

Helping nuclear deliver a cleaner and more secure world by engineering nuclear safety solutions that help customers succeed.

# Supplier Requirements Manual



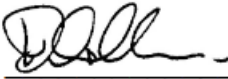
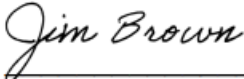
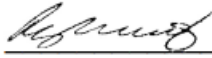
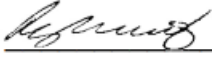
# ULTRA

## Supplier Requirements Manual I.BMS.PROC00.MAN001

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# 1. Introduction

## 1.1 Purpose

The purpose of this document is to define a Supplier Requirements Manual (SRM) as a set of generic requirements that apply to Ultra Energy suppliers, including external providers and subcontractors.

An Ultra Procurement Lead shall provide this SRM to suppliers in advance of placing purchase orders that specifically reference this SRM.

## 1.2 Scope

The scope of this manual covers the controls to be applied to externally supplied processes and products or services when:

- Products from external suppliers are intended for incorporation into Ultra's own products and services
- Products are supplied directly to Ultra customer(s) by external suppliers on behalf of Ultra
- A process, or part of a process, is supplied by an external supplier as a result of a decision by Ultra

This manual does not list legislative requirements as this is an implied requirement for all suppliers and will be dependent on the countries involved and contract-specific arrangements.

Application of this SRM will depend on the agreed scope of supply, therefore not all sections of the SRM will apply to every supplier or every supplied product and service.

## 1.3 Definitions

### 1. Business Management System (BMS)

A generic term used by this SRM to include any applicable integrated management systems, such as Quality, Health & Safety, Environmental or Nuclear Quality Assurance Program (NQAP).

### 2. Contract

Any binding agreement between Ultra and a supplier covering:

- The supply of products or services to a customer (a “supply contract”); or
- The procurement by Ultra of products or services from a supplier where the purchase terms or delivery failure could critically affect a supply contract or the business’ operation (a “procurement contract”); or
- A subcontract placed by Ultra on a subcontractor to fulfil a supply contract requirement (a “Subcontract”).

### 3. Direct Procurement

Direct procurement is the procurement of items against a valid project code, either for a customer project or an Internal Research and Development (IR&D) project.

### 4. Indirect Procurement

Indirect procurement is the procurement of items against an overhead code, as opposed to a project code. Indirect procurement can only be used for non-inventory items.

### 5. Inventory Item

An inventory item is an item that has a part number and revision number designated on the Enterprise Resource Planning (ERP) system and can be purchased or manufactured and received into stock under that item number and revision.

### 6. Non-Inventory Item

A non-inventory item is a miscellaneous product or service that does not have a part number or revision number, and can be procured, but is not received into inventory.

### 7. Purchase Order (PO)

A contractual document issued by a buyer to a seller, indicating types, quantities, and agreed prices for products or services. It is used to control the purchasing of products and services from external suppliers.

### 8. Request for Information (RFI)

A form or document (either electronic or physical) that invites a supplier to provide information relating to the supplier’s organisation, product specifications, suppliers’ capabilities or other such data in relation to possible supply of products or services.

### 9. Request for Quote (RFQ)

A form or document (either electronic or physical) that invites a supplier to provide a quotation for products or services.

### 10. Statement of Work (SoW)

A document specifying the required outputs and performance measures in relation to the supply of products or services.



## 2. Ultra / Supplier Interface

The purpose of this section is to give suppliers an overview of what to expect when working with Ultra. Specific arrangements shall be agreed and documented in the contract / purchase order and supporting procurement documents.

### 2.1 Organisation

Procurement is managed by an appointed Ultra Procurement Lead.

Ultra defines two types of procurement:

- Direct procurement can be for inventory or non-inventory items
- Indirect procurement can only be used for non-inventory items

Ultra defines two types of procured item:

- An inventory item has a part number and revision number designated on the ERP system and can be purchased or manufactured and received into stock under that item number and revision.
- A non-inventory item is a miscellaneous product or service that does not have a part number or revision number, and can be procured, but is not received into inventory.

