Quality Requirements for Suppliers

Updated: **Date: 04.07.2019**

Elmar Weihbold
Manager Procurement Quality

Checked: **Date:** 04.07.2019

Michael Günther
Head of Supply Chain Management

Approved: **Date:** 5.7.2019

Michael Raufeisen
Head of Quality Management & Assurance

Released: **Date:** 5.7.2019

Helmut Wiesenberger
Managing Director

This document replaces all previous versions which are not valid anymore and have to be destroyed.
With regards to political correctness, male and female are equally addressed within this document, irrespective of the gender used.

1. Table of Contents

2. List of Revisions

Revision	Date	Pages	Description
A	29.03.2016	all	Supersedes QM-SP-7.2
B	04.08.2016	3, 4, 12	Applicable forms added; see also yellow highlighted
C	28.12.2017	1, 6, 8 2 3, 4, 9, 16 5 6, 7 10 10 – 12 14 16	Email address update Sequence of paragraphs changed Text update Paragraph “Appendices” & RO-RA Policy added Text added Update packaging requirements Update CoC requirements Requirements FAI updated CTL added; Form FB 06-09 added
D	14.06.2018	9	Paragraph for counterfeit goods added
E	04.07.2019	4 5 5, 6, 8, 15, 16 7 10 11 12, 13, 16 18	Document references added Removed appendices Text added Paragraph “Supplier Notifications” added Removed “electronic ordering system” in 8.15 Removed “Incoterms and ATA Spec. 300” in 8.19 Text update Removed paragraph 13

Changes in this document are marked in yellow.

3. Related Documents

Supplier's quality management system must at least comply with the requirements of the standard ISO 9001 and the following as set forth in this document if applicable.

STANDARDS	
Doc. No.	**Description**
ISO 9001	Quality Management Systems – Requirements
AS/EN 9100	Quality Management Systems – Requirements for Aviation, Space and Defense Organizations
AS/EN 9102	Quality Management Systems – First Article Inspection
EN 9130	Quality Systems – Record Retention
EN 10204	Metallische Erzeugnisse – Arten von Prüfbescheinigungen
EC 1907/2006	Regulation concerning REACH
ISO 10005	Quality Management Systems – Guidelines for Quality Plans
ISO 17025	General requirements for the competence of testing and calibration laboratories

The following documents from RO-RA are attachments to this document and shall be in use at the Supplier as set forth in this document if applicable.

RO-RA DOCUMENTS	
Doc. No.	**Description**
FB 06-03	Supplier Profile Questionnaire
FB 06-08	Certified Tool List
FB 06-09	Agreement to QM-PB-7.10
FB 06-10	FAIR Template for Suppliers
FB 06-11	Concession Template for Suppliers
FB 06-13	NDA Supplier
FB 06-18	Change Request Supplier
QM-VA-8.13	First Article Inspection for Suppliers

4. Table of Abbreviations

Abbreviation	Description
CISG	Contracts for the International Sale of Good
CoC	Certificate of Conformity:
CTL	Certified tool list
DAD	Drawing Accompanying Document
ECHA	European Chemicals Agency
EEA	European Economic Area
FAI	First Article Inspection
FAIR	First Article Inspection Report
FOD	Foreign Object Detection
GPC	General Purchasing Conditions
Nadcap	National Arospace and Defense Contractors Accreditation Program
NDA	Non-Disclosure Agreement
Product	The legal authority defines “products” as aircrafts, helicopters and engines, however in this document “products” stands for delivered parts, materials and services.
QMM	Quality Management Manual
QMS	Quality Management System
REACH	Registration, Evaluation, Authorization and Restriction of Chemicals
SVHC	Substance of Very High Concern

5. Purpose

The Quality Requirements for Suppliers as set forth in this document describe and govern all quality assurance actions between RO-RA Aviation Systems GmbH (herein referred to as RO-RA) and its Suppliers for all deliveries and services with the objective to permanently ensure high Product quality. This document determines minimum Quality Requirements for Purchase Orders from RO-RA. It shall apply only to the extent that (i) no other specific Quality Requirements have been defined in the applicable Purchase Order and (ii) no other specific Quality Requirements have been set forth in the applicable Supply Agreement.

Further, this document governs the cooperation between RO-RA and Supplier and specifies certain duties and responsibilities.

