

Supplier Quality Requirements

1. Objective Purpose and Scope

This document sets out the quality requirements that suppliers must fulfill when executing purchase orders placed by VDM Metals. The objective is to ensure that externally sourced processes, products, and services consistently conform to specified requirements. These quality requirements apply in addition to the General Terms and Conditions of Purchase of VDM Metals.

2. General Requirements

Unless explicitly agreed otherwise, the requirements set out in this section apply to all suppliers and form the basis for all purchase orders placed by VDM Metals. If the supplier is not aware of the exact intended application/use of the ordered products or services, they are required to actively inquire with VDM Metals. VDM Metals reserves the right to conclude individual Quality Assurance Agreements (QAA / QSV) on a case-by-case basis.

3. Supplier's Quality Management System

3.1. Supplier Certification

Certification of the supplier to EN9100, ISO9001 or an equivalent standard is preferred for items or services intended to be incorporated into products supplied by VDM Metals. The supplier must establish and maintain at least one quality management system that complies with the general industry requirements for acceptable manufacturing practices. These practices include, as a minimum, incoming goods inspection, process controls, product acceptance, calibration and the control of non-conforming products.

3.2. Awareness

The supplier must ensure that all employees are aware of their contribution to the conformity of products or services, their contribution to product safety, and the importance of ethical conduct. This explicitly includes raising awareness of the topic of 'Nuclear / Aviation Safety Culture'.

3.3. Competence and Qualification

The supplier must ensure that all persons carrying out activities that affect the quality of products or services possess the necessary competence and qualifications. Relevant evidence must be made available to VDM Metals on request.

3.4. Right of Access

The supplier must grant the right of access to the relevant areas of the premises and to the documented information (including all levels of the supply chain). This right of access must be granted to VDM Metals, its customers or regulatory authorities (aviation and nuclear regulatory authorities), depending on the requirements of the respective contract.

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3.5. Subcontractor

If the supplier subcontracts part of the requirements set out in the order to a subcontractor, the relevant requirements of the VDM Metals order must be passed on to that subcontractor. The approval of subcontractors by VDM Metals does not relieve the supplier of its responsibility to ensure that the services provided or products supplied by the subcontractor comply with the specified requirements. VDM Metals reserves the right to participate in the assessment and qualification of critical subcontractors in downstream process stages and to inspect on-site any products or services not manufactured or provided at the main supplier's premises. The decision regarding participation in these activities rests with the Quality Manager at VDM Metals. A copy (with price details redacted) of the purchase order(s) must be made available to VDM Metals upon request.

Where specified by VDM Metals or its end customers, the supplier is obliged to use only external providers and subcontractors (including sources for specialised processes) approved by the customer.

3.6. Interaction und Communication

Formal communication and cooperation between the supplier and VDM Metals, particularly regarding matters relating to contracts, quality or deadlines, must take place exclusively via the contact persons specified in the purchase order.

3.7. Performance Monitoring

VDM Metals continuously monitors and evaluates the supplier's performance. Key indicators include product conformity (quality) and on-time delivery. In the event of inadequate performance, corrective actions (e.g. 8D reports) may be required.

3.8. Traceability

Items covered by this order must, where applicable, be traceable back to the original manufacturer's melt batch/batch numbers. Copies of all traceability and test records must be submitted together with the raw materials, parts or assemblies to which they relate. Raw materials used shall be identified by their batch number, as well as the material type, specification and melt number, and must be traceable back to the acceptance documents (e.g. delivery note, consignment note, etc.). Manufactured parts shall be identified by the batch or the raw material used.

3.9. Retention of Records

Records relating to production and/or process flows, including inspections, tests and traceability, must be retained by the supplier and made available on request for review by VDM Metals, customers or regulatory authorities. The records must be accessible, legible, accurate and complete. The supplier must retain quality records relating to the products supplied to VDM Metals and the services provided for at least 50 years or for the duration of the contract, whichever is the longer period. At the end of the retention period, the supplier should allow VDM Metals to take possession of the records.

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3.10. Non-Conformity

The supplier must obtain written authorisation from VDM Metals before delivering a non-conforming product. A documented statement regarding the non-conformity must be submitted to VDM Metals for further decision-making. If the supplier identifies non-conforming material or a non-conforming product prior to dispatch, they must check whether items already dispatched to VDM Metals might exhibit the same non-conformity. If this is a possibility, the supplier must inform VDM Metals of the potential or actual non-conformity of products already delivered. If VDM Metals identifies a non-conformity caused by the supplier, a report on corrective actions may be submitted to the supplier. The supplier is obliged to take action and to provide VDM Metals with a response within 15 working days of receipt. Copies of all documents relating to the non-conformity must be provided to VDM Metals on request.

3.11. Certificate of Conformity

For all items or services involving specialised processes such as heat treatment, welding, brazing, magnetic particle testing, penetrant testing, ultrasonic testing, surface preparation, surface treatment and chemical processing, or tests and inspections, or which are manufactured in accordance with a specified regulation or standard, a certificate of conformity is required for every delivery or service. The certificate of conformity must contain at least the following information:

- Description of the process, item or service
- VDM Metals order number
- Quantity
- The specification and revision to which the item or service conforms
- Name of the body that carried out the process (if not the seller)
- Statement confirming the conformity and traceability of the item or service, where applicable
- Signature and date of an authorised/qualified representative
- Name and address of the manufacturer
- Part number and revision (if applicable)
- Quantity
- Document and revision version according to which the product was manufactured
- Declaration confirming product conformity and traceability, where applicable
- Signature and date of the authorised representative

3.12. Product and Material Specification

It is the supplier's responsibility to ensure that all product and material specifications used at its works are up to date, including, but not limited to, industry standards, regulatory requirements and the drawings and/or data provided by VDM Metals.

