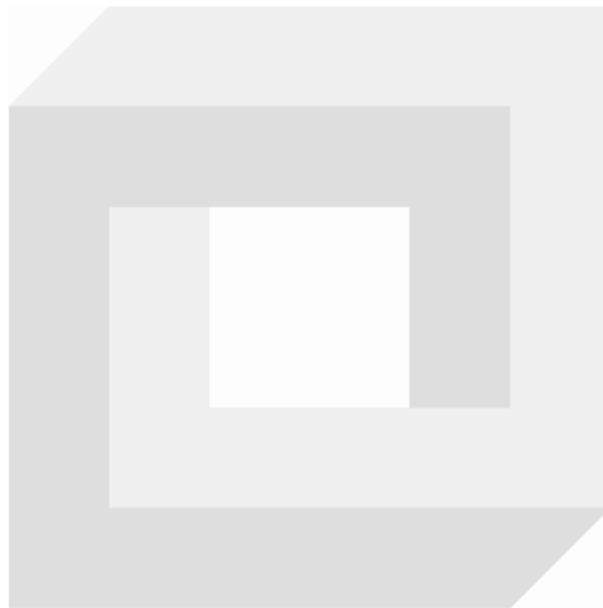




KAMET S.A.

OBSOLESCENCE MANAGEMENT INSTRUCTION

VERSION: 1.0 / ENG



KAMET S.A.

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KRS: 0000374967 District Court in Opole, VIII Economic Division of the National Court Register

1. INTRODUCTION

- 1.1. KAMET S.A. makes every effort, with the support of its Suppliers and Business Partners (hereinafter "**Partners**"), to provide customers with the highest quality services, goods, care, product support and technologically advanced solutions.
- 1.2. Due to the industries in which KAMET S.A. operates, in particular railroads, coaches and buses, or industrial constructions, due to the continuous development of technology and knowledge, but also unforeseen circumstances, due to the period of use of manufactured goods, it is necessary to take into account the issue of obsolescence of components and products, which requires the implementation of new solutions and technologies to ensure better productivity and performance. In the industry, this process is known as obsolescence, which is *the transition of an item from available to unavailable from the manufacturer in accordance with the original specification*.
- 1.3. The expectation of KAMET S.A.'s customers is to enable the operation of railroad rolling stock, buses, or coaches throughout their expected service life, which is often thirty years or more. Thus, it is necessary for KAMET S.A. to apply, in cooperation with Partners, appropriate procedures for managing the obsolescence processes of products and components supplied by Partners to KAMET S.A. (hereinafter "**Products**").
- 1.4. In order to ensure consistency and mutual commitment, KAMET S.A. requires its Partners to comply with this obsolescence management instruction (hereinafter "**Instruction**"), which consists of principles that will enable KAMET S.A. to duly comply with the PN-EN IEC 62402 - Obsolescence Management standard in its operations and to fulfill its contractual obligations to its Customers.
- 1.5. KAMET S.A. considers compliance with the requirements set forth herein to be essential and crucial to the contractual relationship with its Partners. KAMET S.A. reserves the right to demand from its Partners, at any time, to perform a self-assessment or to allow an audit of the Partner in order to monitor the its compliance with the Instruction, while cooperation and transparency on the part of the Partner is expected in this aspect. The right to request a self-assessment or audit also applies to the Partner's contractors, agents, business partners and/or subcontractors. Any violations detected, if any, shall require immediate correction by Partners.
- 1.6. KAMET S.A. may, if necessary due to the specifics of a particular project, require the Partner to comply with additional rules and regulations in the process of delivering the Products. In any case, such rules and regulations will always be first presented to the Partner for familiarization and subsequent implementation.



2. OBSOLESCENCE MANAGEMENT

- 2.1. The Partner agrees to define and implement the necessary strategies, processes, systems and tools to manage and monitor the obsolescence situation of the Products, throughout their lifetime. The Partner, in order to manage and monitor the obsolescence of the Products, may implement the Polish standard PN-EN IEC 62402.
- 2.2. To the extent possible, during the design phase, the Partner will use appropriate techniques, such as technology transparency, preferred parts list, and use of multi-sourcing, to reduce the risk of obsolescence of delivered Products.
- 2.3. The Partner is obligated to:
 - 2.3.1. keep adequate records of each manufacturer supplying parts, components, elements of the Products;
 - 2.3.2. cooperate with KAMET S.A., including, in particular, providing the necessary information and documents to enable KAMET S.A. to prepare and implement the obsolescence management plans required by the Customers for all Products;
 - 2.3.3. periodically audit their obsolescence management systems and make necessary improvements as needed.