RO-RA Aviation Systems GmbH POLICY:

“SUPPLIERS ARE FULLY RESPONSIBLE FOR THE QUALITY OF THEIR PRODUCTS AND SERVICES.”

6. Applicability

This document is applicable to all Suppliers or partners who provide Products and/or Services to RO-RA Aviation Systems GmbH (herein referred to as RO-RA), unless explicitly stated otherwise in the applicable Supply Agreement, technical specifications, engineering definitions or RO-RA Purchase Orders.

The "Quality Requirements for Suppliers" apply together with the applicable Supply Agreement, if any, and the "General Purchasing Conditions" ("GPC") (available on www.ro-ra.com at the bottom of page under "Services" and "AGBs") in their latest version (hereinafter Supply Agreement and GPC referred to as the "Legal Terms") for all existing and future orders. Any changes or additions shall be in writing and agreed between RO-RA and its Suppliers.

The document is applicable to any Purchase Order issued by:

RO-RA Aviation Systems GmbH
Gewerbepark 8
4861 Schörfling am Attersee
Austria

The central quality management can be contacted by E-Mail under procurement-quality@ro-ra.com in case of any queries regarding the content of this document.

This document supersedes any earlier agreed or signed Quality Assurance Agreements with RO-RA.

7. Responsibilities of RO-RA

RO-RA places its orders in the form of "Purchase Orders" pursuant to the process as defined in the applicable Legal Terms. The technical data and specifications in the Purchase Order define the parts to be delivered and are legally binding for the Supplier. All submitted data is approved data, unless clearly marked "prototype" or "draft". Goods classified as "prototype" or "draft" must be clearly identified on all Delivery Documents as such.

8. Responsibilities of Supplier

The Supplier guarantees that all Products delivered are completely in conformity to their technical specifications and that they completely meet the requirements set forth in this document, the relevant Purchase Order as well as the applicable Legal Terms. The Supplier is committed to a zero-defect-target. He shall continuously optimize his performance to achieve this target.

The Supplier is responsible to flow down these requirements to its sub-tier suppliers. In addition to this RO-RA Suppliers (and subcontractors) shall be obliged to request all documentation required to fulfil their contractual obligations, even if they have not been distributed. The Supplier stated on RO-RA's Purchase Order is responsible for the control of documents.

The Supplier is responsible for its own sub-tier suppliers and their ability to meet the requirements set forth herein, in any Purchase Order and/or in the applicable Legal Terms.

8.1 Changes, Documentation and Traceability

The Supplier guarantees that any changes in the data stated in the applicable Purchase Orders shall be immediately implemented into the production process.

The measuring equipment used to establish the compliance with the Purchase Order and/or the applicable Legal Terms shall permanently be in proper condition and shall periodically be controlled by the Supplier or an accredited test institute commissioned by him in accordance with best industry practice.

Should there be any changes in the agreed procedures, Supplier shall immediately inform RO-RA in writing, however no later than within 24 hours from such change. Any such changes need to be expressly approved by RO-RA in writing.

8.2 Supplier Notifications

If needed RO-RA sets up supplier notifications which serve as additional requirements to this document. Such documents will be submitted via email and the Supplier has to adhere to the notifications.

8.3 Potential Suppliers

Potential Suppliers must be able to demonstrate that they can fulfil RO-RA's Quality Requirements prior to becoming an approved Supplier. This may be achieved (but not limited to) by submitting following information to RO-RA:

- Complete RO-RA Supplier questionnaire (see form FB 06-03)
- Signed RO-RA non-disclosure agreement (see form FB 06-13)
- Approval certificate endorsing the Supplier's quality management system (i.e. ISO 9001, AS/EN 9100)
- If applicable, a certificate of a final customer "special process" approval
- If applicable, Nadcap Approval Certifications

If deemed necessary and prior to approval, RO-RA may perform an audit at the Supplier's facility. Following a successful review of the submitted documents, approvals and (if applicable) audit results, the Supplier will be listed in the RO-RA list of approved Suppliers. If applicable, nominated individuals at the Supplier will be provided with a unique username and password that allows them to access an electronic ordering system where they can view their details.

8.4 Suppliers for external Processes

Parts for RO-RA may only be procured from sources whose quality system is certified pursuant to ISO 9001 as a minimum requirement. Depending on the scope of work, RO-RA decides on a case by case basis if an approval through an on-site audit is necessary. Higher levels of certifications (such as AS/EN 9100, or similar) are considered favorably by RO-RA in this decision for approval.