3.13. Specifications for Aerospace Sector

The products supplied must strictly comply with the specifications set out in the order, including, but not limited to, the latest version of the aerospace specification, where specified, or any other specifications, processes/procedures, reference documents or requirements that may be stipulated in the order. The substitution of parts is not permitted unless VDM Metals and/or VDM Metals' customers have authorised this in writing, as evidenced by an officially published document from VDM Metals regarding replacement parts, another document or an instruction.

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3.14. Calibration

Providers of calibration services must meet the following requirements:

- They must comply with the ISO 17025 standard and be certified by a recognised laboratory accreditation scheme such as NVLAP, A2LA or ILAC.
- Calibration must be carried out in accordance with the scope of accreditation.
- Calibration certificates must include the following:
 - A list of the standards/equipment used. The standards must be traceable to the NIST.
 - Details of the condition 'on receipt' and 'on return'
- Unless otherwise specified, calibration shall be carried out in accordance with the manufacturer's instructions.

4. Measures Against Counterfeit, Fraudulent and Suspicious Items (CFSI)

Suppliers must ensure, through their processes and/or a formal programme, that no counterfeit parts or materials enter their stock, that they are not used in production and that they are not sold to other suppliers. Counterfeit deliverables:

- a) For the purposes of this clause, 'work products' comprise those parts supplied under this order which constitute the lowest level of separately identifiable items (e.g. items, components, goods and assemblies).
- b) The Supplier must not supply counterfeit work products under this order.
- c) The Supplier may only source products that are to be supplied as 'work' or integrated into it directly from the Original Component Manufacturer (OCM) or Original Equipment Manufacturer (OEM), or via a distribution chain authorised by the OCM or OEM. 'Products' must not be sourced from independent dealers or intermediaries unless this has been approved in writing in advance.
- d) The Supplier must notify VDM Metals immediately, stating the relevant facts, if it suspects that it has supplied counterfeit goods. Upon request, the Supplier must provide documentation proving the traceability of the items in question back to the relevant OCM/OEM.
- e) This clause applies in addition to all quality provisions, specifications, performance descriptions or other provisions contained in this order that relate to the authenticity of the goods. Insofar as such provisions conflict with this clause, this clause shall take precedence.
- f) The Supplier must incorporate paragraphs a) to e) and this paragraph f) of this clause, or equivalent provisions, into subcontracts with downstream subcontractors relating to the supply of items included in deliveries to VDM Metals or provided as a service to VDM Metals.

5. Change Management

The Supplier must inform VDM Metals of any changes to its certification/registration status, as well as of any other changes that may affect product quality, such as: Changes in ownership or changes to the manufacturing site. The supplier is responsible for monitoring changes and for informing VDM Metals of any changes to the approved component design, the manufacturing process or the testing procedures. Such changes may require re-qualification or the resubmission of a first article inspection (FAI). At VDM Metals' request, a full or partial first article inspection must be carried out for the relevant characteristics. All communication between the supplier and VDM Metals must be in writing. Where specified in the contract, the methods, processes and equipment used by the supplier, as well as any significant changes thereto, require prior written approval from VDM Metals.

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6. Right to Inspect and Reject

Parts received by VDM Metals from the supplier shall only be deemed to have been accepted once VDM Metals has had sufficient time to inspect them and to verify the quantity actually received in the case of packaged parts. This inspection and physical count shall take place on the premises of VDM Metals. Any parts found to be defective or not in accordance with the specifications may be rejected either at the initial inspection or at a later date, provided that the defects in the parts cannot be sufficiently identified at the initial inspection. The processor shall be liable for any parts lost or damaged by them and shall reimburse VDM Metals for the actual costs of remanufacturing damaged, defective or lost parts, including postage and handling costs. Upon request, the supplier must provide VDM Metals with test samples for development approvals, tests, verifications, investigations of non-conformities or audits.

7. Specific Requirements

The requirements listed in this section apply provided they are specified in the purchase order. Specific requirements may be applied to individual items and may vary between items within a particular purchase order.

7.1. Certified Test Report (CMTR)

Each delivery must be accompanied by a legible and reproducible copy of the manufacturer's CMTR, containing all actual chemical and physical test results. The CMTR must bear the signature, title and date of the authorised representative of the testing body and comply with the specification requirements. The report must include the order number.

7.2. Limited Shelf Life / Age Control

For orders of items subject to a shelf life/age control, the supplier must, where applicable, provide the following information:

- Part number and revision letter
- Manufacturer's part number
- Manufacturer's name and/or identification number
- Date of manufacture
- Curing date
- Expiry date – (Please provide information if the shelf life/age check is not carried out either.)
- Batch or lot number
- Storage temperature details
- Special handling instructions

The items supplied must have a remaining shelf life of at least 6 months from the date of purchase. Items received with a remaining shelf life of less than 6 months may be rejected and returned for exchange or a credit note.

7.3. Key Characteristics

Where specified in the drawing or the order, critical characteristics may be subject to enhanced testing or inspection, such as statistical process control (SPC), 100 per cent inspection or testing, or other specified criteria. Requirements for the inspection of critical characteristics must be specified in the order, where applicable.

7.4. Process Documentation

The work to be carried out in fulfilment of this order must be performed in accordance with the valid and most recent version of the process specification specified or required in the order.