

QUALITY ASSURANCE CONDITIONS OF PURCHASE

The following are mandatory quality assurance conditions we expect our suppliers to fulfil.

1. Purpose & Scope

The purpose of this document is to provide information and guidance to suppliers of Metalex Products Ltd and Metalex ACP Ltd, to assist them in meeting purchase order requirements with regards to packaging, handling, safety, delivery and overall quality assurance of products and services supplied to both companies. The term “Metalex” shall mean Metalex Products Ltd and Metalex ACP Ltd. The term “supplier” shall mean the individual, partnership or company identified on the purchase order and include sub-contractors chosen by Metalex. Except where prohibited by law, the terms and conditions of the purchase order will apply to Metalex purchase of materials.

2. Changes to the Purchase Order

Metalex may require changes to be made to the purchase order at any time. Any price and/or schedule adjustments will be mutually agreed upon. The supplier’s performance of such changes shall not be delayed during any negotiations for adjustment.

3. Applicability

All suppliers are to fully comply with the stated requirements of the purchase order.

4. Conduct Policy

Metalex request that all suppliers operate and conduct their business activities in an appropriate manner ensuring that all their employees and supply chain act in an ethical and morally acceptable manner, which includes adherence to national and international laws and regulations such as The Modern Slavery Act 2015, which can include child/adult slavery and human trafficking. The Bribery Act 2010, which states it is illegal to offer, promise, give, request, agree, receive or accept bribes and requires your approach to reducing and controlling the risks of bribery plus rules about accepting gifts, hospitality or donations. We also require your staff and supply chain to conduct their roles and responsibilities in an ethical manner, which eliminates any form of bullying, misinterpretation, falsifying and behaviour deemed as detrimental to our business activities.

5. Right of Access

In accepting a purchase order from Metalex, the supplier will grant right of access to representatives of Metalex, our customers and relevant regulatory authorities to the applicable areas of facilities and to applicable documented information at any time subject to an agreed period of notice. Metalex will reserve the right to conduct surveillance visits to any supplier to confirm that the supplier’s quality management system meets that of Metalex requirements as well as any quality standards requirements applicable to ISO/AS latest revision.

6. Supplier Monitoring & Evaluation

As part of our ongoing commitment to our customers, other interested parties and continual improvement, Metalex continually assess and monitor our suppliers for quality, delivery and ability to consistently meet our specified requirements. Where the level of performance falls below an acceptable level, suppliers will be advised and required to investigate to determine underlying causes of non-conformance; then provide a corrective action plan to the Metalex Quality Administrator within a specified timeframe. All responses will be reviewed and if necessary, suppliers who consistently fail to meet specified requirements or do not respond positively to non-conformance concerns may have their status downgraded on the Approved Supplier List or after referral to the Managing Director, removed from the company’s Approved Supplier List.

7. Supplier's Responsibility

The supplier shall ensure that all relevant requirements contained herein are reviewed, followed and understood by all persons and organisations in the supply chain who are engaged in activities in support of Metalex purchase orders. Acceptance of a purchase order from Metalex will constitute agreement to the conditions stated herein, unless otherwise specifically agreed with the purchasing authority and formally documented at the purchase ordering stage. Records of any such agreements are to be maintained by both parties.

The supplier shall ensure that they are in possession of the latest revision of this document that can be downloaded from <https://www.metalex.co.uk/terms/>.

8. Notification of Organisation Changes

The supplier shall notify Metalex in advance of any changes to the supplier's organisation that may affect quality and/or finance. These changes may include; company ownership, company name, manufacturing location, quality approvals and significant changes to process, service or inspections techniques.

9. Product Definition and Notification of Non-Conforming Issues

Suppliers shall notify Metalex immediately of any changes in product definition. Also, any identified non-conforming product issues either shipped or in-house at the supplier shall be immediately notified to Metalex who reserve the right to (a) accept the order, (b) accept a part of the order or (c) reject the order in its entirety.

