

# Notice to Suppliers



## Supplier Cost of Non-Quality Values

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**Job Title:** Head of Supplier Quality - UK  
**Business Unit:** Civil and Defence Aerospace

**NTS Number:** 532  
**Issue:** 1  
**Date:** 06 March 2021

For the attention of the Managing Director and Quality Manager

### Scope/Applicability:

The charges set out in “Cost of Non-Quality Charges (Civil Aerospace suppliers)” are being updated. These are the values enacted for management of supplier delivered non-conformance applicable to all Suppliers and Partners who supply product and / or services related to Rolls-Royce Aerospace contracts / purchase orders.

**Dear Supply Partner,**

### Introduction:

Rolls-Royce enters into an agreement with a supplier for the purchase and supply of products/services on the premise that such products/services will fully conform to all the applicable quality and warranty requirements stated in the applicable agreement.

Without prejudice to Rolls-Royce’s other rights and remedies (whether in contract or at law), for every occurrence of the following quality issues listed below (under the heading of ‘Description’), Rolls-Royce will exercise its contractual right to charge the supplier an administrative charge in the amounts stated in the below table, which Rolls-Royce may deduct from any payments due to the Supplier to compensate Rolls-Royce only for its internal administration costs associated with such quality incident.

### Description

The internal administration costs incurred by Rolls-Royce comprise of the associated processing and technical assessment(s) undertaken by Rolls-Royce due to the occurrence of the following quality issues listed in the table under the heading of ‘Description’

Description	Global Standard Charges (US Dollars)
Concession	\$2600
Non-conformance identified at receipt inspection/ assembly or test	\$4800
Non-conformance identified at customer/ operator level	\$8500

The administrative charges noted above are a good faith estimate of the internal administrative costs suffered by Rolls-Royce and are not a penalty resulting from the relevant quality incidents. The charge values above include all potential costs due to third party service provider.

NOTE: This document supersedes the content previously contained within NTS385.

**Action Required:**

For all Quality Notifications raised from the 1st April 2021 and determined as supplier liable, the revised charges will be imposed via the Supplier Cost of Non-Quality (SCoNQ) process.

**NTS Category:**

SABRe

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