### 2.2 Overview

The Ultra Energy Procurement Process [Ref. 1] is used by the Ultra Procurement Lead and other supporting functions such as QA, to manage the external supply of products or services, as outlined below in Figure 1:

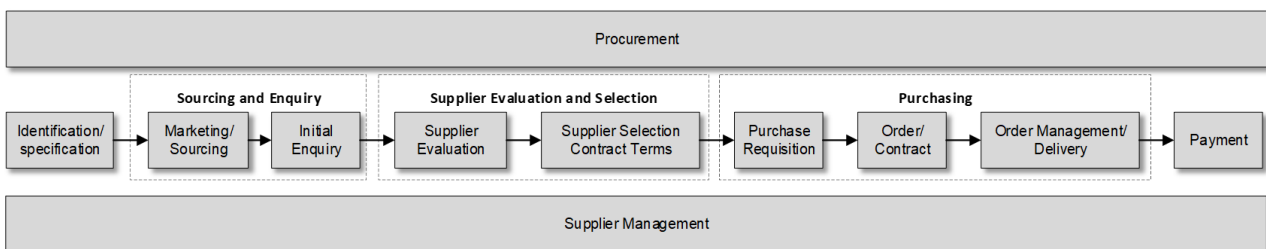


Figure 1: Ultra Energy Procurement Process

### 2.3 Sourcing and Enquiry

Once requirements have been identified and specified, the Ultra Procurement Lead engages with suppliers, which may take the form of:

- Requests for Information (RFI)
- Requests for Quotation (RFQ)
- Invitations to Tender (ITT)

## 2.4 Supplier Evaluation and Selection

The Ultra Procurement Lead, and supporting functions such as QA, evaluate the supplier's capability to provide products or services to the requirements, in accordance with the Supplier Evaluation and Selection Procedure [Ref. 2].

Supplier evaluation and selection may include requests for:

- Supply clarifications (RFI, RFQ, ITT)
- New supplier approval [Ref. 5]
- Ultra's Supplier Requirements Manual (SRM) declaration
- Supplier evaluation questionnaire [Ref. 6] (including company / organisation, international trade, accredited certification, management system, e-commerce, counterfeit avoidance, declaration, security arrangements)
- Supplier's Quality Manual
- Supplier visit

Once suppliers have been evaluated the most suitable supplier is selected. Approved suppliers are added to the Ultra Approved Suppliers List (ASL) together with the agreed scope of supply and activated in the ERP system.

## 2.5 Purchasing

Supplier purchases are covered by a purchase order and supporting documentation that clearly establishes the scope of supply and defines all requirements, in accordance with the Purchasing Procedure [Ref. 3].

Purchasing includes:

- Purchase requisition
- Purchase orders and QA conditions
- Purchase order amendment
- Purchase order expediting
- Acceptance of purchased products or services

## 2.6 Payment

Once suppliers have delivered the required products or services, in accordance with the terms of purchase, and these have been accepted by Ultra, payments shall be managed by Ultra Finance.

## 2.7 Supplier Management

Supplier performance is measured during the relationship and reported both within Ultra and to suppliers, in accordance with the Supplier Management Procedure [Ref. 4]. Supplier management includes:

- Supplier performance monitoring, including rating and performance metrics
- Supplier non-conformances and rejects
- Supplier visits, inspections and audits
- Commercial grade surveys, if applicable
- Supplier development (collaboration, relationships, partnerships)
- Ultra Approved Supplier List (ASL) and ERP system maintenance

In the event of supplier performance issues, for example, failure to meet Ultra requirements for quality and/or delivery; the Ultra Procurement Lead, with support from QA and other functions, shall instruct the supplier to take corrective action. If corrective action is not taken or is ineffective, Ultra shall remove the supplier from the Ultra Approved Supplier List (ASL) and deactivate the supplier in the ERP system to prevent further purchasing from that supplier.

### 3. Supplier Code of Conduct

To ensure Ultra is a business all our stakeholders can trust, we have created this Supplier Code of Conduct which sets out the minimum standards we expect our suppliers and the broader supply chain to meet. Ultra is committed to meeting these standards and adopt a zero-tolerance of inappropriate business conduct.

#### 3.1 Anti-Bribery and Corruption

Ultra has a zero-tolerance policy for bribery and corruption and expects all suppliers to behave ethically in all business transactions.

Ultra will never offer, give or accept anything of value that may be viewed as, or has the effect of, improperly influencing business decisions.

##### What this means for our suppliers:

- Conducting business honestly, fairly and free from any bribery and corruption.
- Only offering gifts and hospitality, for legitimate business purposes, in an open and transparent manner and never offering or giving gifts (including charitable donations) as an attempt to influence another person to act improperly.
- Never offering a public official a financial or other advantage with the intention of influencing them in their capacity as a public official.
- Complying with all applicable anti-bribery and corruption laws and regulations, including the UK Bribery Act and US Foreign Corrupt Practices Act (FCPA), as if they applied to your business.
- Never offering or making facilitation payments.

