Administration Cost

**Supplier Corrective Action Request and Root Cause Analysis:** The identification of a non-conformance at SPX FLOW will result in a SCAR. The SCAR includes a description of the non-conformance, the area where the non-conformance was identified, the magnitude of the non-conformance (estimated % of defective parts), and the requested date that a completed corrective action response is required.

Verification of containment and corrective action must take place in a timely manner as agreed with SPX FLOW procuring site (usually less than 3 working days for expected reply with immediate actions and 14 working days for SCAR expected close date).

All process and document changes made to correct the non-conformity and ensure no recurrence shall be submitted to SPX FLOW as part of the SCAR response.

Supplier shall appoint a qualified representative within its organization who has the responsibility and authority to resolve quality matters. This person(s) shall be of a level to effectively interact with business unit Supplier Quality and/or Supply Chain and with SPX FLOW to resolve quality issues. The representative shall provide written corrective action in a timely manner on the SPX FLOW SCAR form as required.

Suppliers shall begin to resolve issues associated with discrepant parts immediately upon notification by SPX FLOW and shall provide a response to all SCAR's within the requested timeframe.

SPX FLOW determines whether a SCAR should be issued based on the quality issue seriousness or impact on the SPX FLOW product. The SPX FLOW SCAR system facilitates the prompt investigation, correction, and prevention of non-conformances.

Upon receipt of a SCAR, Suppliers shall respond with the following information:

- a. **Immediate/Correction Actions:** includes short-term and long-term correction and containment actions such as reprocessing, sorting, reworking. All potentially affected products must be addressed at this time, and notification and disposition of the material must be made intended to limit any possible exposure to supplier, SPX FLOW and SPX FLOW's customers.
- b. **Root Cause Analysis (including root cause of non-conformance and root cause of non-detection):** the Supplier must conduct in-depth analysis to determine the actual cause(s) of the non-conformance. Problem-solving tools such as A3 (detailed below), 5 Why's, 8D and DMAIC should be used to drive towards the root cause.
- c. **Corrective actions implemented (including corrective action of non-conformance and corective action of non-detection):** involves permanent actions taken to eliminate the problem and the possibility of re-occurrence. Methods that may be used are mistake-proofing systems (Poka-yoke), training, process changes, or tool changes.

## 20. MATERIAL CERTIFICATES AND FMD'S

SPX FLOW requires suppliers to submit the material certifications respectively FMD's as stated in the SPX FLOW PO. Any material certifications, declarations, test reports and material analysis shall be traceable to SPX FLOW PO and SPX FLOW item number. They shall be provided to SPX FLOW prior to dispatch of items from the suppliers facility.

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SPX FLOW requires suppliers to submit the material certifications as stated in the SPX FLOW PO.

(e.g. mailbox – material.certificate@SPX FLOW.com or similar)

Items delivered without the appropriate certifications may be rejected, and a SCAR may be issued. Some products may require additional testing and analysis to verify conformance. The supplier must provide all necessary material test results when SPX FLOW specifies performance or functional requirements when applicable for the products. Examples include electrical testing, corrosion testing, chemical analysis, mechanical testing, x-ray testing, etc. When an outside service is used, the name of the company must be included in the submission. All material certification shall be mill originated.

For specific orders, SPX FLOW might require a Supplier/Manufacturer to provide a Manufacturing Data Book. The content of MDB shall include but not limited to:

- a. Inspection Release Note/Supplier release Note
- b. QCP/ITP
- c. 2.2, 3.1, 3.2 Material Certification
- d. Final As-built Drawings
- e. WPS
- f. Welders Qualifications
- g. Welding Log
- h. NDT Qualifications
- i. NDT Reports
- j. Dimensional Reports
- k. Surface finish report
- l. Measuring and test Instruments calibration report
- m. Test Reports

The final certification should be available within required timing stated on the purchase order for review by the SPX FLOW inspector and/or Quality Department.

