1 Introduction

This Supplier Guideline is intended to inform existing and potential suppliers about the expectations of Rheinmetall Landsysteme GmbH (RLS) regarding delivery quality, in order to ensure steps towards a partnership based upon trust and equitable cooperation. In addition to these Guidelines, there are specific rules on

- First Article Inspection
- Quality Assurance Conditions
- QS-340 Labeling of components according to AIT
- CM-105 Configuration Management Plan

available online at https://www.rheinmetall.com/en/company/subsidiaries/rheinmetall-landsysteme/supplier-information.

The term "product" used in this Supplier Guideline also includes services if applicable.

2 Objective

The quality of the products delivered by the supplier has a direct impact on the end products of the customer. The customer therefore expects its suppliers to deliver all offered products fault-free. Disruptions during the start-up phase of a new product are not tolerated. This requires the supplier to carry out a documented risk assessment on the manufacturing process before submitting a quote and consider all measures necessary for this (e.g. additional tests during the start of series production until a stable manufacturing process is established).

3 Scope of application

These Guidelines apply to all commissions placed by RLS. Implementation and adherence is a requirement for the acceptance of the goods. There are additional item-specific quality specifications for items with special requirements. These are listed in the order. Quality specifications for products and product classes are also applicable, insofar as these are applicable to components or sub-modules of the ordered items.

4 Cited documents

The following cited documents must be considered when applying this Supplier Guideline. The most recent valid issue of the cited document is applicable.

- ISO 9001 Quality Management Systems - Requirements
- AQAP 2070 NATO Mutual Government Quality Assurance[1]
- AQAP 2105 NATO Requirements for Quality Plans[1]
- AQAP 2110 NATO Quality Assurance Requirements for Design, Development and Production[1]
- AQAP 2131 NATO Quality Assurance Requirements for Final Inspection and Test[1]
- AQAP 2210 NATO Supplementary Software Quality Assurance Requirements[1]
- VDA Volume 6.3 Process Audit[2]
- Product Safety Act[3]

5 Documents

With regard to the subject matter of the contract, the supplier shall review all necessary specification documents (specifications, drawings, parts lists, CAD data, etc.) upon receipt for completeness and consistency. The customer must be informed promptly of any defects, omissions or unclear aspects. The supplier must actively procure missing documents. The customer shall provide the supplier with the respective current specification documents in due course and inform the supplier about relevant changes to these. Necessary norms and standards must be procured by the supplier.

6 Responsibility for quality

Responsibility for product quality and the fulfilment of the defined requirements lies in principle with the supplier. This applies in particular to the fulfilment of all statutory and official requirements.

7 Management system

A management system that is appropriate to the subject of the contract and recognized by an accredited organization shall be established and maintained throughout the duration of the agreement. The scope of the management system must be tailored to the products that are to be supplied as well as the customer requirements (e.g. ISO 9001, ISO 14001, ISO 17025).

8 Certificates

Management system certificates must be made available to the customer from the outset and subsequently upon extension. The supplier shall inform the customer within ten working days if its certification status changes. This applies in particular to the certificates required to fulfil the order (e.g. bonding or welding certificates).

9 Additional NATO requirements

If the contract or the purchase order requires the fulfilment of AQAP 2110, the measures required for this shall be carried out and described in a Quality Plan (QP) for each project. If software development is part of the contractual performance, the requirements of AQAP 2210 must also be fulfilled and the necessary measures must be described in a QP Software.

10 Quality Plan (QP)

Quality Plans must be prepared in accordance with AQAP 2105 specifications. As an integral part of the QP, the following information must be provided with regard to subcontractors commissioned by the customer for significant volumes:

- Subcontractor (name)
- Service or products
- Management system

The QP must be submitted to the customer for approval.

11 Quality assurance measures

1 Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr (BAAINBw); Homepage: www.bundeswehr.de/en/
2 Verband der Automobilindustrie (VDA); Homepage: www.vda-qmc.de/en/
3 Federal Ministry of Labour and Social Affairs; Homepage: www.bmas.de/EN/

Appropriate quality assurance measures, documented as specifications, must be used to ensure that the required and expected product quality is always reached. The measures taken must ensure that the quality requirements for products are defined and meet at all stages of service provision or product creation respectively with regard to third-party subcontracting. In addition, steps must be taken to ensure that defects are identified at an early stage and are rectified permanently. Repeating defects must be excluded as a matter of principle. The customer is at all times entitled to verify the effectiveness of the quality assurance measures that have been taken.

12 Checks and records

The supplier is responsible for ensuring that the required product quality is guaranteed by suitable manufacturing and testing procedures. The specific inspection requirements for the respective products are regulated by the contractual provisions and the associated quality assurance conditions. Checks may be coordinated between the quality planning of the customer and the supplier. Subject to prior agreement, the customer shall be entitled to participate in all tests carried out by the supplier or to carry out tests at the premises of the supplier, insofar as this concerns the products of the customer.