#### 3.2 Collective Bargaining

Ultra believes that individuals should be free to decide whether to join a trade union or other equivalent organisation of their choice and to bargain collectively in support of their mutual interests.

##### What this means for our suppliers:

- Respecting workers' individual choice and the relevant processes and laws for collective representation and consultation where applicable.

#### 3.3 Competitive Behaviour and Anti-Trust

Ultra conducts business in compliance with competition and anti-trust laws.

##### What this means for our suppliers:

- Complying with competition and anti-trust laws in countries of operation, including but not limited to laws relating to cartels, pricing, resale pricing, market sharing, bid rigging, terms of trading, purchase or supply terms, joint ventures and dominance (whether held individually or collectively).

- Never orchestrating market conduct with competitors or other suppliers or partners in a way that improperly restricts competition.
- Where appropriate, having systems in place to identify and lawfully manage any necessary exchange of competitively sensitive information.

### 3.4 Conflicts of Interest

Ultra aims to avoid any situation where conflicts of interest might be seen as influencing our business decisions or behaviour or might stop us from acting in the best interests of our employees, customers, suppliers, partners and communities. If we believe there is, or might be, a conflict of interest, we speak up.

#### **What this means for our suppliers:**

- Minimising conflicts of interest in the conduct of your business and having systems in place to identify and mitigate appropriately any potential conflicts that may arise.

### 3.5 Diversity, Equity and Inclusion

Ultra values the unique perspectives of a diverse workforce and is committed to delivering equal opportunities. We treat all our colleagues, suppliers and partners the same – with openness, honesty, courtesy and fairness.

We have zero-tolerance toward bullying, harassment or discrimination of any kind. Our goal is to promote inclusive practices that provide fair treatment in access, equal opportunity and advancement to all suppliers that satisfy our procurement purchasing and contracting standards.

#### **What this means for our suppliers:**

- Valuing and encouraging diversity within your workforce and talent pipelines to support increased representation and inclusion.
- Respecting and observing equality and human rights legislation and promoting equal opportunities for all.
- Operating zero-tolerance of bullying, harassment and/or discrimination towards workers, including all forms of physical, verbal or psychological abuse.
- Working collaboratively with Ultra to ensure that all suppliers and their workers are protected from bullying, harassment and discrimination, can compete fairly and have an equal chance of success.

### 3.6 Export and Import Controls, Sanctions and Obligations

Ultra is committed to compliance with import and export laws, sanctions and regulations and procedures that apply to our operations globally.

#### What this means for our suppliers:

- Complying with all relevant sanctions, import and export control legislations when engaging with third parties and importing or exporting goods or technology.
- Planning for and obtaining all necessary authorisations and permits required to ensure timely and compliant delivery.
- Having in place the necessary processes to manage access to export controlled goods or technology and ensure access is only given to parties authorised to have such access and, where applicable, cascaded to any sub-tier parties.

### 3.7 Fair Pay and Benefits

Ultra is committed to fair pay and recognises the need to fairly reward performance and contribution.

#### What this means for our suppliers:

- Ensuring all wages meet the legally required minimum wage and benefits requirements.
- Complying with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation.
- Ensuring compliance with the relevant rules in respect of maximum working time.

### 3.8 Health, Safety and Environment (HSE)

Ultra operates a 'safety first' business. We aim to create an environment where safety of people is a priority with no injuries, no work-related health issues and no environmental incidents.

Equally, preventing negative impacts of our products and services drives our HSE initiatives.

#### What this means for our suppliers:

- Joining us with personal and collective responsibility to help fulfil our HSE goals.
- Providing employees, partners and visitors with appropriate health and safety information and training, including information about risks they are exposed to and relevant control measures.
- Committing to managing HSE risks and to proactively protecting the health, safety and the welfare of their own employees, suppliers, partners, other customers, visitors and those in the community who may be impacted by their activities.
- Adopting procedures and practices to minimise any negative impacts to the environment.

### 3.9 Lobbying and Political Support

Ultra will only consider lobbying activities in compliance with all applicable laws, and to the extent such behaviour is consistent with an ethical approach to our interactions with governments, agencies and their representatives.