**Other certification that may be requested:**

Where applicable, Food Contact Material Certificates will be requested from the supplier. These FCM certificates shall reference all relevant FCM legislation as per the SPX FLOW request, such as, but not limited to, FFDCa, Regulation (EC) 1935/2004, Regulation (EC) 2023/2006, Regulation (EU) 10/2011, Regulation (EC) 1895/2005, Directive 85/500/EC, BfR Recommendations and local orders & decrees, including all the latest amendments to state compliance with the requested intended use (temperature, pressure, fluid composition, application), showing relevant migration test reports and corresponding background documentation.

Also where applicable, a CE as well as UKCA Declaration of Conformity shall be provided by the supplier, confirming compliance with the applicable legislation, such as, but not limited to, Machinery Directive 2006/42/EC, RoHS Directive 2011/65/EU, EMC Directive 2014/30/EU, Low Voltage Directive 2014/35/EU, ATEX Directive 2014/34/EU, Pressure Equipment Directive 2014/68/EU, Radio Equipment Directive 2014/53/EU, respectively the UK – equivalent legislation.

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## 21. SUPPLY OF HAZARDOUS MATERIALS AND SUBSTANCES

When a hazardous material is to be delivered to SPX FLOW, the supplier shall provide the materials SDS to SPX FLOW prior to dispatch or with the delivery of items from the suppliers' facility. For first time shipments of materials, the supplier will provide SPX FLOW with an SDS in advance of material shipment to allow time for SPX FLOW to review the SDS and ensure appropriate controls are in place. Supplier of hazardous material shall take responsibility for compliant disposal of leftover or scrapped material.

## 22. ENVIRONMENT, HEALTH AND SAFETY (EHS)

Suppliers are responsible for all aspects of EHS connected with the goods and services supplied to SPX FLOW and must, at their own cost, comply with all EHS laws at their facilities and those of sub-tier suppliers. Suppliers are responsible for ensuring they comply with all regulations and laws. SPX FLOW will deliver specific EHS requirements to the suppliers when appropriate (e.g. SPX FLOW Contractor Rules for Construction Safety).

## 23. CUSTOMER / SUPPLIER RELATIONSHIP FEEDBACK

SPX FLOW is committed to maintaining a good relationship with all our suppliers and subcontractors. SPX FLOW believes that without our suppliers assistance and commitment, the requirements specified in this manual cannot be adequately achieved. Suppliers should contact SPX FLOW Supplier Quality /Supply Chain personnel if any requirement specified in the SPX FLOW PO or this manual is not fully understood.

Suppliers are responsible for ensuring they have the latest version of this document and any forms or documents needed to provide the required products to SPX FLOW. The Supplier shall contact SPX FLOW Supply Chain or Quality personnel to request any document needed.

## 24. SUPPLIER REMOVAL FROM APPROVED SUPPLIER LIST

Suppliers, who for any of the following criteria are found to be underperforming will then be removed from the Approved Vendors List:

- a. The supplier is consistently delivering poor quality goods or services.
- b. The supplier has SCAR's raised for repeated issues.
- c. The supplier is not performing to expected SPX FLOW requirements.
- d. The supplier is found to be below the required scoring during supplier audits.
- e. The suppliers performance is found to be below expected levels through the Supplier Scorecard process, and all attempts at improving the suppliers performance have failed.
- f. Continued poor supplier performance will be discussed with SPX FLOW Supplier Quality and Global Sourcing, and the supplier will be requested to compile an action plan. If these actions prove to be non-productive, the supplier will be removed from the SPX FLOW AVL.

## 25. CYBERSECURITY

In the world of digital and online business transactions, robust cybersecurity requires a team approach. SPX FLOW is committed to working with its suppliers and business partners to prevent cyberattacks.

Below are some reminders and recommended best practices to help protect our business transactions:

All emails from SPX FLOW will have an @SPX FLOW.com address: Phishing attacks often use fabricated email addresses that look like a valid address. For example, we have been informed of a hacker that used an @SPX FLOWUS.com address.

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Any email from SPX FLOW, will come from an @SPX FLOW.com address.

