

MEYER

General Contractor Requirements

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INTRODUCTION

Terminology

Following terminology is used through this document:

MEYER MEYER WERFT, NEPTUN WERFT and all other legal entities within German MEYER Group companies which can be found under following link:
https://www.meyerwerft.de/de/unternehmen/die_meyer_gruppe/index.jsp

CONTRACTOR A company, which is in direct contract with MEYER.

SUB-CONTRACTOR If the text refers to "sub-contractor", that is meaning company other than the CONTRACTOR, depending about context, but often e.g. the contractor of the CONTRACTOR.

Purpose

MEYER is committed to deliver safe and high quality products while respecting ethical and environmental business principles. Therefore, here outlined Labour Contractor *General CONTRACTOR Requirements* (hereafter called as "GCR") summarize the fundamental requirements and expectations towards companies in MEYER's Supply Chain in terms of a cooperative and constructive business partnership to deliver the right service quality, on time, with adequate lead times.

The purpose of the GCR is to guide CONTRACTOR's and new potential CONTRACTOR's to develop itself and gain understanding about MEYER's expectations and requirements. GCR will be the foundation of MEYER's qualification process and shall be used for the evaluation of current and new potential CONTRACTOR's towards the defined requirements.

Relation to Contracts, Purchase Orders and related documents

The GCR does not overrule any contracts, project specific documentation, purchase orders, the MEYER GROUP's Supplier Code of Conduct, drawings, specifications and/or instructions agreed between CONTRACTOR and MEYER. **In case GCR is conflicting with any terms and conditions of any contract or purchase order between CONTRACTOR and MEYER (hereafter called together as CONTRACT), including any specification, requirement, drawing or any other appendix of the CONTRACT or any document referenced in the CONTRACT, the CONTRACT always prevails.**

Confidentiality

The CONTRACTOR shall only provide the requested documents, which do not violate any CONTRACTOR's internal nor external confidentially processes or agreements or binding data protection laws.

Assessment and Verification

MEYER verifies the CONTRACTOR's conformance to the requirements of the GCR. Depending on the segmentation and classification of a CONTRACTOR the verification may be made through CONTRACTOR's Self-Assessment and/or on-site Audit. In case of a Self-Assessment the CONTRACTOR is given the opportunity to classify the degree of fulfilment of the requirements himself. The result will be discussed in a common CONTRACTOR dialogue. An on-site Audit is done at CONTRACTOR's premises, where CONTRACTOR needs to present their conformance for the requirements in required level of details.

The assessment/audit is carried out by evaluating the CONTRACTOR, based on the CONTRACTOR's presented proof, against each applicable requirement. The CONTRACTOR can either fulfil or deviate from the defined requirement.

Based on the evidence, MEYER can either approve the assessment/audit directly or carry out re-assessment/audit.

Other

Well organized management system is the essential factor for successful business execution. Therefore, MEYER highly appreciates the CONTRACTOR commitment to meet the requirements and expectations below.

1. MANAGEMENT, GOVERNANCE & COMPLIANCE

Management, Governance & Compliance are the pillars of a solid company. This chapter addresses the requirements that MEYER expects and places on CONTRACTOR's in terms of corporate structure and compliance.

1.1 Corporation and Company Organization Structure

The CONTRACTOR shall have documented overview chart about all its affiliated companies such as parent companies and/or subsidiaries indicating also ownership structure between these companies and information about possible legal commitments between the affiliated companies.

The CONTRACTOR shall have documented Organisation Chart, which shall present the CONTRACTOR's main departments and sub organisations, and shall show their relation to management and each other.

Above documents shall be provided.

1.2 Human Resources

The CONTRACTOR shall ensure the availability of adequate human resources. Hence, all the CONTRACTOR's employees ought to have the required education (incl. trainings) and competences for their specific working tasks. Related certificates (internal/external) ought to be stored and a Competence Matrix utilized. Specific qualification of employees is to be presented to MEYER upon specific request.

1.3 Financial Control

The CONTRACTOR shall demonstrate good financial management practices, accounting and financial control for solid financial performance of its organisation. Therefore, the CONTRACTOR is requested to provide MEYER with the latest financial statements for the contractual party. Those shall contain the profit and loss calculation as well as the balance including possible interim report to MEYER upon request.