**What this means for our suppliers:**

- Only undertaking lobbying activities in compliance with prevailing applicable laws.
- Always behaving ethically in interactions with governments, their agencies and representatives.

### 3.10 Maintaining Accurate Records

Ultra is committed to maintaining accurate and complete records for all business transactions and operates policies and procedures to support this Code.

**What this means for our suppliers:**

- Maintaining accurate and complete records of all business transactions.

### 3.11 Preventing Facilitation of Tax Evasion

Ultra will never knowingly help our customers, suppliers or anyone else we work with to evade tax or facilitate the evasion of tax.

**What this means for our suppliers:**

- Never asking us to do anything that helps them evade tax or facilitate the evasion of tax.
- Never, when acting on our behalf, knowingly help others to evade tax.
- Only raising invoices and providing contractual documents that are accurate, reflect the agreed commercial situation and which do not include any false information.

### 3.12 Responsibly Sourced Materials

Ultra is committed to working with suppliers who ensure and can demonstrate responsible sourcing of materials.

**What this means for our suppliers:**

- Only providing products made from materials, including constituent minerals, that are sourced responsibly and verified as 'conflict free' in accordance with the OECD (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas) guidelines.
- Providing Ultra with supporting data of their supply chain of minerals when requested.
- Committing to attaining appropriate certifications or phasing out material when the material 'chain of custody' supplied is "indeterminable" or otherwise unknown.

- Having effective processes in place to detect counterfeit parts and materials and applying stringent checks to ensure no counterfeit items enter the Ultra supply chain.

### 3.13 Safeguarding the Confidential Information of Others

Ultra believes that technologies, intellectual property and commercially sensitive and confidential information are vital business assets, and we protect our own from unauthorised access, use and disclosure.

We protect the confidential information we process and will only share and use it to the extent that we are permitted to, and we never share it externally without authorisation. We will not try to find or use the information of other people or organisations, including competitors, that we know is confidential or restricted.

#### **What this means for our suppliers:**

- Having systems in place to safeguard our information and ensure that all data and documents are kept and disposed of securely.
- Keeping confidential information confidential and never using information which you should not.
- Never offering or supplying Ultra with information where you should not have it in your possession or control.
- Using appropriate nondisclosure or confidentiality agreements to protect our confidential and proprietary information.

### 3.14 Slavery, Human Trafficking and Labour Exploitation

Ultra believes that all employment should be freely chosen. Ultra opposes all forms of slavery, human trafficking and labour exploitation.

These are criminal offences in many countries, and we have a duty to prevent such practices. We will not accept child labour or any practice that inhibits the development of children.

#### **What this means for our suppliers:**

- Never using involuntary labour of any type including forced, prison or debt-bonded labour.
- Never using or supporting practices that inhibit the development of children.
- Never employing anyone under the age of sixteen (16) years or, where it is higher, the mandatory national school leaving age.
- Ensuring workers have access to legal representation and advice where appropriate.
- Complying with applicable labour, employment and modern slavery laws including minimum living wages and maximum working hours.



### 3.15 Working with Customers, Suppliers, Partners and Communities

Ultra has a policy of always competing fairly and with integrity. When seeking new suppliers, we conduct thorough due diligence.

We take steps to only select suppliers and partners with values and business behaviour that meet the high ethical standards we set for ourselves. We support communities where we can and investment can be financial, time or in-kind support.

#### **What this means for our suppliers:**

- Considering reputation and conduct first, and only engaging with others who meet our shared standards.
- Listening carefully to requests or concerns from the community and addressing them appropriately and seeking out opportunities to support your local communities.

## 4. Ultra Requirements

### 4.1 Organisation

Suppliers shall appoint:

- A Procurement Representative to interface with the Ultra Procurement Lead
- A Quality Assurance Representative to interface with the Ultra QA Lead

### 4.2 Access Rights

Suppliers shall allow access for Ultra to perform procurement management activities (e.g. supplier capability assessments, audits, visits and source inspections). Right of access shall also be extended to all sub-tier suppliers. In addition, external representatives to Ultra (e.g. customers, third-party inspection services, and regulatory authorities) shall similarly be allowed the right of access as needed, subject to mutual agreement.

This may include access to supplier premises, facilities, activities, products, services, supporting documentation and quality records associated with the scope of the Ultra contract / purchase order.