If Supplier can demonstrate to RO-RA an implemented but not yet certified QMS, then the Supplier's Quality Management Manual ("QMM") may be considered as a basis for approval.

In the event of an approval based on the QMM, Supplier must inform RO-RA immediately in writing by giving adequate prior notice before amendments are made to their QMM.

Suppliers without any certification can be approved as “extended workbench” for specific operations. Therefore, the Suppliers must compile a quality plan in accordance with the requirements of ISO 10005 “Quality Management — Guidelines for Quality Plans”. The Supplier shall submit to RO-RA a Products and Services Quality Plan for review and approval. Once approved, any update of this Quality Plan shall also be submitted to RO-RA in writing by giving adequate prior notice for RO-RA’s additional approval.

8.5 Manufacturers, Stockists and Distributors for Materials

Unless explicitly stated otherwise, material for aerospace applications shall be supplied from approved sources only. Supplier is obliged to verify approved sources for each Purchase Order. Please contact your purchase contact at RO-RA in case of any doubts.

Stockists and distributors do not need to have any special certification unless explicitly stated otherwise in the applicable Supply Agreement. RO-RA will consider favorably any certification (i.e. ISO 9001, AS/EN 9120, etc.) during its approval process.

Stockists and distributors must meet the requirements of final Customers and their approval regulations if applicable.

In all cases, the stockists and distributors must be able to prove traceability back to the manufacturer of the supplied product / material what includes providing original certificates (CoC) to RO-RA.

8.6 Tooling Suppliers

Suppliers for tooling (e.g. injections moulds) have to provide evidence that the tool is able to produce parts in accordance with the part definition under series conditions. The type and scope of the tool release (e.g. sample runs, measuring reports, R&R studies etc.) will be defined by RO-RA in the Supply Agreement, Purchase Order or additional documents such as specifications.

8.7 Laboratories

Laboratories that provide testing service must be able to provide traceability of the calibration master to the applicable national standard (i.e. ÖKD, DKD, UKAS, etc.). Suppliers for calibration must hold a valid national accreditation certificate in accordance with ISO 17025 if not otherwise agreed in writing.

8.8 Acceptable Registrars/ Certification Bodies

The certification for the basic quality system shall be via an accredited registrar / certification body acceptable to RO-RA.

8.9 Changes of the Approval Status

It is the responsibility of the Supplier to inform RO-RA immediately of any change to its approval status. Any quality system and process approvals shall be forwarded to RO-RA immediately after their renewal.

In case an approval has expired, a detailed action plan covering a renewal of the approval shall be forwarded promptly to RO-RA.

8.10 Change of Location or Ownership

The Supplier shall notify RO-RA prior to any change of location or ownership (Change of Control). A physical change in the location of the manufacturing site will invoke a new First Article Inspection (see AS/EN 9102).

8.11 Changes in Product and/or Process Definition

The Supplier shall notify RO-RA of changes in product and/or process definition and, where required, obtain approval by RO-RA.

8.12 Order Acceptance, Waiver/ Concession

The Supplier shall check all data, especially the technical specifications, descriptions, terms and conditions set out in RO-RA's orders, regarding their technical feasibility, legitimacy and fitness for purpose. Further, the Supplier shall warn RO-RA immediately, if the order or parts of its content are faulty, incomplete, vague, and objectively non-executable or if they are in contrast to RO-RA's reasonable expectations regarding the stipulated delivery. If RO-RA's orders contain specifications, the Supplier shall also verify – before sending order confirmation, if applicable – if his Products confirm to the stated specifications. To receive those specifications defined in drawings the Supplier shall send a request to RO-RA. All international standards defined in drawings cannot be supplied by RO-RA.

Without RO-RA's explicit written approval, obtained by the Supplier in advance and on time, (Waiver/Concession) no deviation from the defined tolerances, specifications, bills of material, procedures and processes is admissible.

If the Supplier has reason to believe that the data set out in the Purchase Order could be incomplete or outdated, he shall immediately verify the correctness of the data together with RO-RA before starting the manufacturing process and shall request any missing data from RO-RA Purchasing Department.

