

Supplier Quality Assurance Requirements

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NOTICE: The Supplier is responsible for the flow down of all applicable requirements outlined in this document 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 **Purpose:** The purpose of this document is to define the minimum quality assurance requirements for suppliers providing products and services to Kaneka Aerospace (KAE). These requirements are intended to ensure that all materials, components, and services conform to specified contractual, statutory, regulatory, and quality management system requirements.

This document establishes expectations for supplier quality management systems, product conformity, process control, risk mitigation, and continuous improvement to ensure consistent delivery of safe, dependable, and compliant products.

- 2 **Scope:** This document applies to all suppliers and sub-tier suppliers providing products, materials, processes, or services to Kaneka Aerospace, as specified in purchase orders, contracts, or other applicable agreements.

The requirements contained herein apply to, but are not limited to:

- Raw material suppliers
- Distributors
- Manufacturers and processors (including special process providers)
- Testing and inspection laboratories
- Service providers impacting product quality

Suppliers are responsible for ensuring that all applicable requirements of this document, purchase orders, and referenced specifications are flowed down to their sub-tier suppliers.

Compliance with this document is mandatory unless otherwise specified or approved in writing by KAE.

3 **Definitions:**

Certificate of Analysis (COA): A document provided by the Supplier that certifies the material or product meets specified requirements. The COA includes, at a minimum, manufacturer information, lot identification, test results, specification limits, and pass/fail status.

Nonconforming Product: Any product or material that does not meet specified requirements, including drawings, specifications, purchase order requirements, or applicable standards.

Corrective Action: Action taken to eliminate the cause of a detected nonconformity or other undesirable situation in order to prevent recurrence.

Preventive Action: Action taken to eliminate the cause of a potential nonconformity or undesirable situation in order to prevent occurrence.

Supplier: An organization or individual that provides products, materials, or services to KAE, including distributors, manufacturers, processors, and service providers.

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Sub-Tier Supplier: A supplier that provides products or services to a KAE Supplier and whose output may directly affect the quality of the final product delivered to KAE.

Key Characteristics (KC): Features or attributes of a material, product, or process that have a significant effect on fit, form, function, performance, or safety and require specific control to ensure conformance.

Special Processes: Processes where the resulting output cannot be fully verified by subsequent inspection or testing, and where deficiencies may only become apparent after the product is in use (e.g., heat treating, bonding, coating).

Counterfeit Part: An unauthorized copy, imitation, substitute, or modified part that is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

Quality Management System (QMS): A formalized system that documents processes, procedures, and responsibilities for achieving quality policies and objectives, typically aligned with standards such as AS9100 or ISO 9001.

Product Safety: The state in which a product is free from unacceptable risk of harm to people, property, or the environment during its intended use.

Risk: The potential for an unwanted outcome arising from an event, characterized by its likelihood and severity, which may impact product quality, delivery, or safety.

Retained Sample: A representative sample of a lot or batch that is preserved for future testing or verification, if required.

Shelf Life: The period during which a material or product remains usable and meets specified requirements when stored under defined conditions.

4 Quality Management System:

- 4.1 Certified Suppliers: KAE requires that certified Suppliers maintain a Quality Management System (QMS) compliant with the latest revision of AS9100, ISO 9001, and/or ISO 17025, as applicable. Compliance may be demonstrated through certification issued by an accredited registrar or through approval by KAE Quality Management as a Qualified Supplier.
- 4.2 Uncertified Suppliers: Supplier shall establish, implement, and maintain an effective quality plan appropriate to the scope of work. At a minimum, the quality plan shall include:
 - 4.2.1 Defined quality objectives and measurable targets.
 - 4.2.2 Documented processes that describe the sequence and interaction of activities, including applicable standards, procedures, work instructions, and the assignment of authority, responsibilities, and resources. Where applicable, this shall include production planning, run quantities, and defined inspection and test checkpoints.
 - 4.2.3 Designation of a Quality Assurance Representative with sufficient authority and organizational independence to ensure that quality is not compromised.
 - 4.2.4 A requirement to notify KAE in writing of any changes to the QMS that may affect the quality of products or services. This includes, but is not limited to, changes to the quality manual, quality plan, key personnel, or certification status.

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4.2.5 A communication process to ensure personnel are aware of their contribution to product or service quality, quality objectives, and product safety.

4.3 KAE may choose to use a Supplier that does not meet the above based on the business needs and customer requirements.

5 Conformance Responsibility:

5.1 Control of Nonconforming Product: The Supplier shall establish, implement, and maintain a documented system for the control of nonconforming product. This system shall include, at a minimum, the identification, segregation, documentation, evaluation, and disposition of nonconforming material to prevent its unintended use or delivery.