10. Quality Management System Requirements

The supplier shall establish and maintain a quality management system that provides a means of ensuring that products conform to specified requirements. The system shall control the issue of drawings, specifications, procedures etc. Provision shall be made for the control of obsolete copies and their subsequent archiving and disposition.

11. Purchase Order Requirements

The supplier shall supply products and/or services strictly in accordance with the quantities, specifications and stipulations of the Metalex purchase order. No amendments to the purchase order will form part of the order unless in writing by a representative of Metalex.

12. Packaging

All materials purchased must be packed in such a way to avoid potential damage and deterioration through movement. Individual items must be packed separately (not mixed) and readily identifiable to their delivery document. The maximum nett weight for all packages is 1000 kgs. Any deviation to the above must be agreed in advance with the Metalex purchasing authority, having obtained prior agreement from our warehouse supervisory staff.

13. Identification

Each bundle, box, case, pallet or other form of container purchased must be clearly labelled (or otherwise suitably marked) showing the following information as a minimum, as applicable: -

- Metalex purchase order number
- supplier's order number or other suitable reference to delivery document
- cast, heat or other unique reference to provide traceability to certification
- nett quantity (kgs)
- description of product

14. Certification

Where certification is required, it will be requested at the point of order. Certification supplied must be legible and supplied with the delivery unless agreed otherwise with Metalex purchasing staff. All certification must reference description of the product including material dimensions, grade/specification.

All Certificate of Conformity must show the Metalex purchase order number, supplier's order number and certificate/serial number. All Certificate of Conformity are to be authorised against a statement which confirms that the purchase order requirements have been met.

Certification may be emailed in advance of the delivery as long as the following requirements can be met; (a) addressed to the purchase order owner, (b) reference the Metalex purchase order in the email title and/or body text, (c) supplied in PDF format and (d) where colour is an element of the certificate, such as where third party has "red" stamped the certificate, a colour scan is required.

15. Delivery Documents

Delivery documents must be sent with the goods and is to provide information as a minimum: -

- name and address of supplier
- Metalex Products Limited delivery address
- Metalex Products Limited purchase order number
- supplier's order number or delivery note reference
- description of products including material specification/grade
- cast/heat or batch reference as applicable
- the number and type of package supplied
- total delivered quantity *
- gross and nett weight of each package

** Advised quantity must be in the same unit of measure as the purchase order, i.e., where unit of measure is weight then actual weights must be used. The use of theoretical weight will not be accepted unless specifically and otherwise agreed with the Metalex Products Limited purchasing authority. In these exceptions, where actual quantity is discovered different to theoretical than an invoice adjustment or credit note will be required.*

16. Control of Records

All quality records shall be stored and maintained in a legible form. All records created in support of the supply of products or services against Metalex purchase orders are required to be retained for a minimum specified period as indicated in the table below.

Order type	Minimum Retention Period from the date of the purchase order
Commercial	5 years
Aerospace	7 years

Specific projects and/or regulatory bodies may require longer retention periods and this will be notified in advance to the supplier. After this retention period, Metalex must be notified of the intent to dispose of any records and shall be given the opportunity for further retention at Metalex premises. Raw material mill certificates must be maintained indefinitely.

17. Flow Down of Customer Requirements

Metalex reserves the right to flow down additional requirements to satisfy specific customer and/or business requirements that apply.

18. Protection of Information

Any information the supplier receives from Metalex must be kept confidential and never disclosed to any third party without the prior written agreement of Metalex. Under no circumstances is the supplier to make a direct approach to Metalex customers in relation to agreed business dealings.

19. Sub-contract Processing

Where a supplier elects to sub-contract any element of production and/or special process then this will be formally documented and agreed beforehand with the appropriate Metalex purchasing authority.

Suppliers shall notify the relevant Metalex purchasing authority in the event of any changes or deviations from the planned product realisation route in relation to supply or processing of

products against a Metalex purchase order. Where this happens, the supplier must seek written agreement from the relevant Metalex purchasing authority before proceeding.