8.13 Drawings, electronic Data

For the production of parts for RO-RA, the Supplier shall solely use the following binding documents: drawings, delivered and released by RO-RA in the form of a stamp or signed on the drawing accompanying document (DAD), even if in the form of a PDF-file. All additional electronic data (like 3D-files), made available by RO-RA, are used by the Supplier only in his own responsibility regarding the conformity to released drawings, unless the electronic data is marked with an electronic signature.

8.14 Non-conforming Products

In all cases of non-conformity, the Supplier must take immediate action to protect RO-RA and its Customers.

If the Supplier has reason to believe that the produced and already delivered parts could have defects or are not conform to the Purchase Order requirements, he shall inform RO-RA Quality Department (procurement-quality@ro-ra.com) in writing within 24h after discovering such non-conformity to agree on further actions without delay. The Supplier shall assist RO-RA in the evaluation of possible defects or non-conformities of his Product and shall provide access to all relevant documentation.

For the avoidance of doubt, any payment made by RO-RA before the assessment of such defects shall not constitute an acknowledgement that the goods are free from defects or were delivered in accordance with the relevant Purchase Order and/or the applicable Legal Terms.

8.15 Non-conformity found before Delivery

For internally detected non-conforming Products, the Supplier can send a request for a Concession to RO-RA Quality Department (procurement-quality@ro-ra.com), before the parts are delivered. For this purpose, the template provided (RO-RA Form FB 06-11) must be used, unless explicitly agreed otherwise in writing.

Costs and expenses arising out of in connections with requests for Concession will be charged by RO-RA in accordance with the following table:

Quantity	Criticality		
	Low	Mid	High
One (1) per quarter	200	200	300
Two (2) per quarter	300	400	500
More than two (2) per quarter	400	600	1000

Note: All costs are in Euro. For other currencies the actual change rate applies. Charges stated are a minimum and RO-RA reserves the right to invoice higher charges depending on additional costs raised by the end customer.

Non-conforming materials or Products must not be sent to RO-RA without any approval by RO-RA Procurement Quality Assurance.

Requests for Concession which are not legible, incomplete or do not have appropriate information regarding root cause and corrective action will be rejected.

The delivery paperwork and the affected Products shall be clearly identified with the Concession number and separately packaged.

A copy of the approved Concession shall be attached to the Delivery Documentation.

8.16 Non-conformity found at RO-RA or its Customers

If any non-conformity is discovered by RO-RA, an 8D-report according to the template provided by RO-RA will be worked out and sent to the Supplier. RO-RA expressly reserves the right to charge the Supplier a € 150.00 administration fee for each such complaint. In addition, RO-RA reserves the right to charge the Supplier with all resulting costs and damages, including without limitation any costs arising from resulting claims enforced against RO-RA. The logistics for the return of Products and / or screening actions or rework must be taken without any delay at Supplier's cost. Any necessary follow up actions (screening, rework, etc.) may be carried out by the Supplier himself or, if the Supplier does not fulfil his obligations concerning such non-conformity without any delay, by an external company commissioned by RO-RA. All costs associated with such an occurrence will be charged to the Supplier.

RO-RA expects immediate corrective actions and an 8D-report. If not further defined, the deadline for submitting such information is 24 hours and for the completion of the entire 8D-report according to the deadline specified in the report resp. two weeks (14 calendar days) if not defined otherwise. In case of any violation of these terms, any accrued costs will be charged to the Supplier.

8.17 Counterfeit goods

The supplier shall maintain a procedure to prevent counterfeit goods. If counterfeit goods have been discovered, RO-RA must be informed.

8.18 Sub-Contracting

If the supplier holds the necessary approvals to manage their supply chain themselves, this might be released by RO-RA in written form. Otherwise the supplier shall use enabled sources of RO-RA which is fully responsible for controlling and monitoring these subcontractors.

If the supplier intends to use other sources, the supplier has to flow down to its subcontractors and suppliers the terms and conditions of this document, of the relevant Purchase Order as well as any applicable Legal Terms and must ensure that all manufacturing specifications and all other applicable requirements will also be followed by the subcontractor. The Supplier has to inform RO-RA in writing of its intention to engage a subcontractor.

RO-RA expressly reserves the right to veto the commissioning of subcontractors.