5.1.1 The Supplier **shall not** deliver any nonconforming product to KAE without prior approval.

5.1.2 Post-Delivery Nonconformance Notification and Corrective Action: In the event a nonconformity is identified after shipment, the Supplier shall notify KAE in writing within seventy-two (72) hours of discovery.

5.1.3 The Supplier shall submit an initial containment action and corrective action plan within ten (10) working days, including root cause analysis and planned preventive actions.

5.1.4 Corrective action investigations shall consider human factors where applicable, including communication, training, workload, work environment, procedure clarity, and organizational influences that may contribute to the nonconformance.

- a) Failure to provide a corrective action response within **ten (10)** working days shall result in issuance of a Supplier Corrective Action Request (SCAR). The Supplier shall respond to the SCAR within **ten (10)** working days of receipt.
- b) Failure to provide an adequate response may result in escalation to Buyer Management and the implementation of one or more of the following actions at KAE's sole discretion:
 - Conduct a supplier risk assessment
 - Require formal status reviews until closure
 - Perform an on-site or remote supplier audit
 - Implement a temporary hold on new orders
 - Cancel existing orders and/or initiate supplier disqualification

5.1.5 Nonconforming Product Disposition: If goods are determined to be defective or otherwise nonconforming to Purchase Order requirements, KAE reserves the right, in addition to all other rights and remedies, to reject such goods and require their correction or replacement at the Supplier's expense, including all associated costs (e.g., shipping, handling, rework, and administrative costs).

NOTE: KAE may, at its discretion, repair or replace nonconforming products at the Supplier's expense.

5.2 Certificates and Test Data: The Supplier shall provide a Certificate of Analysis (COA) with each shipment, and a Safety Data Sheet (SDS) with the initial shipment and whenever the SDS is revised.

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- 5.2.1 The COA shall include, at a minimum: Manufacturer name and address, Purchase Order number, lot/batch number, quantity, date of manufacture, test results, applicable specification limits, and clear indication of acceptance status (pass/fail).
- 5.2.2 Trend Monitoring and Risk Notification: The Supplier shall monitor quality characteristics and trends and notify KAE of any adverse trends, shifts, or conditions that may indicate increased risk to product conformity, even if results remain within specification limits.
- 5.2.3 Record Retention: All test data and inspection records shall be maintained for a minimum of **ten (10) years**.
- 5.3 Sample Retention: The Supplier shall retain representative samples of each lot sufficient to allow for retesting and verification, if required
 - 5.3.1 Retained samples shall be preserved for a duration consistent with product shelf life or as otherwise specified by KAE.
 - 5.3.2 Verification, Surveillance, and Source Inspection: KAE's verification or source inspection activities shall not constitute acceptance of nonconforming product, nor shall such activities waive any rights or remedies available to KAE if nonconformances are identified at a later date.
 - 5.3.3 KAE reserves the right to perform source inspection and verification activities at the Supplier's facility or at Sub-Tier Supplier locations.
 - 5.3.4 When such activities are required, the Supplier shall:
 - a) Provide access to facilities, processes, equipment, and applicable documentation.
 - b) Provide necessary personnel and resources to support verification activities.
 - c) Ensure applicable requirements are flowed down to Sub-Tier Suppliers to support KAE access and verification.
 - 5.3.5 The Supplier shall coordinate with KAE to schedule source inspections and provide a minimum of two (2) weeks' advance notice, unless otherwise agreed.

6 Audit and Right of Access:

- 6.1 Right of Access: The Supplier shall grant KAE, KAE's Customers, and applicable regulatory authorities the right to access all facilities, processes, records, and documented information related to the products and services provided.
 - 6.1.1 This right of access shall extend to all levels of the supply chain, including Sub-Tier Suppliers, and shall be flowed down accordingly.
- 6.2 Supplier Evaluation and Audits: KAE reserves the right to conduct on-site or remote evaluations of the Supplier's Quality Management System (QMS), processes, and capabilities to verify compliance with contractual, statutory, and regulatory requirements.
 - 6.2.1 Such evaluations may also be conducted to investigate or support the resolution of quality issues, nonconformances, or performance concerns.

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- 6.3 Audit Notification and Coordination: KAE will provide reasonable notice to the Supplier prior to conducting an audit or on-site evaluation, unless immediate access is required due to quality, safety, or regulatory concerns.
 - 6.3.1 Audits shall be coordinated to minimize disruption to the Supplier's operations; however, such considerations shall not limit KAE's right to perform necessary verification activities.
- 6.4 Supplier Quality Survey: The Supplier shall complete and submit Supplier Quality Surveys and other requested evaluation documentation as required by KAE for initial qualification, periodic review, and performance monitoring.
 - 6.4.1 Failure to provide requested information may impact the Supplier's approval status.