If an order seems unusual, notify us immediately: One type of phishing attack involves the placement of a fictitious order. One way to spot a fictitious order is that it will typically seem a bit out of the ordinary. For instance, the order may be for an unusually large volume, delivery might be to a new location, or the goods being purchased are not those typically ordered by SPX FLOW. If you ever get an order that does not seem right, call your SPX FLOW buyer.

Verify any requested changes to financial or banking information: Sometimes attackers will send a communication requesting a change to bank account information. Before making a change to any financial or banking information of SPX FLOW, call your SPX FLOW buyer and obtain a verbal confirmation that the requested change is valid.

Use appropriate antivirus software: Sophisticated attackers may carry out their mischief by covertly installing a program that allows the attacker to control a third party's computer. Once the program is installed, the attacker may masquerade as the third party. This is a particularly vexing type of attack because the attacker may be able to send communications such as emails from the third party's valid account. To help prevent this type of attack, you should install appropriate antivirus software on all of your business computers.

## 26. ANNEX A: SUPPLIER CODE OF CONDUCT

### Supplier Code of Conduct

SPX FLOW improves the world through creating and delivering innovative, sustainable solutions. We do this by conducting business with the highest standards of ethics and expect our Suppliers<sup>1</sup> to do the same. This Supplier Code of Conduct ("Supplier Code") sets forth guiding principles that reflect our core values and commitment to unyielding integrity. We intend for the Supplier Code to lay a foundation for a mutually beneficial business relationship by setting forth our expectations for our supply chain.

We require all Suppliers to comply with the Supplier Code and take measures to ensure that their supply chain conducts business in a manner consistent with its expectations. SPX FLOW is committed to supporting continuous improvement efforts of our Suppliers to meet and when possible, exceed the requirements in this Supplier Code.

By accepting a purchase order from SPX FLOW, the Supplier acknowledges acceptance of the Supplier Code and agrees to comply with its requirements. SPX FLOW may take the necessary steps to assess a Suppliers adherence to these requirements. If deemed appropriate, SPX FLOW will partner with its Suppliers to develop action plans, including on-site audits to achieve the necessary improvement. SPX FLOW may disqualify any potential Supplier or terminate the relationship with a Supplier that fails to conform to this Supplier Code.

"Suppliers" refers to any third party that provides goods or services to SPX FLOW for compensation.

**Anti-Corruption and Business Ethics:** We believe in operating our business with integrity – ALWAYS. This means that we comply with applicable legal and regulatory requirements and expect our Suppliers do the same.

As a SPX FLOW Supplier, you will:

- Abide by the letter and spirit of every applicable law and regulation in the areas where you operate and take appropriate measures to ensure that your employers, suppliers, and subcontractors do the same.
- Engage in fair and honest business dealings that are free from anticompetitive conduct.
- Not directly or indirectly solicit, receive, or offer any form of bribe, kickback, or other corrupt payment, to or from any person or organization, including but not limited to government agencies or officials.

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· When doing business with, or conducting business on behalf of SPX FLOW, you may, for legitimate business purposes, offer or receive reasonable gifts or entertainment to or from other business partners, provided, however, that in each instance the gift or entertainment is unsolicited, not given in exchange for any consideration, and consistent with the standards of this Supplier Code.

· Maintain accurate books and records and implement adequate internal controls to ensure the same.

**Human Rights, Labor, and Employment Practices:** We believe in a culture of belonging where everyone is valued and has room to grow. We expect our Suppliers to uphold the human rights of workers and treat them with dignity and respect. Diversity and Inclusion is a cornerstone of SPX FLOW. We will strive to create competitive opportunities for diverse Suppliers including small businesses and businesses owned by disadvantaged ethnic minorities and women.

As a SPX FLOW Supplier, you will:

· Only employ or engage workers who meet the applicable minimum legal age requirement, except that in no event employ any person under the age of 16, even if local Laws permit otherwise. Notwithstanding the foregoing, Supplier may allow individuals aged 15 or older to work as part of a bona fide apprenticeship program.