### 4.3 Business Management System

#### 4.3.1 General

BMS requirements shall be consistent with importance and/or complexity of the products or services being procured. Suppliers shall incorporate applicable BMS requirements in sub-supplier procurement documents to ensure that requirements are flowed down the supply chain.

#### 4.3.2 Standards

Suppliers shall establish, maintain and implement a Business Management System (BMS) that meets or exceeds the requirements of:

- ISO 9001 [Ref. 7] Quality Management Systems requirements; or
- AS 9100 [Ref. 8] Quality Management Systems requirements (aviation, space and defence); or
- ASME NQA-1 [Ref. 9] Nuclear Quality Assurance requirements, where applicable; or
- CSA Quality Assurance Program requirements (e.g. N299 [Ref. 10]), where applicable
- ISO 17025 for calibration service providers (see section 4.11)

Suppliers shall maintain ISO 9001 / AS 9100 certification by a UKAS accredited certification body (or international equivalent).

Suppliers are encouraged to establish, maintain and implement a Business Management System (BMS) that meets or exceeds the requirements of:

- ISO 45001 [Ref. 11] Occupational Health and Safety Management Systems requirements
- ISO 14001 [Ref. 12] Environmental Management Systems requirements

Generic HSE requirements are outlined in the Supplier Code of Conduct (3). Ultra shall specify any special HSE requirements in the contract / purchase order and procurement documentation.

### 4.3.3 Accredited Certification

Suppliers shall:

- Maintain certification that has been declared at the point of Ultra evaluation and selection
- Provide evidence of third-party certification and related audit reports, at Ultra's request
- Notify Ultra immediately of any changes to certification (organisation, location, scope, accreditor)
- Notify Ultra immediately if certification expires or is not renewed

### 4.3.4 Capability Assessment

During supplier evaluation and selection [section 2.4], Ultra shall perform a supplier capability assessment (or commercial grade survey, if applicable) of a supplier that does not have accredited certification, to verify that the supplier's management system is adequate for the required scope of supply.

If Ultra finds that the supplier's management system is deficient, Ultra shall:

- Request the supplier to implement a corrective action plan to eliminate the deficiencies before procurement continues; or
- Introduce risk mitigation actions, such as additional independent testing or source inspection; or
- Reject the supplier from selection and, if already an existing Ultra supplier remove the supplier from the Approved Suppliers List (ASL) and deactivate the supplier in the ERP system

### 4.3.5 Quality Plan

Suppliers shall, where specified in the contract / purchase order, establish and maintain a quality plan guided by ISO 10005 [Ref. 20], AQAP-2105 [Ref. 21] or suitable and agreed alternative, which shall be approved by Ultra before procured work commences beyond the definition and planning stage. Suppliers shall provide updates to the quality plan for approval by Ultra before changes are implemented.

## 4.4 Procurement Documentation

In addition to the contract / purchase order, and this SRM, procurement documentation specifying Ultra requirements shall be provided by Ultra and may include:

- Statement / scope of work
- Statement of requirement
- Procurement specification
- Drawings
- Catalogue numbers
- International or national standards
- Manufacturer or supplier part numbers
- Technical requirements
- BMS requirements
- Access rights
- Documentation requirements
- Non-conformance reporting
- Security Aspects Letter (SAL), or equivalent, if applicable

Suppliers shall review procurement documentation provided by Ultra and notify Ultra as to whether it is accepted or not before commencing work on procured products.

Procurement document changes affecting the technical or BMS requirements shall be subject to the same controls as applied to the preparation of the original documents.

Ultra shall establish and maintain quality records to indicate the performance of:

- Supplier evaluation and selection
- Acceptance of supplied products and services
- Supplier non-conformances
- Commercial grade items, if applicable

## 4.5 Sub-Tier Suppliers

Suppliers shall:

- Inform Ultra of any sub-tier suppliers to be used, including any change to source of supply
- Ensure flow-down of all requirements applicable to the scope of work, including procurement documentation, to those suppliers
- Only purchase from suppliers that hold ISO 9001 or an equivalent management system approval, including ISO 17025 for calibration service providers

## 4.6 Information Security

Protected information may take any form; for example: electronic or physical, tangible (such as paperwork) or intangible (such as knowledge).

