

**Extended Terms and Conditions of Purchase for Non-Aerospace Production Parts at  
Ricardo Performance Products Limited at MTC**

Please note that these Extended Terms and Conditions are in addition to the Ricardo Standard Terms and Conditions of Purchase (available from the Ricardo website) and in addition to the Supplier Quality Manual.

In the event of a conflict between the terms below and any terms in the Ricardo Standard Terms and Conditions of Purchase, the terms in Ricardo's Standard Terms and Conditions of Purchase shall prevail.

**1. Definition of terms**

1.1 In these extended terms and conditions, the following words shall have the following meanings:

"COTS"	Commercial off the Shelf
"MTC"	Midlands Technical Centre
"RPP"	Ricardo Performance Products Limited at MTC
"Supplier"	Supplier or Contractor

**2. Change Management**

2.1 For drawn parts, the following conditions apply:-

2.1.1 The supplier undertakes to operate an engineering change management system. Changes to the product, production process, place of manufacture, or subcontractor must be reported beforehand, at an early stage, to RPP's Procurement and Quality Assurance contacts. The effects will be evaluated and, if necessary, measures will be defined together with the supplier, such as re-qualification, re-sampling/repeat sample inspection of the production process/product, or auditing. Changes require a written approval by RPP in advance of making the change. Verification and validation of the change may be in the form of PSW, PPAP/ISIR or FAIR. All implemented changes must be documented in the interests of a consistent product and process life cycle and traceability. The documentation must include the deployment and scope of the change(s) with reference to the serial number or production date of the initial delivery. Supply of product whilst such agreements are being made must remain unaffected. RPP reserves the right to charge the supplier for applicable requalification, revalidation and associated costs that might be incurred.

2.2 For COTS parts, the following conditions apply:-

2.2.1 The supplier undertakes to inform RPP of any change of sub-supplier and reference the serial number or production date of the initial delivery. Such change to be reported beforehand, at an early stage, in writing, to the RPP Buyer. Written agreement from Ricardo must be in place in advance of any implementation.

**3. Non-conformance Management**

3.1 Following any and all complaints by RPP, the supplier must analyse the cause of the fault.

- 3.1.1 Containment actions to prevent further escapes should be completed and communicated to RPP within 2 working days of the quality escape discovery.
- 3.1.2 Corrective Action/Preventative Measures: The cause of the fault and the derived countermeasures that preclude this fault from being repeated must be submitted to RPP within 8 working days of the complaint being received, without further request.
- 3.1.3 Close out of all actions pertaining to the non-conformance should be completed within 30 days of the quality escape discovery.
- 3.2 The measure must eliminate the root cause of the fault. RPP reserves the right to reject fault rectification measures and to demand new measures. The cause of the fault and the measures taken must be indicated to RPP in the form of an 8-D/A3 report or similar.
- 3.3 Without prejudice to any of RPP's other rights or remedies (pursuant to Ricardo's Standard Terms and Conditions of Purchase or otherwise), if the supplier provides defective products, the supplier is liable for all costs, losses and expenses incurred by RPP in replacing and/or remanufacturing such parts and resulting assembly (including labour and scrap) and any claims arising from delay to the delivery of the part or resulting assembly. If a defect is identified only after the resulting assembly has been shipped to RPP's customer, the supplier will be liable for all costs, losses and expenses incurred by RPP in replacing such assembled part (including all shipping and handling costs) and any claims from that customer.

#### **4. Supplier Communication Response Times**

- 4.1 Any request for information from an RPP Buyer is to be responded to within 4 working hours, taking time zones into account. It is acceptable that the response is to confirm the request has been received and sets out timescales for the information requested to be provided.
- 4.2 If the time commitment to provide information cannot be met, the supplier must inform the RPP Buyer before the deadline with explanation as to why the information can't be provided along with new timescales.
- 4.3 Where meetings have been arranged, these must be attended by the appropriate team member(s) that can address the issue in hand. If this is not possible then the supplier must appoint a suitable deputy or rearrange the meeting within an acceptable time period.
- 4.4 If RPP's usual point of contact is absent from the business for any sustained period of time, it is Ricardo's request that this is effectively communicated at the earliest opportunity, at the same time as providing full contact details for an alternative point of contact.