

FACT SHEET

GOVERNMENT QUALITY ASSURANCE WITH SUPPLIERS OF RHEINMETALL AIR DEFENCE AG

Introduction

Dear Partner of Rheinmetall Air Defence AG,

You received this fact sheet, because we placed an order with your company that is subject to an official Government Quality Assurance (GQA).

This fact sheet will explain the related expectations and responsibilities.

What is Government Quality Assurance?

Legislative Foundations

According to NATO Quality Assurance Requirements, called AQAP standard, the term defines Government Quality Assurance (GQA) as follows:

„Government Quality Assurance is the process by which the appropriate National Authorities establish confidence that the contractual requirements relating to quality are met.“

What does that exactly mean?

For certain projects, NATO-customers can send a quality inspector to Rheinmetall Air Defence AG (RAD). The quality inspector will verify that the products from RAD (and from your company as a sub-supplier) meet the specification and thus the quality requirements of the end customer.

In principle, the quality control can be compared to a motor vehicle inspection; the inspection is carried out by the governmental quality inspector.

How will I be informed about the quality inspection and why is it specifically being performed in my company?

Communication

In all orders for projects that are subject to GQA, the following text will be printed:

"All requirements of this contract may be subject to GQA. You will be notified of any GQA activity to be performed."

You will be informed about the GQA requirements as soon as the order is placed with your company. RAD will inform about the inspector's final decision over the performance of a quality inspection in your company with enough preparation time in advance.

Why is the GQA performed in my company?

At the beginning of a project which is subject to GQA, RAD will, together with the quality inspector determine the components, which are subject to GQA. The selection where a quality inspection is advisable is based on the material and not on the supplier.

Shall I take special precautions when a quality inspection is performed?

What do RAD and the Customer Quality Inspector expect?

A quality assurance inspection is usually carried out before delivery of the material to RAD. With that, the quality inspector will perform the inspection of the material in your company in presence of a RAD Quality Assurance Representative.

You must ensure that all relevant documents related to the contract / order such as operational plans, material certificates, test records, etc. are readily available and fully enclosed with the material to be inspected. The material to be inspected shall be accessible and situated in a low-emission space with calibrated measuring equipment. In addition, a competent employee of your quality assurance department shall be available for the duration of the inspection.

Do I need to take special precautions?

According to the AQAP standard in which the quality inspection is regulated, it is expected that the supplier (RAD) or its subcontractors (your company or your subcontractors) shall grant to the quality inspector the right of access to all areas where work for the ordered material is performed. In any case, your company secrets will be respected. Other requirements are defined in the AQAP standard as following:

Normative requirements of AQAP Standard (excerpt)

„Access to Supplier and Sub-suppliers and support for GQA activities:

The Supplier and/or Sub-suppliers shall provide the GQAR and/or Acquirer:

- *The right of access to facilities where parts of the contracted activities are being performed.*
- *Information pertaining to the fulfillment of requirements in the contract.*
- *Unrestricted opportunity to evaluate Supplier compliance with this Publication.*
- *Unrestricted opportunity to conduct verification of product conformity with the contract requirements.*
- *Required assistance for evaluation, verification, validation, testing, inspection or release of the product for the accomplishment of GQA to contract requirements.*
- *Accommodation and facilities.*
- *The necessary equipment available for reasonable use for performing GQA.*
- *Suppliers and or Sub-suppliers personnel for operation of such equipment as required.*
- *Access to information and communication facilities.*
- *The necessary Supplier documentation, to confirm product conformance to specification.*
- *Copies of necessary documents, including those on electronic media.”*

In addition, the auditor might request insight in your internal audits and in the Quality Management Report issued to your top management.

„Products for release to the Acquirer:

The Supplier shall ensure that only acceptable products, intended for delivery, are released. GQAR and or Acquirer reserve the right to reject non-conforming products.”

A rejection may occur if the product differs from the specification or serious deficiencies are identified in your process management system.

Which rights does the quality inspector have and who does supervise him?

Basically, the quality inspector is always supervised by RAD. The rights of the quality auditor are stated in the upper section.

Which consequences can a quality inspection have for your company?

If found that the quality inspection was inadequate or poorly prepared by the supplier, the quality inspection can be canceled. In case it is identified during the quality inspection that the contracted quality requirements are not fulfilled, the affected components can be rejected by RAD. Hence, consequences can mean rework, manufacture of new components or cancellation of the order.

Further questions?

In case there are further questions about the quality inspection, please contact the responsible Procurement Manager at procurement-rad@rheinmetall.com.

Kind Regards,

Procurement Department
Rheinmetall Air Defence AG