

Airbus Defence and Space
Netherlands

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Quality Policy

DUTCH TECHNOLOGY

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Table of Contents

| | | |
|----------|---|----------|
| 1 | Foreword | 2 |
| 2 | Quality vision and principles | 3 |
| 2.1 | Quality vision | 3 |
| 2.2 | Voice of the Customers | 3 |
| 2.3 | Quality principles | 3 |
| 3 | Quality management | 4 |
| 3.1 | The Quality Management System | 4 |
| 3.2 | How we organise the Quality Function | 5 |
| 3.3 | Quality responsibilities | 5 |
| 3.4 | How does each employee contribute to quality | 6 |
| 3.5 | Regulations and standards | 6 |
| 4 | Leadership, mindset and behaviours | 7 |
| 4.1 | Management's commitment | 7 |
| 4.2 | Leadership principles | 7 |
| 4.3 | Mindset and behaviours | 7 |
| 4.4 | Corporate social responsibility | 7 |
| 5 | People and resource management | 8 |
| 5.1 | Quality awareness | 8 |
| 5.2 | Competencies | 8 |
| 5.3 | Resource planning | 8 |
| 6 | Measurement and continuous improvement | 9 |
| 6.1 | Voice of the Customer | 9 |
| 6.2 | Performance management | 10 |
| 6.3 | Control of nonconforming product | 10 |
| 6.4 | Eliminating the cause of problems | 10 |
| 6.5 | Continuous improvement | 10 |

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1 Foreword

This document defines the quality management vision and principles in Airbus Defence and Space Netherlands B.V. (Airbus DS NL). It identifies the core processes and tools which underpin our commitment to Quality and the delivery of products and services to the confidence and satisfaction of our Customers. Each division within Airbus Group has its own certified Quality Management System which is controlled, audited and continuously improved to reflect the changing needs of our Customers and to ensure business effectiveness and sustainability.

This Airbus DS NL Quality Policy is based on to the Airbus Group Quality Policy, which is applicable to all entities and their employees. The principles of this document are mandatory. This Quality Policy therefore copies essential parts from the Airbus Group Quality Policy, but its application is tailored to meet the specific needs of Airbus DS NL.



2 Quality vision and principles

2.1 Quality vision

Airbus DS NL delivers world-class quality products and services through doing things right first time within a proactive culture of prevention and continuous improvement. In this way we meet requirements, exceed expectations, create Customer loyalty and establish quality as a competitive advantage.

2.2 Voice of the Customers

Airbus DS NL is committed to listen to the Voice of the Customer (VoC) thereby ensuring their ongoing confidence and satisfaction with the delivered products and services. Listening and responding to the Customer is fundamental to the success of our business partnerships and continuous improvement.

Within Airbus DS NL we also value the internal Supplier/Customer relationship and this forms the basis of a Customer focus culture for every employee.

2.3 Quality principles

| | |
|-----------|--|
| Customer | <ul style="list-style-type: none">• Listen, respect and commit to the Voice of the Customer |
| People | <ul style="list-style-type: none">• Build quality mindsets and capabilities<ul style="list-style-type: none">- Keep things short and simple- Be fact-oriented- Share best practices and lessons learnt• Strengthen leadership, commitment and empowerment• Foster mutual trust along the value chain |
| Process | <ul style="list-style-type: none">• Build quality throughout process management• Ensure detailed and timely planning, prevention and process control• Continuously improve |
| Suppliers | <ul style="list-style-type: none">• Integrate suppliers as an extension of our quality strategy |

3 Quality management

3.1 The Quality Management System

The Quality Management System (QMS) ensures that Airbus Defence and Space Netherlands consistently delivers products and services that meet all requirements (including Customer, legal and geographic) whilst maximising the organisations' competitive advantage and shareholder value. The Quality Management System defines the organisational structure, procedures, processes and resources needed to implement Quality Management.