In addition to the requirements set forth herein, in the relevant Purchase Order and/or in the applicable Legal Terms Supplier must ensure that sub-contracting of any orders or parts thereof complies with the following provisions: Special processes specified within applicable drawings and/or specifications, must be performed and/or procured only at RO-RA and/or final Customer approved processors as per applicable approved processors list and/or qualified processors list.

Raw Materials as specified within applicable engineering documents (e.g. drawings, 3D-Models, specifications) must be procured only at RO-RA and/or final Customer approved sources as per applicable approved processors list and/or qualified product list.

Standard hardware (e.g. Fasteners) as specified within applicable engineering specifications (e.g. drawings, 3D-Models, specifications) must be procured only at RO-RA and/or final Customer approved manufactures and distributors as per applicable authorized distributors list if required in the applicable Purchase Order.

8.19 Packaging and Delivery Documentation

The Supplier guarantees that all Products are adequately packed during time of shipment, suitable for long distance air, surface transport and/or sea transport and storage to protect the Products in transit, delivery and storage against dampness, moisture, shock, corrosion and rough handling in accordance with best industry practice.

Suppliers shall not mix new, used and scrap parts in one package. In any event, scrap parts must be specifically identified by the Supplier.

The Supplier shall be liable for any corrosion, damage and loss attributable to inadequate or improper protective measures and packaging. The Supplier shall also comply with the International Standards for Phytosanitary Measures No. 15 (ISPM No.15) if the packaging of the Products uses wood packaging materials for all shipments.

The Supplier shall provide a delivery note with every single delivery. The Delivery Documentation has to contain the following information as a minimum:

- RO-RA Order No.
- RO-RA Item ID as per Purchase Order
- RO-RA-specification (drawing no. with rev. status) or complete identification of the standard in case of standard parts or standard processes
- Cross reference to each additional delivery document (i.e. CoC)
- Description of item by manufacturer
- Supplier part number (if applicable)
- Quantity
- Any applicable Waiver/Concession

Suppliers shall provide one (1) copy of the Delivery Documents which shall be placed on the packaging unit.

If parts are made available by RO-RA for further processing to the supplier, the supplier must return the goods in the same packaging condition as the parts were delivered. If grey plastic boxes from RO-RA are in use, it is not permitted to attach labels to the packaging system. All delivery documents have to be stored in the intended pocket.

8.20 Certificate of Conformity

The Supplier shall provide a Certificate of Conformity ("CoC") as per EN 10204 with each delivery of product and via email to CoC@ro-ra.com free of charge. The Type of the CoC is specified in the purchase order. The CoC – if Type 2 – may also be part of the delivery note which must contain at least details and conformity statement as follows:

For Surface Treatment Suppliers and Part Suppliers:

- Part number and part revision level
- Batch or serial number
- Purchase order number
- Performed processes and sub-processes (only for surface treatment suppliers)
- For first orders: CoC's of used painting, varnish, etc. (only for surface treatment suppliers)
- For FAIR orders: CoC of used raw material (only for part suppliers)

Certification of Conformity:

We guarantee that all items comply with the requirements of the applicable Legal Terms, the relevant Purchase Order, engineering drawing and special manufacturing instructions. All processes have been performed by approved processors. All supporting data for processing, testing and inspection is on file at our facility and is available upon request. On behalf of Quality Assurance.

For Standard Part Suppliers:

- Part number and part revision level (or specification and revision level)
- Batch or serial number
- Purchase order number

Certification of Conformity:

We certify that the parts or assemblies supplied in this shipment were purchased in accordance with the applicable Legal Terms, the relevant Purchase Order and that the manufacturer has complied with all applicable specifications. Data about traceability will be retained on file at the Supplier's facility for a minimum period of 30 years.

For Raw Material Suppliers:

Raw material suppliers have to submit the original CoC according to EN 10204, Type 3.1 from the manufacturer's mill.

8.21 Labeling

The Supplier shall ensure that Products are labelled in accordance with best industry standards that will provide adequate identification and traceability of the Product. For the avoidance of doubt, such labelling must also include the denomination of quantity (i.e. sheets, rolls, tins) and nomenclature.

8.22 Receipt of Goods and Warranty

For each delivery, the Supplier performs an inspection of outgoing Products to check the compliance of the Products with the specifications of the applicable Supply Agreement and Purchase Order. RO-RA checks the goods on delivery merely regarding its identity, the quantity delivered and regarding any evident damages on the outer packing. In the event of delays of any investigation and notification duties by RO-RA, the Supplier expressly waives his resulting rights.

