

REE Automotive LTD. Product Quality & Safety Policy

I. Purpose

REE Automotive Ltd., and its subsidiaries (collectively, “we”, “our”, the “Company”, or “REE”) is committed to ensuring the conformity of its products and services to international standards on quality and safety and the enhancement of customer satisfaction. The aim of this Product Quality & Safety Policy (the “Policy”) is to protect and safeguard the quality and safety of the Company’s products and services, including, to the best of our ability, all activities within the Company’s supply chain, as well as the general public, whilst they are at or affected by its work. This Policy is defined and approved by REE’s Senior Management.

II. Scope

This Policy encompasses all departments in the organization. Individual sites are expected to follow this policy, in addition to our company’s Quality Management System (QMS) manual and any additions related to specific regions. This policy and our extended QMS is comprised of core value streams which include:

- Business Development/Sales
- Product Development and Launch
- Operations
- Integrated Supply Chain

III. Policy

We strive to be the cornerstone of which mobility players can build their dreams of future services, unbound by legacy thinking, as we carry the next generation of electric and autonomous vehicles on a truly modular and scalable platform. REE has established the following QMS practices to enhance desirable effects, eliminate or reduce undesired effects throughout our products and services’ supply chain and operations, and provide safe products to our customers.

A. Quality Management System

To prevent and reduce the occurrence of incidents and other cases of product-related ill quality, REE is committed to the following:

- REE certifies all their owned manufacturing facilities with the following standards:
 - ISO9001:2015, which specifies the requirements for a Quality Management System (QMS) aimed primarily at giving confidence in the products and services an organization provides, thereby enhancing customer satisfaction.
 - IAFT 16949:2015 defines the QMS requirements for the Automotive Organizations and was jointly developed by The International Automotive Task Force (IATF). This standard focuses on customer-specific requirements.

- Supplier performance and capability are monitored and assessed through periodic, 2nd party audits, performance data analysis, and inspection and verification of the purchased product or outsourced process.
- Defining roles and responsibilities for quality and safety throughout the organization.
 - Top management ensures that our quality and safety procedures and QMS are made available, communicated, maintained, and understood by all parties and integrated into our organization's business processes.
 - Our policies, objectives, and targets are communicated and deployed throughout the business via individual, team and department performance objectives which are established and discussed during employee performance reviews.
- Identifying hazards and risks arising from all phases of our activities and eliminating those risks or reducing them to the lowest practical levels.
 - REE uses a Risk & Opportunity Register to help record, assess, respond, review, report, monitor and plan for the risks and opportunities that we perceive to be relevant.
 - Risk and opportunity management is undertaken as part of REE's day-to-day operations to capture and react to perceived risk and opportunity, ensuring each issue is managed at the most appropriate level within our organization.
- Consulting and empowering our employees to take action on on quality and safety matters.

B. Training

REE provides every employee with quality and safety induction training on our facilities and processes, which includes necessary warnings and appropriate instructions to enable them to carry out their work safely with minimum risk. Our Head of Quality is responsible for ensuring that identified risks to quality are eliminated by providing advice, information, instruction, best practices, and training on quality management matters to employees and others as applicable. REE also provides additional training and certification opportunities to employees relating to workshop spaces, product safety, fire hazards, and first aid response. All suppliers must have a safety and quality training program in line with international standards in line with international standards.

C. Risk Assessment & Product Testing

REE conducts risk assessments, environmental, quality & safety audits, and 3rd party assessments of our QMS policies and procedures to measure, identify, analyze, and act on any issues related to products' quality and safety. REE also carries out inspection and test activities to verify that product requirements are met throughout the manufacturing process.

To ensure that all purchase order quality and safety requirements are met before the material is released for use, REE requires the following from all suppliers:

1. Evidence of quality conformance from the supplier in the form of an inspection.
2. Documentation, certificates of conformity, test reports, and record of statistical process control.
3. Proof of inspection and audit at supplier's facilities.
4. Verifying test report data against applicable specifications.

Satisfactory purchased items are placed in stock. If items are rejected on receipt, a non-conformance report is raised, and the supplier is contacted to arrange replacement or credit, along with formal corrective action for issue raised.

D. Monitoring & Oversight

Leadership is responsible for implementing our QMS, including the development and deployment of our quality policies, subsequent objectives and targets, and product or project-specific plans which are customer focused. Top management provides accountability and governance to all activities related to the lifecycle processes including defining the strategic direction, responsibility, authority, and communication to assure safe and effective performance.

Suppliers who demonstrate inadequate audit and delivery performance are required to implement corrective actions. Poor-performing suppliers are replaced, and the Approved Supplier Index is updated. The frequency of supplier contract reviews varies depending on their performance and the criticality of the products supplied but the interval between each review is no more than 12 months.

This Policy is reviewed annually to ensure it remains relevant and appropriate to REE, and final approval lies with our CEO.

E. Communication & Reporting

REE ensures that our corporate policies are established and documented and that the policies are available to all interested parties via our website. Our policies are communicated to all employees throughout our organization via training, regular internal communications, and reinforcement during performance reviews. REE also provides direction for ensuring employees at all levels are consulted for input on the planning, implementation, performance evaluation, and actions to improve REE's quality and safety programs. REE is committed to consulting with employees and additional stakeholders routinely on quality and safety matters as they arise.

If you would like to report a concern or identify a potential violation of this Policy, we encourage you to speak up. No matter how small the issue is, we want to hear from you. Complaints and concerns may be reported confidentially using the following:

- <https://www.whistleblowerservices.com/REE>
- to the employee hotline at 1-844-426-0140

Effective: June 1st, 2023