· Not use or engage in any indentured or forced labor, slavery, or human servitude, trafficking, or compulsory labor. Do not engage in or permit corporal punishment or threatened or actual violence.

· Set working hours, wages and over-time pay in compliance with Laws. All workers shall be paid at least the minimum legal wage or a wage that meets local industry standards.

· Employ workers based on their ability to do the job and treat them with dignity and respect. Do not engage in any discrimination or harassment, whether based on race, gender, religion, ethnicity, nationality, age, disability, sexual orientation and/or political beliefs.

· Respect employees' right to join or not join any lawful organization, including but not limited to trade unions and works councils, and comply with all applicable Laws pertaining to freedom of association and collective bargaining.

· Actively promote a diverse and inclusive workplace where employees feel comfortable bringing their whole selves to work.

**Environment, Health & Safety:** We believe the best outcomes start with the health and safety of our people. We expect our Suppliers to create safe work environments, be aware of all potential hazards in the workplace, and implement appropriate EHS procedures to address such hazards.

As a SPX FLOW Supplier, you will:

· Be a leader in safeguarding the health and safety of its employees, agents, and contractors. Comply with SPX FLOW's environmental, health, and safety requirements, and any site-specific requirements or protocols while visiting a SPX FLOW or customer location.

· Take responsibility for the health and safety of its personnel. Ensure a safe work environment and minimize physical and chemical hazards through proper engineering and administrative controls, preventive maintenance, and safe work procedures.

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- Provide its workers with appropriate personal protective equipment where hazards cannot be controlled by other means.
- Provide training and education to its employees on health and safety matters.

**Confidential Information and Intellectual Property:** We believe that respecting confidential information and intellectual property rights not only preserves but enhances the trust and confidence our customers and business partners have placed in SPX FLOW.

As a SPX FLOW Supplier, you will:

- Not disclose SPX FLOW confidential information to third parties without express authorization from SPX FLOW.
- Implement safeguards to protect SPX FLOW confidential information.
- Refrain from disclosing confidential information of third parties with SPX FLOW.
- Respect the intellectual property rights (patents, trademarks, copyrights, and trade secrets) of third parties and promptly alert SPX FLOW of any claim that you have infringed any third-party intellectual property rights.

**Sustainability and Environmental Responsibility:** We believe that we have a responsibility to improve our communities and reduce the environmental impact of our operations

As a SPX FLOW Supplier, you will:

- Operate your business in a sustainable and environmentally responsible manner in accordance with all applicable environmental laws and regulations, including those regulating air emissions, wastewater discharge, and toxic materials.
- Work to reduce the environmental impact of operations including natural resource consumption, waste generation, air emissions, wastewater discharges, etc.
- Implement programs to ensure products do not contain restricted and/or banned materials.
- Prevent release of hazardous materials into the environment and adverse impact on local communities.
- Manage solid waste compliantly from generation through collection, storage, transportation, and ultimate disposal.
- Provide data requested by SPX FLOW to help SPX FLOW achieve environmental and material transparency for its product. The data may include, but is not limited to, full material disclosures, production resource information (energy, material, chemicals, waste, etc.), final points of assembly, and transportation modes and distance.
- Responsibly source materials and comply with applicable laws and regulations regarding conflict minerals. Any conflict minerals contained in supplier products must not directly or indirectly enable or otherwise facilitate human rights abuses.

**Raise A Concern:** If you are aware of a situation that you believe conflicts with the Supplier Code, you are expected to notify us as soon as possible. You may work directly with your supply chain business contact at SPX FLOW, or through our anonymous reporting hotline:

**Website:**[www.SPXFLOW.com](http://www.SPXFLOW.com)

1. On the website, [www.ethicspoint.com](http://www.ethicspoint.com);
2. Through calling a toll-free telephone service, 1-855-409-0071; or
3. By mailing a report to SPX FLOW Compliance Hotline, 13320 Ballantyne Corporate Place, Charlotte, NC, 28277, USA