Suppliers shall:

- Prevent or reduce the probability of unauthorized and inappropriate access to data, or the unlawful use, disclosure, disruption, deletion, corruption, modification, inspection, recording, or devaluation of information
- Implement actions to reduce the adverse impacts of such incidents
- Notify Ultra of security incidents that may impact an Ultra contract / purchase order

*Ultra IT recommends suppliers to comply with the requirements of the UK Government-backed Cyber Essentials Scheme and to maintain a Certificate of Assurance to at least Cyber Essentials, and preferably Cyber Essentials Plus.*

In addition, Ultra may request suppliers to enter into or comply with a:

- Non-Disclosure Agreement (NDA)
- Service Level Agreement (SLA)
- Security Aspects Letter (SAL), or equivalent

## 4.7 Competence

Suppliers shall:

- Determine the competence of persons affecting products and services
- Ensure that these persons are competent with appropriate education, training, or experience
- Acquire the necessary competence
- Retain documented evidence of competence

## 4.8 Quality Records

Suppliers shall maintain readily retrievable documented information and retain quality records permanently, unless specified otherwise in the contract, for supplied products and services to permit:

- Demonstration of the capability for safe operation
- Maintenance, rework, repair, replacement, or modification
- The cause of non-conformities to be identified for corrective action

## 4.9 Production Standards

Suppliers of manufactured parts shall meet or exceed the requirements of applicable IPC standards, for example:

- IPC-A-600 [Ref. 15] for Printed Boards
- IPC-A-610 [Ref. 16] for Electronic Assemblies Class 3
- IPC-620 [Ref. 17] for Cable and Wire Harness Class 3
- IPC-A-630 [Ref. 17] for Manufacture, Inspection and Testing of Electronic Closures
- IPC-J-STD-001 [Ref. 18] for Soldered Electrical Assemblies

Suppliers of parts sensitive to electrostatics shall maintain an ESD control program that meets or exceeds the requirements of BS 61340 [Ref. 14].

Suppliers of items that are subject to visual inspection shall ensure that:

- Inspection personnel maintain adequate visual acuity and colour perception
- Lighting conditions are adequate (recommended 1000 LUX or above)
- Records of visual acuity and lighting are maintained, and made available to Ultra on request

## 4.10 Provided Assets

Assets include tools, gauges, instruments, and other measuring and test equipment used for activities affecting quality.

Ultra may provide a supplier with assets, such as equipment for the purposes of procurement to make or verify products or services for Ultra. When under the suppliers' care, custody and control, suppliers shall protect provided equipment and treat it in the same way as if it was their own.

To ensure these assets are controlled, calibrated at specific periods, adjusted, and maintained to required accuracy limits, suppliers shall:

- Register the asset
- Deploy the asset for only its planned and specified use
- Manage the asset, as agreed with Ultra, by:
  - Ensuring that equipment is calibrated
  - Maintaining conformance to reference standards
  - Maintaining unique identification / marking of equipment
- Control equipment application, conformance, handling and storage, environment, status
- Return the asset to Ultra when no longer required, or as otherwise directed by Ultra

## 4.11 Calibration Services

Ultra may provide a supplier with assets for calibration, in which case the supplier shall:

- Maintain conformance to the applicable calibration standards
- Verify that reference standards have a minimum accuracy four times greater than that of the measuring and test equipment being calibrated to ensure that the reference standards contribute no more than one-fourth of the allowable calibration tolerance; or
- Provide a technical justification to Ultra as the basis for selection of the standard where this 4:1 ratio cannot be maintained; for example, where it is not possible to verify due to the use of OEM equipment.

United Kingdom Accreditation Service (UKAS) and NAMAS (National Measurement Accreditation Service) standards [Ref. 22] are stated as requirements in preference when procuring calibration services from external providers. If those standards are not appropriate for the asset then ISO/BS standards [Ref. 23] and/or [Ref. 24] are stated as suitable alternatives. A calibration certificate shall be requested and obtained in all cases.

## 4.12 Commercial Grade Dedication

Ultra may be required to apply Commercial Grade Dedication (CGD) [Ref. 9] to certain safety-related procured commercial products, to provide reasonable assurance that each Commercial Grade Item (CGI) or service performs its intended safety function.

Additional requirements may need to be included within the Ultra contract / purchase order and other procurement documentation, for example:

- A commercial grade survey of the supplier, at the supplier's facility or premises
- Source verification of the product, at the supplier's facility or premises
- Acceptable supplier / product performance

## 4.13 Counterfeit, Fraudulent or Suspect Items (CFSI)

Suppliers shall:

- Ensure that all supplier-purchased material (including items of equipment, parts, components, products, raw materials and software) intended for delivery to Ultra and its customers is genuine and contains no counterfeit, fraudulent or suspect items.
- Segregate and quarantine these items whilst under investigation, to prevent them re-entering the supply chain.
- Report to Ultra any suspect and confirmed counterfeit or fraudulent items, including non-conformance [section 4.17].

