

Supplier Quality Assurance Requirements

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Rev. 06

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Approved: M. Tulchinsky

This document specifies the quality assurance requirements the supplier must comply with and is considered as part of purchase orders generated by Kanfit Ltd. These requirements are mandatory for all orders placed by Kanfit Ltd. Supplier/Subcontractor has the responsibility to implement all the requirements detailed in the PO and the specific requirements imposed by the codes applicable to the process/service/item ordered as specified herein and/or in the PO.

PROCESS / GROUP IDENTIFICATION	REQUIREMENT
A – Raw Material	Codes to be implemented – 10, 11, 20, 30, 50, 90, 130, 140, 150, 160 or 170, 200, 210, 250, 260, 270, 280, 290
B – Hardware	Codes to be implemented – 10, 11, 20, 30, 50, 60, 70, 90, 130, 140, 150, 160 or 170, 200, 210, 250, 260, 270, 280, 290
C – Machining	Codes to be implemented – 10, 12, 30, 40, 60, 70, 80, 100, 111, 130, 140, 160 or 170, 200, 210, 250, 260, 270, 280, 290
D – Coating	Codes to be implemented – 10, 30, 60, 70, 80, 100, 111, 110, 130, 140, 160 or 170, 200, 210, 250, 260, 270, 280, 290
E – Painting	Codes to be implemented – 10, 30, 60, 70, 80, 100, 111, 110, 130, 140, 160 or 170, 200, 210, 250, 260, 270, 280, 290
F – Heat Treatment	Codes to be implemented – 10, 30, 60, 70, 80, 100, 111, 110, 130, 140, 160 or 170, 200, 210, 250, 260, 270, 280, 290
G – NDT	Codes to be implemented – 10, 30, 60, 70, 80, 100, 111, 110, 130, 140, 160 or 170, 200, 210, 250, 260, 270, 280, 290

CODE	REQUIREMENT
10	<p>Certificate of Conformance – COC</p> <p>For all items ordered to meet an industry or a customer specification/standard or drawing, referenced on the P.O., a COC is required from the original manufacturer. It shall confirm that delivered items were inspected/tested and found to be in full compliance with the requirements of the specification/standard or drawing referenced on the P.O., on their latest revisions (as noted on the documents themselves), and those supportive records are on file and are available for review, upon request.</p> <p>A vendor, who is a re-seller, shall provide, in addition to the above, his own COC, identifying the origin of the items to the original manufacturer's lot I.D. and certifying that the items, while in his custody have been stored, handled and shipped in accordance with all applicable requirements and lot traceability has been maintained throughout.</p>
11	<p>Traceability of Raw Materials / Hardware</p> <p>All raw materials/Hardware supplied to Kanfit shall be from a single lot. The supplier must assure the traceability of the raw material lot. Multiple lots require prior approval by kanfit. Lots shall not be mixed.</p>
12	<p>Traceability of Products /Parts</p> <p>The supplier must assure the traceability of products/parts to the raw material.</p>
20	<p>Material Certification and Test Reports COT / COA</p> <p>For each shipment, the following shall be enclosed : chemical and/or physical test reports with results of actual tests conducted on material shipped to Kanfit. The supplier shall provide a copy of such reports signed by an authorized representative of the supplier and identifiable with material shipped.</p> <p>A vendor, who is a re-seller, shall provide a COT/COA that is from the original manufacturer.</p>

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CODE	REQUIREMENT
30	<p>Right of access</p> <p>Kanfit, the customer and the regulating authorities reserve the right to inspect the source of supply or service and the supplier will assure the availability of all necessary provisions. The supplier/subcontractor will allow access to Kanfit representatives or its customers to inspect the quality system, upon request and subjected to prior coordination.</p>
40	<p>Inspection Report</p> <p>Each shipment shall be accompanied by a copy of the actual dimensional inspection reports showing acceptance. Recording of actual measured values is required in dimensional inspection reports. Use of accepting signs (☑/ok/ accept) is not allowed.</p>
50	<p>Age Control/Shelf Life</p> <p>Materials with limited shelf-life shall have a minimum of 6 months shelf life or no less than 75% of their original shelf life (whichever is greater) when delivered to Kanfit.</p>
60	<p>Inspection/Acceptance</p> <p>All items are subject to receiving inspection and acceptance by Kanfit. Any non-conformance detected during receiving inspection, including missing or inadequate documentation, will cause the item to be placed on hold and acceptance deferred till the non-conformance is resolved. Unless otherwise specified in the PO or other accompanying documents, supplier shall perform sampling inspection AQL of 2.5 and C=0 according to ASQ Z1.4. Kanfit reserves the right to perform lot sampling inspection, in accordance with C=0 to an AQL of 1.0 (unless otherwise specified) and to accept or reject material hereunder on a lot basis. In case that any item is rejected or does not meet requirements, all expenses shall be carried by the supplier/producer.</p>
70	<p>Source Inspection</p> <p>All items under an order may be subjected to inspection or test witnessing at the supplier's plant by Kanfit's Quality personnel before shipment. Supplier shall provide the right to review any records related to the order. Kanfit's source inspection shall not relieve supplier from its obligation to deliver only conforming items.</p>
80	<p>Configuration Control</p> <p>No change shall be made to materials, parts, design, or manufacturing processes (including prescribed tests) of the articles purchased after approval of the design and configuration without prior written approval from Kanfit's Engineering. Any proposed change must be requested in writing detailing the proposed change, deviation or waiver, the reasons therefore, and supporting rationale that the proposed change, deviation or waiver will not adversely affect the item or its usability.</p>
90	<p>Shelf items</p> <p>For off-the shelf items the supplier shall promptly notify Kanfit of any changes to advertised datasheet parameters, materials, parts, design or manufacturing processes (including prescribed tests) of the articles purchased herein, that affect item's form, fit, function, safety or reliability. Notification of any change must be transmitted in writing a minimum of ten (10) working days before shipment of any items, which will specify all the changes made. If such a change occurred Kanfit reserves the right to cancel the PO, in the case the material/product/service does not fit the original PO requirements.</p>