Quality management relies on four pillars:

- A Quality Vision which is supported by Quality principles and Quality objectives defined on an annual basis
- A Quality Planning methodology which is in line with the Airbus Group's Advanced Product Quality Planning (APQP)
- A Quality Function which is effectively embedded within the business whilst maintaining its independence and ability to certify that the processes, delivered products and services fully conform to requirements
- A Process management approach supporting Continuous Improvement which eliminates root cause of anomalies and failures through actively implementing Lessons Learned, listening to the Voice of the Customer and assessing business performance and achievement of related Quality objectives

The Quality Management System is an integrated part of the Airbus Defence and Space Netherlands business process framework, and is administered by the Quality Function. It is described in the company's Quality Manual.

The effective implementation of the Quality Management System relies on Leadership, Mindset & Behaviours, People & Resource Management, Core Processes & Tools and Performance Measurement & Continuous Improvement.



3.2 How we organise the Quality Function

Whilst quality is the responsibility of each and every employee, the Quality Function supports this principle either directly or via delegation to the other functions. Effective delegation is achieved via audited adherence to the Quality Management System.

Airbus Defence and Space Netherlands is EN9100 certified. The processes and procedures are based on ECSS standardisation.

The following three principles for implementing the Quality Function are cascaded.

1. The Quality Function has a reporting line to the CEO, either directly or through his representative in the Management Team
2. The Quality Function is embedded within the business areas, whilst maintaining its independence
3. The Quality staff are adaptable and maintain their competencies and capabilities to fully support the current and changing business needs

The Quality Function reaches out to include strategic partners, and subcontractor and supplier organisations.

To reach and maintain this goal the Quality Management System is continuously developed and improved based on experience, and internal and external requirements.

3.3 Quality responsibilities

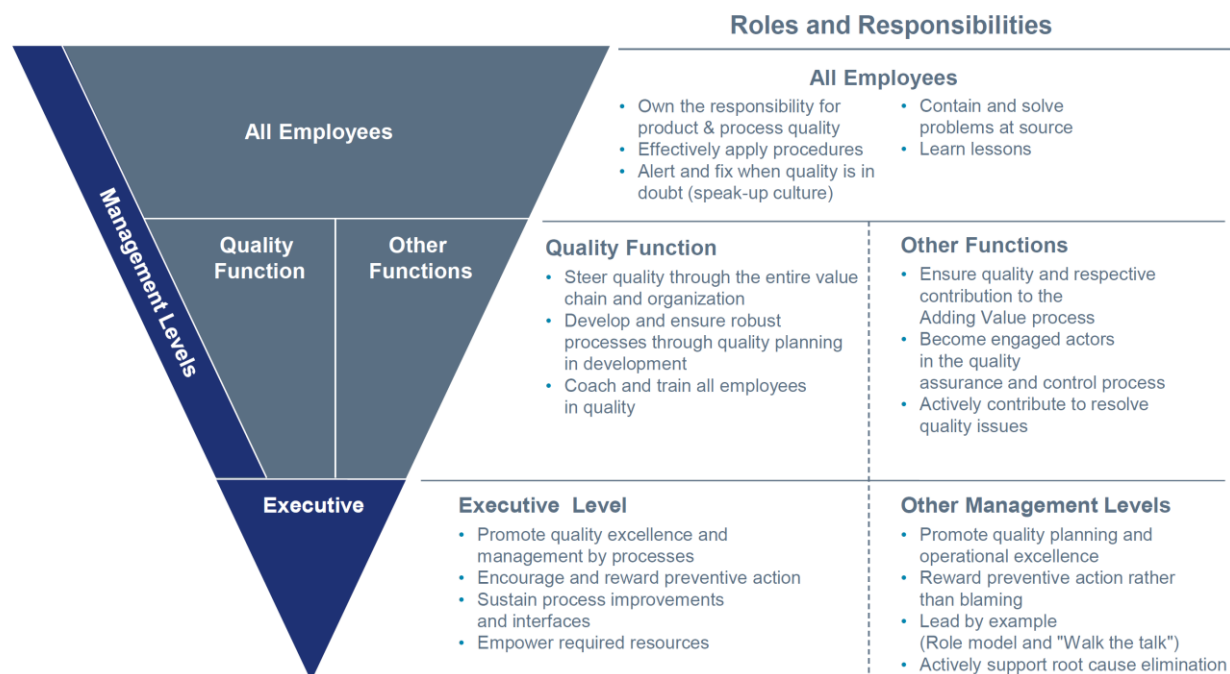
The Quality Vision and Principles are established and implemented throughout the business. This embeds the philosophy that Quality is the responsibility of everyone throughout the company and into the extended Airbus Group.

