NOTICE: The Supplier is responsible for the flow down of all applicable requirements outlined in this manual and in the purchase order, including key characteristics, to the Sub-Tier Supplier. To be an approved Kaneka Aerospace Supplier, the Supplier shall fill out a Supplier Survey and any other requested documentation. The completed documents shall be sent to the Buyer for Kaneka Aerospace and KAE.Quality@kaneka.com for Supplier Quality review.

1 QUALITY MANAGEMENT SYSTEM:

1.1 Kaneka Aerospace (KAE) prefers the certified Supplier maintain a Quality Management System that is compliant with the latest revision of the AS9100, ISO 9001, and/or ISO 17025 standards This can be satisfied by having a Certification from an Accredited Registrar or approval from KAE Quality Management as a Qualified Supplier.

1.2 Kaneka Aerospace (KAE) prefers the uncertified Supplier establish, implement, and monitor an effective Quality Plan. The Quality Plan shall include, at a minimum:

1.2.1 Quality Objectives to be attained.

1.2.2 Steps in the process that constitute the process sequence and interaction, specific documented standards; practices; procedures; and work instructions to be applied, allocation of authority; responsibilities; and resources on each phase of the process. As necessary, production plan with run quantities and inspections/test check points as well as inspection/test description.

1.2.3 The Quality Assurance Representative shall be clearly designated within Supplier's Organization. The Responsible Individual shall have sufficient authority to assure the quality is not compromised.

1.2.4 The Supplier must immediately notify KAE in writing for any changes to the QMS that might affect the provision of products/services. This includes but not limited to changes to: the Quality Manual, Quality Plan, Personnel in charge, and gaining or losing any Quality Certification.

1.2.5 The Supplier shall develop a communication strategy to ensure all Personnel are aware of their contribution to the Quality Objectives, Quality of the Products/Services, and Product Safety.

1.3 KAE may choose to use a Supplier that does not meet the above based on the business needs and Customer Requirements.

2 CONFORMANCE RESPONSIBILITY:

2.1 The Supplier shall establish, implement, and monitor a system that addresses the control of non-conforming material. This system shall include, but not be limited to: prompt identification, segregation, documentation, and disposition of the nonconforming material.

2.1.1 The Supplier shall not deliver any nonconforming production KAE without prior approval.

2.1.2 In the event that any nonconformity is found after the materials have been shipped, the Supplier's system shall provide KAE with prompt notification **(within 72 hours)**. The immediate Corrective and Preventive Action is to be submitted to KAE in writing **(within ten working days)**.

a) Failure to provide immediate Corrective and Preventive Action within **ten (10) working days** will result in a Supplier Corrective Action Request (SCAR). A response to the issue must be received within **ten (10) working days** from receipt.

b) Failure to provide a formal SCAR Response, will result in escalation of the issue to the Supplier's Management Team. Through this, KAE will pursue one or more of the following:

- Conduct a Vendor Risk Assessment.
- Status reviews with the Supplier until the issue has been resolved.
- Conduct a Supplier Audit.
- Implement a temporary block for new orders.
- Cancel order(s) and initiate change of Supplier.

2.1.3 If any goods are found to be defective or otherwise not in conformance with the requirements of the Purchase Order, KAE may, in addition to its other rights and remedies, reject such goods and require their prompt correction or their replacements at the Supplier's expense, including shipping and packaging charges. Alternatively, KAE may repair or replace such non-conforming good at the Supplier's expense.

2.2 The Supplier shall provide a Certificate Of Analysis along with each shipment, and Safety Data Sheet (SDS) with initial shipment or first shipment if a SDS is updated.

2.2.1 The COA shall contain the following information at a minimum: Manufacturer Name, Manufacturer Address, Purchase Order Number, Lot Number, Quantity, Date of Production/Manufacture; Test Data/Results; Specification Ranges and indication of Pass or Failure of a Lot.

2.2.2 The Supplier shall notify KAE if there is a shift in a quality characteristic trend even if the results are within the stated specification.

2.2.3 Test results/data shall be stored for a minimum of **ten (10) years**.

2.3 Sample Retains:

2.3.1 Retained sample size shall be adequate to retest material quality, if necessary.

2.3.2 Retained samples shall be maintained long enough to ensure Shelf Life of product.

2.4 Surveillance, inspection/test conducted by KAE shall not release the Supplier from their responsibilities in meeting all requirements specified in the order.

2.4.1 KAE's verification by source inspection of goods shall not be deemed to constitute acceptance of any goods which do not conform to the specifications or to waive any of KAE's rights or remedies arising by virtue of such defects or non-conformances being discovered at a later time.

2.4.2 KAE retains the right to invoke source inspection of product, processes and goods at the Supplier or Sub-Tier Supplier's Facility. When invoked, the Supplier shall provide adequate resources to the KAE Representative requested in the course of verifying conformance to requirements. Contact the Buyer for KAE at least **two (2) weeks** in advance to arrange for source inspection.