1.4 Proof of Company Existence

To avoid any doubt concerning the existence of the CONTRACTOR, the CONTRACTOR has to be established and conducting operative business for a minimum of 6 months and shall provide a max 3 months old Trade Register Extract.

1.5 Clearance Certificates

To show evidence of social security payments the CONTRACTOR shall provide

- health insurance
- taxes
- professional association (only for German CONTRACTOR's)

1.6 Liability and Liability Insurance

The CONTRACTOR shall be liable for any damages to MEYER or to a third party caused by the CONTRACTOR or one of his sub-CONTRACTOR's either within MEYER yard's sites or related to the respective MEYER project or MEYER company. Therefore, the CONTRACTOR shall be responsible for having a General Liability Insurance against this kind of risk; hence covering personal injuries, property and financial damages to cover all risks usually insured against according to the contracts. Proof for such a General Liability Insurance shall be provided prior to starting work.

1.7 References

The CONTRACTOR ought to provide a list of most important customers.

2. MANAGEMENT SYSTEM

A well functional management system is the basis for high quality products and services. Therefore, the following chapters outline MEYER's expectations towards the CONTRACTOR's management system. The

CONTRACTOR's management shall demonstrate commitment to management system for example by ensuring the integration of the management system requirements into CONTRACTOR's normal business processes, promoting process approach, risk-based thinking and improvement, and ensuring the resources for the management system.

2.1 Quality Management System

The CONTRACTOR shall have a documented management system. The management system shall comply with requirements of ISO9001 or other internationally recognized standard.

Even if the certification of the management system would not be required from the company the management system certification for ISO9001 (or other internationally recognised standard) is highly appreciated by MEYER. The CONTRACTOR shall provide related certificates to MEYER upon request.

2.2 Environmental and Sustainability Management System

MEYER is obliged to reduce the environmental footprint of its products and associated manufacturing process that is why the same is expected from all MEYER's CONTRACTORs.

The CONTRACTOR shall have documented processes and instructions for environmental aspects and sustainability included to management system, preferably to comply with requirements of ISO14001 or other internationally recognised standard relevant to CONTRACTOR's business.

MEYER recommends that the CONTRACTOR's management system would be certified by an external and accredited party to comply with ISO14001 or other internationally recognised standard relevant to CONTRACTOR's business. The CONTRACTOR shall provide related certificates to MEYER upon request.

2.3 Occupational Safety and Health Management System

The CONTRACTOR shall have processes established to ensure the health & safety of his own and sub-contracted employees, preferably to comply with requirements of ISO45001 or other internationally recognised standard relevant to CONTRACTOR's business.

The CONTRACTOR shall comply with and have according to the German Arbeitssicherheitsgesetzes (ASiG)

- Occupational Safety Officer (internal or external)
- Medical Doctor (internal or external)
- Risk Assessments
- Sufficient number of first aiders

Documentation to the above shall be provided to MEYER.

MEYER recommends that the CONTRACTOR's management system would be certified by an external and accredited party to comply with ISO45001 or other internationally recognised standard relevant to CONTRACTOR's business. The CONTRACTOR shall provide related certificates to MEYER upon request. Related documentation (audit reports) shall be retained and corrective actions systematically followed up. This documentation shall be provided to MEYER upon request.

3. PROJECT MANAGEMENT, DEVELOPMENT & PRODUCTION

3.1 Project Organization

The CONTRACTOR shall establish a First Point of Contact for MEYER, who is available or reachable for the Meyer Group beyond commercial issues and who is authorised to act in a binding manner for the company where he or she is employed.

All defined first point of contacts shall communicate fluently in the German or English language.

3.2 Work Instructions

The CONTRACTOR shall have documented working instructions for its employees. These instructions shall be provided in language understood by employees in compliance with the Work Instructions provided by the yard if work is performed at the shipyard. Those instructions shall be available for employees at work place and shall be presented to MEYER upon special request.

3.3 Tool Storage and Measurement Devices

All measuring equipment and tools, which are necessary to measure/verify CONTRACTOR's products compliance with technical requirements, shall have a documented procedure for the calibration and certification. The calibrations of the equipment and tools shall be recorded. CONTRACTOR shall present the documentation and records to MEYER upon special request.