13 Approval for series production

If no initial sample inspection is required by the customer, the supplier shall conduct an own initial sample inspection and document an approval for series production.

14 Verification

For all third-party development scopes required in the contract or the purchase order, a detailed schedule of verification activities for all requirements shall be created and documented in a verification plan. All further regulations for initial sample inspections can be found in the valid regulations (see point 1. “Foreword”) in the latest version.

15 Subcontractors

The supplier is responsible for passing this Supplier Guideline to its subcontractors as appropriate, and for ensuring compliance with the requirements. The supplier shall require its subcontractors to set up and maintain a management system appropriate to the scope of delivery and to carry out a corresponding inspection planning and documentation in accordance with the order requirements. The customer may require the supplier to provide evidence of how the supplier has satisfied itself about the effectiveness of the management system at the subcontractors.

16 Configuration management

If contractually required, the supplier must establish the configuration management procedure specified by the customer and verify that it is adhered to the duration of the contract. The description of the configuration management is provided in a configuration management plan (CMP) in accordance with CM-105, which is submitted to the customer for approval. The validity of the described configuration management in the CMP shall be checked annually. If no procedure is specified in the contract, the supplier may use its own configuration management procedures. The mentioned procedure shall comply with the minimum requirements of ISO 10007 and AQAP. Changes shall be submitted to the customer in writing for approval. The supplier is fully responsible for the implementation of changes made prior to customer approval.

17 Control of defective products

Defective products must be handled and controlled in accordance with the provisions of DIN ISO 9001 as a minimum.

18 Disclosure duty of suppliers

If the supplier cannot reliable exclude the possibility that defective products have reached the customer, the customer must be informed immediately so as to limit the scope of the defect and to agree on further measures. The same applies to deviations in products that become known at a later date, in order to enable joint measures can be taken to contain and rectify them. The supplier shall provide the customer with the data required for traceability in full and without delay.

19 Acceptance checks

The customer shall be released from the obligation to conduct immediate inspections and to issue complaints. Due to the inspections carried out by the supplier, the customer shall inspect the products purchased from the supplier following receipt (incoming goods inspection) essentially only for compliance with quantity, identity and externally visible damage. Such obvious defects in deliveries (quantity and identity, externally visible damage) shall be notified to the supplier by the customer as soon as they have been discovered during the ordinary course of business, and in any case within 45 days at most. In this respect, the supplier shall waive the plea of late defect notification.

20 Handling of defects

If the customer ascertains faulty products, the supplier shall be informed immediately. Additional measures during the complaints phase shall be coordinated with the supplier (e.g. handling of the affected components/lots, statements).

21 Deviation Permit

Delivery in the event of deviations from agreed technical designs, from the set of drawings or from test documents is only permissible with the prior written approval of the customer (in the case of orders with quality testing, additionally by a customer representative [e.g. ZtQ]). The approval must be requested from the customer (Procurement) using the

"Deviation Permit" ("Special Approval") form in accordance with AQAP 2070. The nature and extent of permanent markings of the respective articles or containers must be agreed with the quality department of the Principal prior to delivery. A copy of the approved and comprehensively signed Deviation Permit form must be enclosed with the delivery. In the case of special approvals limited in time or quantity, the approved application for special approval must be enclosed with each partial delivery

22 Corrective measures

Statements responding to complaints made by the customer must be submitted within the period of time specified in the letter of complaint. An appropriate procedure for initiating the necessary corrective and preventive measures for all products rejected by the customer shall be defined. The supplier shall apply the systematic 8D methodology or an alternative procedure agreed with the customer and shall conduct a risk assessment. The 8D report requested from the supplier must meet the requirements of the VDA in form and implementation and must be processed, checked and effectively completed within the respective agreed period.

23 Audit

The supplier shall grant the customer or its representatives, by agreement, sufficient access to its premises, where necessary. The supplier shall provide the customer and its customers with equal access rights to the premises of subcontractors. The customer reserves the right to carry out system, process or product audits at the facilities of the supplier so as to satisfy itself of compliance with the contractual requirements. Process audits shall be performed on the basis of VDA 6.3. The customer also reserves the right to audit the subcontractors of the supplier. This shall not, however, release the supplier from its responsibility towards the subcontractors. To this end, the supplier shall, following prior consultation, allow the customer or its representatives all reasonable access to its factory facilities or the facilities of its subcontractors and to inspect all documents insofar as they are relevant to the object of this agreement.

24 Traceability

The supplier shall ensure the traceability of the products it delivers within the context of a risk assessment to be carried out by the supplier or due to contractual claims. If a defect is detected, traceability must be possible to allow the defective products to be defined. The customer shall provide the supplier with all necessary data.

25 Serial numbers

For items that are to be provided with a serial number in accordance with the technical documentation or the order specifications, the serial number of the item delivered in each case must be noted on the delivery note.