At the level of Airbus Defence and Space Netherlands, the responsibility is to ensure the quality of our delivered products and services to the confidence and satisfaction of the Customer. This is facilitated by enabling the Quality Policy and pragmatically implementing the Quality Management System whilst promoting a Continuous Improvement culture. Airbus Defence and Space Netherlands, is accountable to maintain the regulatory approvals and certifications required to meet the specific needs of their business.



3.4 How does each employee contribute to quality

Roles and responsibilities with respect to quality for all Airbus Group (hence Airbus DS NL) employees, the Quality Function, other Functions and the Executive levels are:



3.5 Regulations and standards

Ensuring compliance with the applicable Regulations & Standards is of paramount importance to Airbus Defence and Space Netherlands.

Management teams at all levels in the business are engaged in a continuously improving process of reviewing the regulatory landscape. In addition, managers ensure an understanding of technical applicability, training, auditing, and rigorous adherence to policies and procedures. The ultimate goal is to ensure that products and services are compliant with the laws and regulations of the geographical area within which they are being designed, manufactured and sold.

Each Airbus Group Division is accountable to certify their Quality Management System to EN/AS/JSC 9100 and/or other applicable standards.

4 Leadership, mindset and behaviours

4.1 Management's commitment

Management at all levels of Airbus DS NL is fully committed to the successful development and implementation of the relevant Quality Management System and associated core tools. This includes conducting management reviews, establishing Quality Objectives and ensuring the availability of the required (and empowered) resource.

4.2 Leadership principles

Management commits to the following leadership principles:

- Lead by example and be proactive
- Consider the needs of customers and all other stakeholders
- Focus on customer satisfaction which shall be a key driver for actions and decisions
- Estimate the resource requirements and establish resource constraints prior to action
- Provide people with the freedom to act with responsibility and accountability
- Build trust, encourage people to report problems and engage with regular feedback
- Inspire, encourage and recognise people's contributions
- Inform, educate and coach people - including newcomers
- Set challenging goals and targets

4.3 Mindset and behaviours

Airbus DS NL products are highly innovative and leading-edge and demand extraordinary people throughout the value chain. Common mindset and behaviours for all employees are based on:

| Quality mindset | Quality behaviours |
|---|---|
| <ul style="list-style-type: none"> • Right first time every time • Prevention rather than correction • Reduction of waste • Achieving excellence • Personal accountability for Quality • Learn and foster improvement • Reduction and awareness of risks | <ul style="list-style-type: none"> • Transparence and responsiveness • Applying procedures with rigor • Not producing or passing on quality issues • Providing timely feedback • Being factual • Being proactive • Cooperation and sharing |

4.4 Corporate social responsibility

Airbus DS NL embeds social responsibility and company ethics throughout the entire organisation. This includes the integration and continuous improvement of environmental, health and safety aspects in all operations, products and services, and processes.

5 People and resource management

5.1 Quality awareness

Employees are made aware of the relevance and importance of their activities and Quality objectives.