3. MONITORING OF PRODUCT OBSOLESCENCE

- 3.1. Partner shall periodically check the availability of all parts, components and elements required for the manufacture and repair of the Products.
- 3.2. By the end of March of each calendar year, the Partner shall provide KAMET S.A. with a report on the status of availability of Products and spare parts for Products. The report shall indicate, among other things, the planned or projected end of use of the Product, if known, any planned changes in production, including the manufacturing process, and any risks associated with obsolescence of the Product, a possible remedial plan for the identified risks.

4. REDUCING THE EFFECTS OF OBSOLESCENCE

- 4.1. In the event that the Partner identifies a risk associated with the future delivery or handling of the Product, the Partner shall notify KAMET S.A. of the event immediately - no later than 30 days from the date of receipt of the information - and provide an action plan with the associated schedule.
- 4.2. The Partner is obliged to take, in cooperation and with the express consent of KAMET S.A., the necessary measures to reduce the risk of obsolescence of the Product, such as replacing components, purchasing lifetime supplies, updating documentation, or redesigning.



5. LONG-TERM COOPERATION AND WITHDRAWAL FROM PRODUCTION

- 5.1.** During the period of monitoring the obsolescence of the Product, the Partner undertakes to:
- 5.1.1.** not to stop manufacturing, repairing, testing or supporting the Product without arranging this with KAMET S.A.;
 - 5.1.2.** not to change the composition or method of production of the Product, without agreeing this with KAMET S.A.;
 - 5.1.3.** maintain the specifications, drawings, bills of materials and software for each Product, along with the required technical expertise necessary to supply, repair, test and support the Product.
- 5.2.** At the end of the Product obsolescence monitoring period, the Partner shall notify KAMET S.A. in writing eighteen months in advance of its intention to discontinue delivery, repair, testing or support of the Product.
- 5.3.** At the end of the obsolescence monitoring period for a given Product, the Partner will provide KAMET S.A. with the opportunity to continue or extend the support period for a given Product by offering one or more of the following options, with KAMET S.A. being entitled to reject the proposal or to indicate new or modified proposals:
- 5.3.1.** product support agreement to extend obsolescence monitoring period;
 - 5.3.2.** a proposal for an alternative product that meets the functional requirements of the Product in question;
 - 5.3.3.** the possibility to purchase at the usual price a lifetime supply of a given Product;
 - 5.3.4.** change of supply source to extend obsolescence monitoring period;
 - 5.3.5.** redesign of the Product to further extend the obsolescence monitoring period.
- 5.4.** In the event that the Partner does not have the ability to offer the solutions referred to in Section 5.3 above, then the Partner will offer one or both of the following options:
- 5.4.1.** free transfer of all necessary intellectual property rights, together with all information necessary to enable production and repair of the Product;
 - 5.4.2.** free transfer of all drawings, specifications, special tools, software, documents and information relating to the manufacture, repair and maintenance of the Product, for use by KAMET S.A. to support its Customers.



6. PRODUCT OBSOLESCENCE MONITORING PERIOD

Unless otherwise specified in separate documents governing the contractual relationship between KAMET S.A. and the Partner, the obsolescence monitoring period for Products and spare parts is 30 years and begins on the date of the first delivery of a given Product.

7. FINAL PROVISIONS

- 7.1. If the Partner suspects or observes a violation of the Instruction, the Partner should immediately report such situation via e-mail to the following address: obsolescence@kametsa.eu.
- 7.2. The Partner is obliged to communicate the Instruction to its sub-suppliers and business partners and oblige them to comply with it, as well as to keep it confidential.
- 7.3. The Instruction applies to all contracts, orders, projects, deliveries, business relations between KAMET S.A. and Partners.
- 7.4. The Instruction is an integral part of all agreements concluded by the Partners and their relations with KAMET S.A.
- 7.5. Violation of any of the rules or provisions of the Instruction by the Partner, including its sub-suppliers or business partners, may be considered by KAMET S.A. as a cause for termination of the business relationship with the Partner, and entitles KAMET S.A. to assert claims on general principles.
- 7.6. Since KAMET S.A.'s goal is continuous improvement, the Instruction may be subject to periodic changes. Each time a change is made, KAMET S.A. will inform the Partner of such situation and provide the Partner with the updated Instruction.

Being the authorized representative(s) of the Partner, having carefully read the Instruction, I/we hereby confirm and warrant that I/we fully understand the terms and provisions of the Instruction and that the Partner fully complies with the terms and provisions contained therein.

– SIGNATURES –

On behalf of the Partner:

I. Name of the Partner:

Name of representative :

Job title:

Date:

Signature:



II. Name of the Partner: [_____]
Name of representative : [_____]
Job title: [_____]
Date: [_____]
Signature: [_____]