3 AUDIT:

3.1 KAE, KAE's Customer, and Regulatory Authorities have the right to access all facilities, processes, and all documented information of the Supplier and Supplier's Sub-Tiers.

3.2 An on-site evaluation may be performed to assess the Supplier's Quality Management System and capabilities to comply with these and other applicable requirements, or assist in the resolution of Quality Problems.

3.3 KAE will notify the Supplier if an on-site evaluation is required. It shall be scheduled to minimize any interruptions in the Supplier's production processes.

3.4 A Supplier Quality Survey shall be completed by the Supplier and returned to KAE for periodic evaluation and documentation purposes.

4 PROCESSING:

4.1 The Supplier shall review the requirements prior to acceptance of the order to determine whether it can be satisfactorily met. If the requirements are not completely clear, or where special assistance is needed, KAE will provide Qualified Personnel to consult with the Supplier.

4.2 FOD program: The Supplier shall establish, implement, and monitor a Foreign Object Prevention Strategy that effectively detects and eliminates foreign object debris during all processes.

4.3 Shelf Life/Age Control: The Supplier shall provide products with more than 75% of the Shelf Life remaining at the time of receipt; the Shelf Life shall be communicated, preferably, written in the Certificate Of Analysis.

4.4 Inspection/Testing: Appropriate inspection/testing activity shall be established to adequately verify the conformance of the material, product, and process at incoming, in-process, and final production activities.

4.5 Counterfeit Parts:

4.5.1 The Supplier shall establish, implement, and monitor a Counterfeit Part Identification and Prevention Strategy to ensure ***NO*** counterfeit part or suspected counterfeit part is used in a process and delivered to the Customer.

a) According to AS9100 Rev.D, counterfeit part is defined as "an authorized copy, imitation, substitute, or modified part (e.g., material, part, component), which is knowingly misrepresented as a specified genuine part of an original or Authorized Manufacturer. Examples of counterfeit parts can include, but are not limited to: the false identification of marking or labeling, grade, serial number, date code, documentation, or performance characteristics."

b) Confirmed counterfeit parts will be segregated from conforming parts and controlled until rendered unusable by physical destruction. Suspect or confirmed counterfeit parts may not be returned to the Supplier for refund or replacement except under controlled conditions which would preclude the resale or re-introduction into the Supply Chain. The Supplier shall be notified and authorization to scrap obtained before product is destroyed.

c) Confirmed counterfeit parts will be reported to the Government Industry Data Exchange Program (GIDEP) and applicable US Government investigative authorities.

d) The Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Work, including without limitation KAE'S and KAE's Customer's costs of removing counterfeit affected items, of reinserting replacement work and of any testing necessitated by the reinstallation of items after counterfeit items have been exchanged.

4.6 Management of Changes:

4.6.1 The Suppliers shall not use or relocate any processing facilities, related to the products/services specified in the order document, which differ from previous approval by KAE and KAE's Customer without first notifying KAE and affording KAE an opportunity to evaluate such facilities for compliance with Order Quality Requirements.

4.6.2 Similarly, the Supplier shall not make any changes to materials, parts, processes, or procedure without KAE prior notification.

4.6.3 Any proposed change, temporarily or permanently, prior to or during performance of the process specified in the order must be requested in writing detailing the proposed change, the reason, and evidence that the change will not negatively affect the performance and product safety.

4.6.4 For significant process changes, the Supplier agrees to notify KAE **six (6) months** prior to the change's implementation so that KAE may evaluate the impact of the change on KAE's products/processes.

a) A significant change is defined as the following:

- A change in raw material including Supplier.
- Introduction of new technology that could impact the products final performance.
- Significant change in process conditions that could impact the products final performance.
- A change in manufacturing location.

5 PRESERVATION AND PACKAGING:

5.1 In handling and storing the material, the Supplier shall provide adequate protection from material damage, loss, contamination, or degradation.

5.2 All packaging shall be accompanied with documentation indicating the Manufacturer or Distributor's name, Part Number, Lot Number, Quantity, and any other Identification Number.

5.2.1 Product delivered to KAE shall have the agreed Shelf Life upon arrival. No lot shall be delivered to KAE with less than the agreed Shelf Life without prior written approval by KAE.

5.3 Foreign Suppliers shall additionally provide Custom's Declaration Letter and Declaration of Origin.

6 MEASURING AND TEST EQUIPMENT:

6.1 All tooling and testing equipment (including instrumentation) shall be inspected, calibrated, and controlled, whether it is owned by the Supplier, on loan, or personally owned or provided by KAE, to demonstrate the conformance of the product/service to the specified requirements.

6.2 All tooling and testing equipment (including instrumentation) removed from the calibration control system shall be appropriately identified and not used in determining acceptability of the material, product, or process.

6.3 If the calibration is performed by the Supplier's Internal Technical Services, the standards used shall be confirmed by reference to National Bureau of Standards or equivalent Certified Standards.