Employees' contribution to Quality is guaranteed through:

- Their knowledge of the Quality Policy, processes and procedures applicable to their function and domain area
- Their contribution to the effectiveness of the Quality Management System including the benefits of improved quality performance at affordable cost
- Their professional application of procedures and consequence of non-adherence
- Their empowerment to issue warnings about Quality matters to be rapidly considered by their management

5.2 Competencies

Airbus Defence and Space Netherlands follows the principle that personnel have to be competent on the basis of appropriate education, training, skills and experience. This is ensured through:

- Appropriate recruitment and taking into account an embedded customer and quality mindset
- Regular appraisal and competence assessment including the associated quality competence development

5.3 Resource planning

Airbus Defence and Space Netherlands assigns resources to:

- Plan, develop processes and deliver products
- Maintain and continually improve the Quality Management System
- Enhance delivered quality and achieve customer satisfaction

Airbus Defence and Space Netherlands managers are committed to deploying personnel that are proficient in the procedures and technical capabilities required for the activities they are assigned.



6 Measurement and continuous improvement

Measuring Quality and making it visible is a pre-requisite to improvement. There are three sources of information upon which we base this:

- Our Customers' feedback (Voice of the Customer)
- The performance of our business and its processes (Performance Management)
- The conformance of our products and services (Control of Nonconformance)

The Quality Function acts as the catalyst for continuous improvement.

6.1 Voice of the Customer

Airbus Defence and Space Netherlands is committed to provide its Customers with products and services which meet their requirements and exceed their expectations. This is achieved by listening carefully to our customers and then providing an effective answer. This information is fundamental to our continuing relationships, loyalty and the way we shape our business to meet the evolving requirements.

When listening to the Voice of the Customer the following guidelines are considered:

- The entire range of customer dimensions is taken into account from stakeholders through contracting bodies to end users
- External quality sensors capture prompted and unprompted customer feedback against the five customer dimensions on a regular basis, i.e. relationship, product, commercial, delivery, support & service. Each maps to an internal leading KPI
- Every internal leading KPI is linked to operational performance indicators
- The Voice of the Customer is implemented as a closed loop by fully incorporating it into personal Performance Management within each division using a systematic approach of dialogue, target setting, improvements action and feedback

The key elements of an effective Voice of the Customer continuous improvement loop are summarised as follows:



6.2 Performance management

Business performance is measured and actioned with respect to Key Performance Indicators. These indicators address four dimensions: Customer - Cost of Non Quality – Processes – People.

Communication regarding performance occurs at every level of the organization and front line performance reporting is transparent and visual. Target-oriented discussions are systematic between Managers and their direct reports and stimulate daily quality improvements. Feedback to Customers is important to ensure that they are aware of our performance improvement actions and associated results.

6.3 Control of nonconforming product

Airbus Defence and Space Netherlands addresses the control of nonconforming products, i.e. products or services which do not meet specified requirements, in accordance with regulatory, certification and/or customer requirements.

This area is taken very seriously due to the effect it has on our overall quality objective and internal Cost of Non Quality. This focus ensures effective and comprehensive recording of every nonconformance, the associated and timely disposition, re-inspection/verification, root cause analysis, eradication and re- occurrence prevention.

When applicable, Airbus Defence and Space Netherlands works with its Customers with regard to a concession and/or waiver as necessary.

6.4 Eliminating the cause of problems

It is unacceptable to Airbus Defence and Space Netherlands and its Customers that the same problem occurs more than once. This philosophy forms the basis of our ongoing Cost of Non Quality (CNQ) reduction objective by identifying when things are not done “right first time, every time” and then finding and eliminating the root cause.

The analysis of the root cause is carried out by multi-functional teams assisted by the availability of a selection of appropriate tools.