All warranty claims will be taken into consideration for the annual Supplier evaluation.

8.23 Obsolescence Management

Obsolescence or Obsolete means a part that is no longer manufactured or available for purchasing on the open market. The Supplier shall implement a process to prevent (design, component/tools, selection, processes), predict (survey) and provide a solution for Products becoming Obsolete (contingency plan).

RO-RA must be informed immediately, however at least six (6) months in advance, whenever Products become Obsolete. Any costs associated with the Obsolescence of a Product shall be borne by Supplier. Supplier shall replace (or upgrade) any Obsolete Products in RO-RA's inventory and/or the buffer stock held by Supplier; prices for the new configuration replacing or upgrading an Obsolete Product shall not exceed the price of such Obsolete Product.

8.24 Quality Planning

The Supplier shall perform adequate quality planning in order to meet and demonstrate to RO-RA that they will be able to meet all requirements applicable to the supply of its Products or Services to RO-RA. Quality planning shall consider all aspects, including without limitation method, manpower/training, machine, environment, inspection and material.

8.25 Risk Management

The Supplier shall establish a process for the identification and management of potential risks to the continuity of supply of Products to RO-RA in accordance with best industry standards.

The Supplier's process shall include a periodic, at least yearly, assessment and review of all possible business risks.

The Supplier shall determine appropriate actions related to high risk failure modes in order to mitigate these risks. The Supplier shall ensure that actions taken are appropriate to the effects of the potential failure mode and shall review the effectiveness of the preventive action taken. The Supplier shall establish a reporting mechanism to keep RO-RA informed on any such actions.

8.26 Environment (REACH)

REACH is the European Regulation (EC) 1907/2006, as amended from time to time, concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals. REACH affects all industries, including the aerospace, and automotive industry.

Inter alia, any Supplier (producer, importer, distributor or other actor in the supply chain) of a part (a part is called “Article” in REACH) within the European Economic Area (EEA) must provide a declaration if any substance of very high concern (SVHC) in the finished part is present greater than 0.1% by weight as well as sufficient information to allow safe use of the part (including, as a minimum, the name of the substance). The SVHCs are named in a “Candidate List for Authorisation” published by the European Chemicals Agency (ECHA) on their web-site (www.echa.eu).

All Suppliers of RO-RA must provide such substance declaration in accordance with REACH on a form supplied by RO-RA’s purchasing department. The Supplier is responsible to update the substance declaration for the Products supplied on a regular basis in accordance with REACH, in any event upon changes to REACH or upon RO-RA’s request.

8.27 Control of Production and Service Provision

The Supplier shall plan and carry out production and service provision under controlled conditions. Controlled conditions shall include, as applicable, the safeguarding for the prevention, detection and removal of foreign objects. The Supplier shall establish and maintain an appropriate foreign object detection (FOD) and prevention process in accordance with best industry standards.

8.28 Product Identification and Traceability

The quality system shall provide clear identification and traceability of materials and components at receipt and during all stages of storage, manufacturing, assembly and shipping/delivery. The quality system shall be able to identify specifically when and to what extent unique identification of individual Product or batches is required for traceability. Identification of individual Product or batches shall be recorded.

Without prejudice to the level of traceability required by the applicable Legal Terms and/or any regulatory or other established industry requirement, the quality system shall at least provide for:

- Identification to be maintained throughout the Product life.
- All Products manufactured from the same batch of raw material or from the same manufacturing batch to be traced.
- For an assembly, the identity of its components and those of the next higher assembly to be traced.
- For a given Product, a sequential record of its production (manufacture, assembly, inspection) to be retrieved.

For any part number modifications, the system shall maintain the identification of the configuration of the Product to identify the differences between the actual configuration and the agreed configuration.

8.29 Supplier Performance and Continuous Improvement

The Supplier shall endeavor to provide zero-defect Products and a 100% on-time delivery service. The Supplier performance will be monitored periodically and reported to the Supplier by RO-RA Purchasing Department. RO-RA uses the Supplier performance as basis for the annual Supplier audit program. The Supplier shall measure its operational performance in terms of quality and delivery performance and targets shall meet or exceed the RO-RA targets and the Supplier shall assess and manage its own improvement plans to achieve these targets.