## 4.14 Obsolescence

Suppliers shall manage and report obsolescence issues throughout the supply chain for all components utilised within items supplied to Ultra.

## 4.15 Materials

Suppliers shall ensure that Packaging, Handling, Transportation and Storage (PHTS) requirements, as specified by Ultra, have been implemented.

Suppliers shall, as a minimum, ensure that material is:

- Free of damage, contamination or debris
- Segregated to prevent cross contamination, where applicable
- Stored and monitored to prevent or minimise degradation due to time or environment
- Identifiable and traceable to procurement documentation

## 4.16 Conformance

Suppliers shall:

- Verify that the product or service being supplied to Ultra complies with the procurement requirements before being delivered to Ultra for acceptance, to include:
  - Establishing an inspection plan based on an appropriate method such as statistical sampling, ad hoc sampling, 100% inspection or other sampling methods.
- Create and maintain documented evidence that products and services conform to procurement requirements and be prepared to make these available to Ultra prior to delivery, installation or use.

## 4.17 Non-Conformance

### 4.17.1 Identification and Notification

A non-conformance, if left uncorrected, could have a serious effect on safety or operability.

Suppliers shall identify and notify Ultra immediately if a contract / purchase order requirement (a need or expectation that is stated, generally implied or obligatory) cannot be fulfilled. Suppliers shall:

- Confirm and classify the non-conformance
- State the impact (scope, cost, and/or time)
- Identify non-conforming products by using a method not detrimental to the product
- Notify Ultra and other interested parties of the non-conformance

### 4.17.2 Segregation or Isolation

Suppliers shall segregate or isolate non-conforming products, into a designated marked-out and secure quarantine area, to prevent inadvertent use or delivery.

### 4.17.3 Disposition

In response to a non-conformance, suppliers may be requested to accept an amended contract / purchase order or to apply to Ultra to grant a concession or permit to deviate from the requirement.

### 4.17.4 Reviewing and Notification

In response to a non-conformance, suppliers may be requested to perform a root cause analysis and corrective action to eliminate the cause of a non-conformity and to prevent recurrence.

Suppliers shall notify Ultra and other interested parties that the non-conformance has been resolved.

## 4.18 Source Inspection

Ultra may request that procurement is subject to source inspection by Ultra, and shall be:

- Performed at intervals consistent with the importance and complexity of the product, and shall include monitoring, witnessing, or observing selected activities
- Implemented in accordance with plans to perform inspections, examinations, or tests at pre-determined points
- Documented to provide evidence of acceptance or rejection

Ultra reserves the right to witness and/or accept FAIRs on-site at the supplier's premises in accordance with Source Inspection requirements.

Where Ultra FAIR acceptance does not occur at the supplier's premises, the supplier shall submit the FAIR electronically prior to, or at the point of delivery to an Ultra Energy Quality Assurance representative.

## 4.19 Delivery

Suppliers shall provide:

- Certificate of Conformity (CofC) for each delivery to Ultra, as defined and agreed by Ultra
- Other supporting evidence, as specified by the contract / purchase order; for example: raw material certificates for manufactured parts and material traceability to the original mill / manufacturing source

If a First Article Inspection Report (FAIR) is requested by Ultra, suppliers shall:

- Provide a FAIR to AS 9102 [Ref. 13] standard
- Reference the FAIR number/identifier on the CofC
- Send a hard copy of the FAIR, if not already submitted electronically [section 4.18]

On completion of work, suppliers shall return to Ultra any security classified protectively marked material. This material may include any procurement documentation [section 4.4].