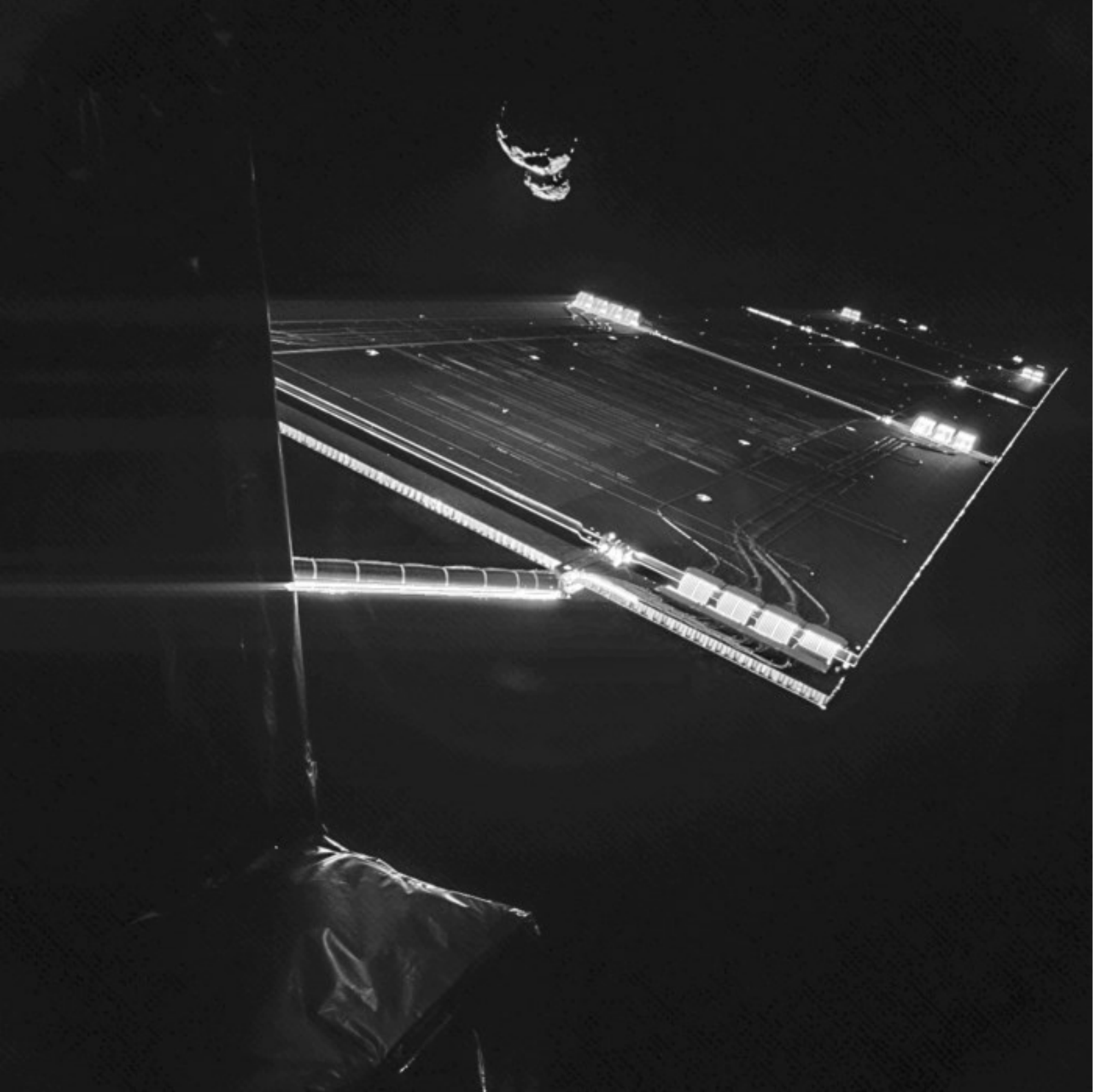
6.5 Continuous improvement

Continuous improvement of Airbus Defence and Space Netherlands performance is a permanent objective and achieved by addressing areas including:

- Customer feedback
- Process management
- Audits and assessments
- Performance dialogue
- Best practice
- Nonconformity
- Lessons learnt
- Multifunctional networking

The principles of this Quality Policy form a critical part of the Airbus Defence and Space DNA which is exhibited through the Quality Mindset and Behaviours of all people.

This underpins our operational excellence and delivery of products and services to the complete satisfaction of our Customers.



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