In case the Supplier continuously fails to meet RO-RA's expectations, the Supplier will be requested to implement a corrective action plan within a certain period of time as agreed between the Supplier and RO-RA Quality Assurance in good faith. Supplier will use best efforts to optimize quality, performance, reliability, maintainability, and efficiency of the Products while reducing acquisition, operating and total life cycle costs.

Upon request by RO-RA, Supplier shall work jointly with RO-RA in a collaborative fact-based approach, to ensure the competitiveness of the Product over the life of the Program, and agrees to jointly conduct a competitiveness enhancement program if requested by RO-RA. Accessibility to data necessary for a total comprehension of the Product's manufacturing cost structure and value stream is an essential condition for such competitiveness enhancement program. Supplier agrees to provide RO-RA with a reasonable level of data sharing necessary to jointly conduct such competitiveness enhancement program.

8.30 First Article Inspection

The First Article Inspection ("FAI") is unexceptional needed for all external processes. It is an independent and documented inspection of the physical and functional condition of a Product, where its design data, its usability and the other requirements set forth in the Supply Agreements are compared with the results of a trial installation, if applicable. Under any circumstances, RO-RA will not release the series production, before the FAI has been approved by RO-RA. FAI is free of charge unless specifically agreed otherwise in writing.

In addition to the FAI, the Supplier must pass/ perform any tests to demonstrate compliance of the Product with the applicable technical requirements as agreed between the Parties or as set forth in the applicable Legal Terms and any other tests as specified in the relevant Purchase Order.

For the manufacture of First Articles the Supplier shall always use all resources, machinery, processes and procedures scheduled to be used also for series production. The required procedures and documents (e.g. EN 9102) are set forth in the RO-RA Purchase Order and shall be met by the Supplier. Any deviations have to be released by RO-RA in writing in advance.

Delivered First Articles must be identified on the delivery note and CoC as "First Article". For the First Article Inspection Report ("FAIR") the RO-RA Form FB 06-10 shall be used and attached to the Delivery Documentation and sent via email to procurement-quality@ro-ra.com.

The First Article part must be clearly identified with a tag as "FIRST ARTICLE" to avoid mixing up with serial parts. As a guideline for FAIR preparation, QM-VA-8.13 can be used.

Any FAI approvals by RO-RA or its Customers do not in itself constitute a waiver of the requirements for inspection, tests or other provisions of the applicable Supply Agreement and/or Purchase Order or relieve the Supplier from its responsibility to deliver Products or Services in accordance with the applicable Supply Agreement and/or Purchase Order.

Partial- or re-accomplished FAIR shall be forwarded to RO-RA even if not explicitly ordered via a Purchase Order. When a FAIR has been approved as 'Conditional' only, the Supplier shall submit a repeated FAIR, after implementation of corrective actions and covering the non-conforming feature(s), however no later than one (1) week unless specifically agreed otherwise in writing.

Additional agreements for First Article Inspection shall be documented in a quality plan. In any event, the part weight shall be stated in the FAI Report. RO-RA reserves the right to review the FAI on-site at the Supplier's facility should this be deemed necessary in RO-RA's sole discretion.

According to EN 9102 new First Article Inspection is required under the following conditions, even if not explicitly required in a Purchase Order from RO-RA:

- Design alteration affecting fit, form, function and/or fatigue of the Product;
- Change of production method or production process (Partial FAIR if agreed by RO-RA or if required);
- Changes of NC-programs;
- Movement of production to another location;
- Re-start of production after interruption for more than 2 years or at RO-RA's/ Customer's requirement.

8.31 Supplier Audits

RO-RA, RO-RA's Customer and the Aviation Authority shall be entitled to regularly audit the Supplier and the Supplier's subcontractors (please also refer to the relevant provisions on Source Inspection in the applicable Legal Terms). RO-RA will inform Supplier with fourteen (14) calendar days prior notice of a planned audit. RO-RA Quality Assurance or an individual person or an entity commissioned by RO-RA will perform the audit. The Supplier shall provide RO-RA, their Customers, and the responsible regulatory authorities unlimited access to his facilities and shall give them all the necessary information they demand for the audit. That also includes the access to the facilities of its subcontractors to enable RO-RA and the above-mentioned persons and entities to perform the required audits there.