7 COMMUNICATION:

7.1 When an unexpected situation arises where a Customer Requirement cannot be satisfied, it is important to directly and immediately communicate the issue to KAE.

7.1.1 KAE shall communicate with the Supplier, KAE's requirements:

a) Certified Supplier are preferred to maintain a Quality Management System that is compliant with the latest revision of the AS9100, ISO 9001, and/or ISO 17025 standards. These requirements can be satisfied by having either:

- Certification from Accredited Registrar. The Supplier shall provide a copy of their Certifications to KAE. Changes to the Certifications including but not limited to: change in Registrar, updates, withdrawals or disapproval must be communicated to KAE immediately.

- Approval from KAE Quality Management as Qualified Supplier. KAE may choose to use a Supplier that does not meet the requirements listed above based on business needs and does not conflict with the Customer Requirements.

b) Uncertified Supplier are preferred to establish, implement, and monitor an effective Quality Plan referred in Section 1.2.

c) Supplier will notify the KAE Buyer and Quality Manager in writing within **48 hours** of any changes of status to its Quality Management System, relocation, or changes in top management including the Quality Management Representative.

d) Use Customer-Designated or Approved External Providers, including process sources (e.g., special processes).

e) Notify the KAE of nonconforming processes, products, or services and obtain approval for their disposition.

f) Prevent the use of counterfeit parts (see Section 4.5).

g) Notify the Organization of changes to processes, products, or services, including changes of their External Providers or location of Manufacture, and obtain the Organization's approval.

h) Flow down to External Providers applicable requirements including Customer Requirements.

i) Provide test specimens for design approval, inspection/verification, investiation, or auditing.

j) Retain documented information, including retention periods and disposition requirements.

k) The right of access by the Organization, their Customer, and Regulator Authorities to the applicable areas of facilities and to applicable documented information, at any level of the Supply Chain.

l) Ensuring that Persons are aware of:

- Their contribution to product or service conformity.
- Their contribution to product safety.
- The importance of ethical behavior.

8 COMPETENCE:

8.1 The Supplier is responsible for ensuring that those who have responsibilities are competent on the basis of education, experience, and training.

8.1.1 External Providers' interactions with the Organization.

8.1.2 Control and monitoring of the External Providers' performance to be applied by KAE.

8.1.3 Verfication and validation activities KAE, or its Customer, intends to perform at the Supplier's Facility.

8.1.4 Design and development control.

8.1.5 Special requirements, critical items, or key characteritics.

8.1.6 Test, Inspection, and verification (including Production Process Verification).

8.2 The use of statistical techniques for product acceptance and related intructions for acceptance by the Organization: KAE reserves the right to use an equivalent test for the acceptance or rejection of the received material. The entire lot would be rejected if a lot is rejected by the Test Procedure.

9 DOCUMENTS AND RECORDS:

9.1 The Supplier shall maintain all documents and records related to product, process, calibration, and inspection/testing data for **ten (10) years** unless otherwise indicated by KAE.

9.2 All documents shall be titled, dated, and the Owner is identified. Revision level shall be indicated by Revision Date.

9.3 All documents and records shall be made available to KAE upon request.

10 CONFIDENTIALITY:

10.1 All information disclosed to the Supplier by KAE or its Representative shall be considered proprietary information and shall not be disclosed to others unless first approved by KAE in writing.

11 SUPPLIER PERFORMANCE:

11.1 KAE conducts periodic evaluations on Quality, On-Time Delivery, and Clerical/Administrative Compliance to establish an overall performance score. The performance score rating serves as an objective measure to determine if KAE expectations are being met. The Supplier is responsible for complying with Quality System Requirements noted in this document and meeting performance expectations. Suppliers not meeting performance standards may be asked to implement a Corrective or Preventive Action, have an onsite audit performed, put on probation with a conditional status, or removed from KAE's Approved Suppliers List.

11.1.1 KAE evaluates Supplier performance in Quality, On-Time Delivery, and Clerical/Administrative Compliance. KAE expectations:

a) Quality (Product and Packaging): ≥ 90%.

- Supplier shall monitor Conformance Responsibility (see Section 2).
- Supplier shall monitor Preservation and Packaging (see Section 5).

b) On-Time Delivery: ≥ 95% On-Time delivery performance.

c) Clerical/Administrative: ≥ 90%.

- Supplier shall provide a Certificate of Analysis along with each shipment, and Safety Data Sheet (SDS) with initial shipment or first shipment if a SDS is updated. (see Section 2.2 – 2.2.3).

- Supplier will provide proactive response to meet the needs for quality, service, and technical support.

12 OTHER:

12.1 In the event that a discontinuation becomes inevitable and unavoidable, in addition to providing **six (6) months** advance notice, the Supplier shall allow KAE the opportunity to make a last time purchase prior to the date of the actual discontinuation.