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CODE	REQUIREMENT
100	<p>Non-Conforming Supplies Supplier shall prepare and submit a deviation/waiver request for all testing, materials, parts or assemblies which do not conform to the requirements specified in the drawings, specifications, Purchase Order, or other applicable product description. Material may not be shipped until Kanfit's written approval is received and a copy is also included in the shipment of the affected items. The supplier will report, upon request, on any corrective action taken to prevent reoccurrence.</p>
110	<p>Special Process Control Special process suppliers (painting, coating, NDT, etc.) are responsible for compliance to the applicable specifications. Supplier shall provide with each batch of processed items a COC identifying the certified operator who performed the special process, showing actual date and the applicable specification title and number and be signed by a responsible Quality Control person. Subcontracting of special processes requires prior approval by Kanfit and/or end customer when required. <u>Subcontractor must maintain evidence of validation of processes and present them to the Kanfit and/or end customer when required.</u></p>
111	<p>Subcontracting of work All requirements specified on the order must be communicated to that subcontractor. Prior written approval by Kanfit is required if supplier subcontracts the work to another subcontractor.</p>
120	<p>First Article Inspection When FAI is required, it shall be specified in the PO. Kanfit reserves the right to perform a first article inspection that shall be conducted at supplier's plant by Kanfit's QA Representative. The supplier shall provide for the first article inspection. All the forms shall be in accordance with Kanfit requirements and as agreed between the parts.</p>
130	<p>Record Retention The supplier will keep the applicable quality documents for 10 years minimum, or otherwise upon request. The documents will be available for review by Kanfit's representatives or customers.</p>
140	<p>Packing, Marking and Shipping Supplier shall pack, mark and deliver all products in accordance with the requirements of this Contract/P.O so as to be in compliance with transportation regulations and the best commercial practice for protection and shipment and shall secure the most advantageous transportation service and rates consistent therewith. Supplier shall make sure that during the production and packing damages caused by foreign objects (FOD) that have been left or penetrate in the part/system and impact proper function of the part/system or can cause safety dangers, are prevented . Any expense incurred by Kanfit as a result of improper preservation, packaging, packing, marking or method of delivery shall be reimbursed by Supplier. A packing list showing this Contract/P.O. number, part numbers, line item and serial number shall be included with each delivery, and each container shall be marked to show the Contract number. Supplier shall provide the original Bill of Lading with Contract/P.O. number. Any transportation charges paid by supplier for which supplier is entitled to reimbursement shall be shown on supplier invoice as a separate line item with the receipted freight bill attached to the invoice. Kanfit reserves the right to specify the mode of shipment.</p>

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150	Negotiation Any negotiation regarding materials/dimensions or any other specification shall be between the supplier/manufacturer and Kanfit. The end customer should not be involved and no instruction from him (direct and indirect) shall be accepted.
160	Quality System AS9100 The supplier's quality system shall be approved by an authorized body for the AS 9100 standard.
170	Quality System ISO9001 The supplier's quality system shall be approved by an authorized body for the ISO9001 standard.
180	Special Processes NADCAP The special process supplied by the supplier shall be approved by an authorized body for the NADCAP accreditation.
190	Supplier's Calibration System The supplier's calibration system shall meet the requirements of ISO 10012-1 or ISO/IEC 17025.
200	Status changes The supplier is required to inform Kanfit on any change to its certifications: cancelling, recertification, or scope change and on any change in process, key persons, or equipment that affect the ordered work or service that was defined in the PO.
210	Customer requirements The supplier's quality system shall work in accordance to customer requirements as specified in the PO and standards/specifications supplied by Kanfit. Special requirements such as Key Characteristics, Critical Items and Critical Processes shall be specified in the PO.
220	SPC Supplier must initiate a statistical process control on the dimensions or attributes as required by Kanfit or in Kanfit's customer drawings and requirements. The values of Cp and Cpk shall be set in the notes of the PO and must be reported for each shipment.
230	DPD Supplier shall initiate a DPD (Digital Product Definition) program in accordance to Kanfit's requirements and as per procedures that shall be supplied by Kanfit.
240	ITAR/EAR Projects under ITAR/EAR regulations shall be defined as such in the PO. Supplier shall operate in accordance with the requirements set by Kanfit.

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CODE	REQUIREMENT
250	<p>Prevention of counterfeit materials/ components</p> <ul style="list-style-type: none"> - Supplier shall have a preventive counterfeit process - Supplier shall purchase authentic materials only from the manufacturer or approved distributor - Supplier shall declare and ensure that when required it'll provide all purchasing documents and manufacturer traceability.
260	<p>Supplier/sub-contractor Evaluation</p> <p>The Supplier/sub-contractor evaluation is based on 4 parameters – quality of product, OTD, attached documentation and packaging.</p> <p>Supplier/sub-contractor with a grade less than 70% will be asked for corrective action. If corrective action not sent on time, the supplier/sub-contractor will be removed from approval supplier list.</p>
270	<p>Contribution to product or service conformity</p> <p>The Supplier/sub-contractor is aware of contribution to product or service conformity.</p>
280	<p>Product safety</p> <p>The Supplier/sub-contractor is aware of contribution to product safety.</p>
290	<p>Ethical code</p> <p>The Supplier/sub-contractor is aware of the importance of ethical behavior</p>
END	