Verification activities performed at any level of the supply chain may not be interpreted as evidence of effective control of quality and shall not absolve the Supplier of its responsibility to provide Products in full compliance with all requirements set forth herein, in the relevant Purchase Order and/or the applicable Legal Terms.

If non-conformities are found during such audit, RO-RA and the Supplier will promptly agree on actions and a time schedule to correct these findings. As soon as compliance has been restored, the Supplier shall provide RO-RA with a written report without request.

8.32 Record Retention and Availability

Supplier shall retain complete and accurate records and supporting documentation as necessary to demonstrate Supplier's compliance with this document, the applicable Legal Terms as well as the Purchase Order basically throughout life of products (therefore aircrafts), however in any event as long as any obligations under a Supply Agreement with RO-RA or a Purchase Order may exist. If for any reason a Supply Agreement or Purchase Order will be cancelled or not continued Supplier shall submit all records regarding these cancelled contracts to RO-RA for further retention. In any event, records shall be forwarded from Supplier to RO-RA before Supplier wishes to destroy such records. RO-RA Quality Assurance may give written authority to Supplier to destroy any obsolete records. In addition, the requirements of EN 9130 (Quality systems– Record retention) shall be observed by Supplier.

Records must be readily available for review by either RO-RA, its Customers or any regulatory agencies at all times and accessible within 24 hours.

8.33 Protection of confidential Information

Supplier shall treat strictly confidential and keep secret any and all Information concerning this business cooperation in accordance with the Legal Terms and/or the Confidentiality Agreement signed by the Parties.

8.34 Delivery to third Parties

Supplier must not deliver any Products manufactured in accordance with RO-RA's drawings or specifications directly to any other party than RO-RA. Any delivery to third parties requires prior written approval by RO-RA.

In case of a breach of any of the terms aforementioned, the Parties agree that Supplier shall pay to RO-RA liquidated damages in the amount of € 15,000.00 for each individual such breach, which shall become due immediately and regardless of whether such breach was committed by Supplier's fault for each individual such breach. Moreover, RO-RA's right to claim additional damages caused by such breach shall remain unaffected.

8.35 Tools and Equipment owned by RO-RA

Moulds, jigs, tools, measuring equipment, templates, drawings and other documents which RO-RA has either made available to the Supplier or which RO-RA has ordered and paid for (together referred to as "Tooling") are RO-RA´s property. Tooling must be identified as RO-RA's property or RO-RA's customer property with appropriate tags or labels, handled with care, kept in good working order and free of any encumbrances. Prior to the delivery of the First Article, Supplier shall update Form FB 06-08 Certified Tool List (CTL) and submit to RO-RA. The CTL shall be updated by Supplier in December of each year. Any damages have to be reported to RO-RA and must be promptly repaired before further use. During the time between Purchase Orders Tooling must be kept carefully by the Supplier. Upon expiry or termination of the Supply Agreement and/or the end of the business relationship any Tooling must be handed over to RO-RA without explicit request.

9. Violation of Requirements

Violations of this document, any Purchase Order and/or the Legal Terms may not only lead to a termination of the Supply Agreement but also to the revocation of the authorization to act as Supplier for RO-RA with immediate effect.

10. Partial Nullity

Should any provisions of this contract be or become wholly or partly invalid or unenforceable, this will not affect the validity or enforceability of the remaining provisions. In this event, the parties shall start negotiations without undue delay with a view to amend this contract so that the invalid or unenforceable provision is replaced by a provision which in its essential purpose comes as close as possible to the invalid or unenforceable provision. This contract shall be governed in its entirety by the laws of the Republic of Austria with the exception of the CISG (United Nations Convention on Contracts for the International Sale of Good) and the conflict-of-law rules of the international private law.

All disputes, disagreements or any claim arising from this contract or relating to this contract, the violation, dissolution or invalidity thereof shall be exclusively referred to the competent court in Vienna (Austria).

Agreements and changes to document QM-PB-7.10 must be documented per Form FB 06-09 (Agreement to QM-PB-7.10).

11. Useful Information and Links

Description	Web Link
DIN	http://www.beuth.de/de/
EASA	http://easa.europa.eu/
IAQG	http://www.sae.org/iaqg/
IAQG OASIS data base	https://www.sae.org/?PORTAL_CODE=IAQG
ÖNORM	https://www.austrian-standards.at/home/