Suppliers shall identify:

- The purchased product, including the purchase order number
- The specific procurement requirements met by the purchased product, including applicable legislation, standards, and other specifications
- Any procurement requirements that have not been met, together with an explanation and the means for resolving the non-conformances; for example, by listing Ultra-approved permits or concessions

The minimum information required in a Certificate of Conformity (CofC) is:

- Certificate number
- Certificate date
- Supplier's name and address
- Customer's name and address
- Customer's purchase order number
- Item number
- Item quantity
- Item description



- Item revision
- Item traceability (e.g. lot number, raw material certification, special processes).
- Conformity Details, including reference approved deviations (permits/concessions)
- Supplier's name and signature / stamp of the person who is responsible for Quality Assurance and whose function and position are described in the supplier's quality management system
- Statement of conformity, equivalent to the following:  
*'It is hereby certified that apart from the approved deviations (permits/concessions) noted in Conformity Details, the items (products/services) detailed above have been manufactured/maintained/reworked/performed/inspected/tested and conform(s) to the applicable specifications, drawings, purchase order and contract requirements.'*

## 4.20 Acceptance

Products or services and objective evidence procured and received from suppliers shall be inspected, tested and examined as appropriate by Ultra, in accordance with internal materials management, and shall be either accepted or rejected by Ultra.

FAIR-related item(s) shall only be deemed delivered once the FAIR has been approved by Ultra.

Product inspection shall verify acceptability by objective evidence, and may include:

- Configuration items
- Product identification
- Product characteristics, such as dimensional and physical
- Observation of shipping / transit damage
- Cleanliness

Products or services that do not conform to the purchasing requirements (including counterfeit, fraudulent and suspect items that may also result in non-conformance), shall be managed by Ultra in accordance with internal non-conformance management [section 4.17]. The supplier shall provide to Ultra:

- A Non-Conformance Report (NCR)
- An evaluation of non-conforming products or services
- A recommended disposition: for example, 'use-as-is' or 'repair'
- A technical justification for the disposition
- Information to support disposition (action to be taken), to include details of the:
  - Deviation from the requirement
  - Deviation from supplier's documented requirements, where previously approved by Ultra
  - Inability to correct the deviation by using the original development / manufacturing process or by rework

## 5. References

The following references have been used by this document:

Ref. No.	Document Reference	Title
[Ref. 1]	I.BMS.PROC00.PRD001	Procurement Process
[Ref. 2]	I.BMS.PROC00.PRC001	Supplier Evaluation and Selection Procedure
[Ref. 3]	I.BMS.PROC00.PRC002	Purchasing Procedure
[Ref. 4]	I.BMS.PROC00.PRC003	Supplier Management Procedure
[Ref. 5]	I.BMS.PROC00.FRM001	New Supplier Request
[Ref. 6]	I.BMS.PROC00.FRM002	Supplier Evaluation Questionnaire
[Ref. 7]	ISO 9001	Quality Management Systems
[Ref. 8]	AS 9100	Quality Management System requirements
[Ref. 9]	ASME NQA-1	Nuclear Quality Assurance
[Ref. 10]	CSA N299	Quality assurance program requirements
[Ref. 11]	ISO 45001	Occupational Health and Safety Management Systems
[Ref. 12]	ISO 14001	Environmental Management Systems
[Ref. 13]	AS 9102	Aerospace First Article Inspection (FAI)
[Ref. 14]	BS 61340	Protection of electronic devices
[Ref. 15]	IPC-A-600	Printed Boards
[Ref. 16]	IPC-A-610	Electronic Assemblies Class 3
[Ref. 17]	IPC-A-620	Cable and Wire Harness Class 3
[Ref. 18]	IPC-A-630	Manufacture, Inspection and Testing of Electronic Closures
[Ref. 19]	IPC-J-STD-001	Soldered Electrical Assemblies
[Ref. 20]	ISO 10005	Guidelines for Quality Plans
[Ref. 21]	AQAP-2105	NATO Requirements for Quality Plans
[Ref. 22]	BS EN ISO / IEC 17025	Competence of testing and calibration laboratories
[Ref. 23]	ISO 10012	Measurement processes and measuring equipment
[Ref. 24]	BS EN 61010-1	Safety requirements for electrical equipment

## 6. Standards

The following standards apply to the scope of this document:

Std. No.	Title	Applicable (Y/N)	Applicable Clause(s)
[Std. 1]	ISO 9001:2015	Y	8.4 (procurement)
[Std. 2]	ISO 14001:2015	Y	8.1 (procurement)
[Std. 3]	ISO 45001:2018	Y	8.1.4 (procurement)
[Std. 4]	ASME NQA-1:2015	Y	Part I Requirement 4 and 7 (procurement)
[Std. 5]	10-CFR-50 Appendix B	Y	Criteria IV and VII (procurement)

## Distribution List

Name	Company
Business Management System	Ultra Energy; Suppliers

ULTRA.

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