26 Identification

Each transport unit must be provided with a goods tag with a unique identifier that enables the delivery to be unambiguously identified. To enable the unambiguous identification of the articles upon receipt of goods, these must be marked accordingly.

27 Labelling

The supply positions must be labelled with the following information in coordination with the customer:

- Designation
- Article number
- Quantity/delivery volume
- Drawing number, or the standard designation in the case of standard and catalogue components
- Identification as per manufacturer
- Change index
- Order number and order position
- Supplier number and supplier name according to customer master data record
- Warning notices (if necessary)
- Shelf life date (if necessary)
- Storage conditions (if necessary)
- Statutory designations (e.g. hazardous goods notices)

Labelling must be in the form of an adhesive label, in exceptional cases also by means of a tag on each article or, in the case of small parts, on each packaging unit. The location of the label must be chosen to ensure that the label is easy to see and read. Labelling with tags should be limited to cases in which a label is cannot be used because of the nature of the article. Labelling methods, tracers and coating agents must be adapted to the article in question. They may not damage, detrimentally alter or impair the usability of the article.

28 Delivery documents

The required delivery documentation has to be sent to the customer together with the delivery item. The supplier has to ensure the unambiguous assignment of the delivery documentation to the delivery item and to the order by means of suitable labeling. The corresponding drawing specifications have to be observed. The documents supplied have to be noted in the delivery note if possible. In the event of non-compliance with the obligation to provide evidence, the customer reserves the right to issue a notice of complaint.

29 Legal notices

It is fundamentally the case that all EU directives and laws valid and applicable at the time the agreement is signed must be observed, even if the EU directives exclude military equipment from their application. The individual EU directives are transposed into national law by the German Product Safety Act An application analysis, in which EU directives must be applied to the product to be supplied, must be carried out by the supplier and constitutes an integral part of the documents that are to be handed over. For products falling under an EU directive requiring CE marking, the supplier must provide the customer

with an EC declaration of conformity or a declaration of the manufacturer (manufacturer's declaration) with the corresponding documentation (installation instructions, operating instructions, manual in the national language). The documents and records upon which the EU declaration of conformity is based, such as hazard analyses, risk assessments or calculations, must be made available to the customer upon request. If the product to be delivered is subject to several EU directives requiring CE marking, then this constitutes an integral part of the documents that are to be handed over. Further stipulations can be found in the General Terms and Conditions of Business in their currently valid version.

30 Archiving

The supplier is obliged to retain the documentation created within the context of executing the order in accordance with the statutory regulations and to allow the customer to inspect this for a period of ten years after the execution of the order.

31 Contact partner

For all commercial or technical queries, please contact the responsible purchasing department of the customer.

32 Provision, customer property

If the supplier determines that a product provided by the customer is not suitable for the intended purpose or is non-compliant, the supplier must notify the customer of this immediately and agree with the customer the corrective action to be taken. The supplier must ensure that the quality of the provided products does not suffer as a result of their storage and/or use.

33 Quality inspection

Quality inspection refers to the inspection of performance for compliance with the contractually-agreed technical and associated organizational requirements by the contracting public authority or its representative appointed under the agreement. All requirements of the present agreement may be subject to official quality inspection. Each quality inspection carried out shall be reported. The performance that is to be rendered is subject to quality inspection at the premises of the supplier by the quality inspectors of the public-sector customer. These will notify the supplier about the quality inspection that is to be performed. The quality inspection is always carried out at the premises of the supplier. The supplier is obliged to provide the quality inspector with any assistance they may require in the performance of their duties under the order.

34 Supplier monitoring

The following parameters are applied when rating the supplier:

- Delivered Quality
- On Time Delivery
- Risk Assessment according to Supply Chain Due Dilligence Act

The supplier is subject to continuous monitoring. If anomalies or error clusters are detected, further measures are agreed with the supplier.

35 Export clause

The Purchaser hereby informs the Supplier that the export and intracommunity transfer of almost all goods (such as, without limitation: material goods, technology, software) that the Purchaser handles are subject to permit requirements of the German Export-Control Regulations. Therefore, the Supplier undertakes not to transfer any goods received from the Purchaser or from a third party on behalf of the Purchaser to another third party without prior written express written authorization by the Purchaser. This applies, in particular, to “Technology”, i.e. any information relating to specific technical knowledge of the development, production and use of defense goods (as defined in Part I, Section A of the “Ausfuhrliste” (German Export Control List), Anlage AL (Annex AL) of Anlage 1 (Annex 1) “Außenwirtschaftsverordnung” (Foreign Trade and Payments Ordinance), in whatever form it is embodied or stored. The Supplier undertakes to submit its contracting parties (in particular sub-suppliers and subcontractors) as well as their respective contracting parties to the same obligations before they receive goods originating from the Purchaser (such as, without limitation: material goods, technology, software).