Sub-contract processing companies must immediately advise Metalex of any shortages or damaged products with regards to goods delivered to then by Metalex or Metalex suppliers. Also, sub-contract processing companies must advise Metalex if products are unsuitable for processing. In this regard, please advise the appropriate Metalex purchasing authority as soon as this becomes apparent.

Sub-contract processing companies must maintain identity and traceability of products from original receipt to despatch. Furthermore, all subsequent advice paperwork raised must correlate with the products in terms of cast/batch references.

20. Counterfeit Parts

The supplier is expected to develop, implement and maintain effective methods and processes appropriate to their products to minimise the risk of, prevent and mitigate the use of counterfeit and suspect unapproved parts. The supplier shall notify recipients of counterfeit and suspect unapproved parts when warranted. If counterfeit or suspect unapproved products are supplied or are found in any products delivered to Metalex, it will be treated as a non-conforming product, it will be quarantined and an appropriate method of destruction will be used by Metalex to prevent re-entry into the supply chain. The supplier shall promptly replace counterfeit material with acceptable material and the supplier shall be fully liable for all associated costs. If warranted, Metalex will report any issues relating to the receipt of counterfeit or suspect unapproved parts to the relevant bodies and review the supply chain.

21. Product Safety

Suppliers and sub-contractors are responsible for adhering to the requirements of the contract / purchase order to fully mitigate any potential risk to product safety.

22 Competence and Conformity Awareness

All suppliers are expected to develop, implement and maintain effective policies and training programmes to ensure their employees are; suitably competent and aware of their relevant contribution to the quality, safety and conformity of their products/services, aware of the potential consequences of any non-conforming issues and will ensure the product is free of foreign object debris.

23. Ethical Behaviour and Expectations

All suppliers shall acknowledge and agree that Metalex requires the supplier to maintain a high standard of ethical conduct in all its dealings with Metalex. The supplier, if requested, shall provide evidence of ethical behaviour not limited to anti-bribery, anti-child labour, anti-slavery and whistle blowing.

24. Health & Safety

All drivers must always observe and follow the site rules.

- hi-visibility vests/jackets must be always worn whilst on the premises.
- check the load is safe for unloading.
- drivers must adhere to the company's no smoking policy.

25. Specific Product Related Information

Hazards

Suppliers are required to supply Metalex with information concerning any known health and safety/environmental hazards (eg. COSHH, RoHS, REACH) that is inherent in products which may come to light during subsequent handling, use, installation or servicing.

REACH

Suppliers are required to be aware of their obligations under the European Union regulations concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) any relevant information to be forwarded to the Metalex REACH contact: - adamr@metalex.co.uk

Suppliers are required to review the candidate list of substances of very high concern and advise the Metalex REACH contact: - adamr@metalex.co.uk of any products that are supplied that may contain any of the listed substances. Suppliers are required to check the status of the list and address any additions or changes: -

http://echa.europa.eu/chem_data/candidate_list_table_en.asp

Conflict Minerals

In 2010 the US Dodd-Frank Act was passed concerning “Conflict Minerals” originating from the Democratic Republic of the Congo (DRC) or adjoining countries. “Conflict Minerals” are generally considered as being the following chemical elements mined within the DRC or adjoining countries – Tantalum (Ta), Tin (Sn), Gold (Au) and Tungsten (W). No products may be supplied to Metalex manufactured from “Conflict Minerals”.

26. Unloading of Goods

Products requiring mechanical equipment for unloading will be completed by forklift trucks. Would all suppliers and freight forwarders please ensure that the vehicles selected for delivering goods to Metalex are suitable according to our method of unloading and that the loads can be accessed from the sides of vehicles. Please note that none of the Metalex locations have any overhead cranes. Metalex does not have facilities for unloading containers.

27 Security

Suppliers should make their delivery drivers aware of the potential risks involved in relation to lorry theft, especially when delivery may involve an overnight stop. Drivers should not park outside of, or near to, Metalex premises overnight, they should seek to park at a secure Truck Stop.