When working on the respective MEYER yard or MEYER premisses, CONTRACTOR shall have its own devices and tools necessary for intended work and measure/verify the product compliance, and those are marked to be owned by the CONTRACTOR.

3.4 Capability to Provide Guarantee Related Services

The CONTRACTOR shall have capability to provide needed service for MEYER related to the guarantee period of the service.

4. HEALTH, SAFETY and WORKING Rights

As referred also in article 2.3 of this document, the CONTRACTOR shall have process to ensure the health and safety of its own, and possible subcontracted employees on the sites of MEYER. Minimum expectation is the conduction of Work Safety Instructions on a regular basis. Safety precautions shall be implemented throughout the whole organisation.

The CONTRACTOR shall ensure that all equipment and tools are fully operational, checked and safe.

All employees are introduced for the work and occupational safety matters. The mandatory personal protective equipment (PPE) are described through documented instructions and signs on the working area. In addition, the CONTRACTOR shall ensure that all its employees and its possible sub-CONTRACTOR's are wearing the mandatory PPE, when entering and working at MEYER shipyard. The documentation of personal protective equipment (PPE) shall be provided to MEYER upon specific request.

The CONTRACTOR shall appoint sufficient employees as first aider at each working site.

The CONTRACTOR shall ensure that accidents are reported and that appropriate actions are implemented to avoid such incidents in the future.

The CONTRACTOR shall provide for each of its employees a written employment contract in the respective native language. If it is not possible to provide a contract in the respective native language, at least a contract in a language spoken fluently by the employee must be provided as an alternative. Proof of such documents shall be provided to MEYER.

The CONTRACTOR shall know and implement the German labour law (ArbG), in particular the Working Hours Act (ArbZG), with regard to:

1. daily working time (§ 3 ArbZG)
2. weekly working time (section 3 ArbZG)
3. rest breaks (§ 4 ArbZG)
4. days of leave (BurlG)
5. payment during leave (section 11 BurlG)
6. compliance with the German Minimum Wage Act (MiLoG).

The CONTRACTOR shall ensure that every of its employees receives a written pay slip and is covered by health insurance. The above requirements apply equally to our partner companies that send employees to Germany. Wage payments in cash are also not compatible with the principles of the MEYER Group.

5. PLANNING AND SUPPLY CHAIN

5.1 Capacity Planning

The CONTRACTOR shall have adequate capacity planning tools and/or methods in use to ensure fact based capacity planning for service efforts such as installation/commissioning.

The capacity plan shall also include and show separately sub-CONTRACTOR's capacities.

For the works made at MEYER premises, the CONTRACTOR shall provide work force plan (i.e. "manning plan") to MEYER, when requested. In case the CONTRACTOR's works are behind the agreed schedule, the CONTRACTOR is obligated to provide specific catch-up plan to MEYER.

5.2 Sub-CONTRACTOR Qualification

The CONTRACTOR shall have a process to evaluate, select and approve its own sub-CONTRACTOR's.

The CONTRACTOR shall name all of his sub-CONTRACTOR's, which will be utilized for MEYER projects.

The CONTRACTOR shall ensure that the sub-CONTRACTOR's utilized for MEYER projects meet MEYER's General CONTRACTOR Requirements and MEYER Supplier Code of Conduct with regards to Compliance.

5.3 CONTRACTOR and Sub-CONTRACTOR Monitoring

CONTRACTOR shall have procedure to ensure the Quality and Reliability of all MEYER project related outsourced services and processes.

The CONTRACTOR shall continuously monitor and evaluate its sub-CONTRACTOR's performance.

Essential time delays and non-conformities of the CONTRACTOR's sub-CONTRACTOR, which may affect to the contractually agreed performance of the CONTRACTOR must be informed to MEYER.

6. REFERENCES

ISO9000:2015 Quality management systems – Fundamentals and vocabulary

ISO9001:2015 Quality management systems – Requirements

ISO14001:2015 Environmental management systems – Requirements with guidance of use

ISO45001:2018 Occupational health and safety management systems. Requirements with guidance for use

MEYER GROUP's Code of Conduct (CoC) – [lieferanten_coc_signed_englisch.pdf \(meyerwerft.de\) \(Status December 6th 2022\)](#)