7 Processing and Product Control:

- 7.1 Contract Review: The Supplier shall review all Purchase Order requirements prior to acceptance to ensure that all specifications, technical requirements, and delivery expectations can be fully met.
 - 7.1.1 Any discrepancies, ambiguities, or unclear requirements shall be communicated to KAE for resolution prior to order acceptance. Failure to identify such issues prior to acceptance shall not relieve the Supplier of responsibility for compliance.
- 7.2 Foreign Object Debris (FOD) Prevention: The Supplier shall establish, implement, and maintain a Foreign Object Debris (FOD) prevention program appropriate to the scope of work.
 - 7.2.1 The program shall include controls to prevent, detect, and remove foreign objects throughout all stages of handling, processing, inspection, and shipment.
- 7.3 Shelf Life and Age Control: The Supplier shall ensure that all materials delivered to KAE have a minimum of seventy-five percent (75%) of the total shelf life remaining at the time of receipt, unless otherwise approved in writing by KAE.
 - 7.3.1 Shelf life and expiration information shall be clearly identified and documented, preferably on the Certificate of Analysis (COA) or accompanying documentation.
- 7.4 Inspection and Testing: The Supplier shall establish and maintain inspection and testing processes to ensure product conformity to all specified requirements.
 - 7.4.1 Inspection and testing activities shall, at a minimum:
 - a) Be performed at incoming, in-process, and final stages, as applicable.
 - b) Use defined acceptance criteria.
 - c) Be performed using calibrated equipment.
 - d) Be documented and retained in accordance with record retention requirements.
- 7.5 Counterfeit Parts Prevention: The Supplier shall establish, implement, and maintain a counterfeit parts prevention and detection program to ensure that no counterfeit or suspect counterfeit material is used in production or delivered to KAE.
 - 7.5.1 The program shall include, at a minimum:

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- a) Verification of material authenticity and traceability to the original manufacturer.
- b) Use of approved and qualified sources of supply.
- c) Inspection and test methods to detect counterfeit materials.
- d) Segregation and control of suspect or confirmed counterfeit materials.

7.5.2 The Supplier shall notify KAE within 72 hours of identifying any suspected or confirmed counterfeit material and shall take appropriate containment and disposition actions.

7.6 Management of Change

7.6.1 The Supplier shall not use, relocate, or transfer any processing facility associated with the products or services specified in the Purchase Order without prior written notification to KAE. Any facility differing from that previously approved by KAE and/or KAE's Customer shall be subject to review and approval by KAE before implementation.

7.6.2 The Supplier shall not make any changes to materials, components, suppliers, manufacturing processes, special processes, equipment, procedures, or methods of production without prior written notification to and approval from KAE.

7.6.3 Any proposed temporary or permanent change affecting the product or process during the performance of the Purchase Order shall be submitted to KAE in writing. The request shall include:

- a) A detailed description of the proposed change.
- b) The reason for the change.
- c) An assessment of potential impacts.
- d) Objective evidence demonstrating that the change will not adversely affect product conformity, performance, reliability, safety, or regulatory compliance.

7.6.4 For significant process or product changes, the Supplier shall notify KAE at least **six (6) months** prior to implementation to allow sufficient time for evaluation and approval.

- a) Significant changes include, but are not limited to:
 - A change in raw material, source material, or raw material supplier
 - Introduction of new technology that may affect product characteristics, performance, quality, reliability, or safety
 - Significant changes to manufacturing, processing, inspection, testing, or environmental conditions that may affect product characteristics or performance.
 - A change in manufacturing, processing, or assembly location.
 - Transfer of production equipment to another facility.
 - Use of a new subcontractor or special process provider affecting the product.

8 Preservation and Packaging:

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- 8.1 The Supplier shall establish and maintain appropriate methods for the handling, storage, preservation, packaging, and transportation of product to prevent damage, deterioration, loss, contamination, corrosion, or other conditions that could adversely affect product conformity, quality, or safety.
- 8.2 All shipments shall be properly identified and accompanied by documentation containing, at a minimum, the following information, as applicable:
 - a) Manufacturer's name
 - b) Distributor's name (if applicable)
 - c) Part number
 - d) Lot number, batch number, or serial number
 - e) Quantity shipped
 - f) Country of origin (as applicable)
 - g) Any additional identification necessary to ensure full product traceability
- 8.3 Products with shelf-life limitations shall be delivered to KAE with the agreed minimum remaining shelf life upon receipt. No product with a remaining shelf life less than the agreed requirement shall be shipped without prior written approval from KAE. Shelf-life information shall be clearly identified on the product packaging and accompanying documentation.
- 8.4 Suppliers located outside the country of destination shall provide all required import/export documentation with each shipment, including, as applicable:
 - a) Customs Declaration
 - b) Certificate or Declaration of Origin
 - c) Commercial Invoice
 - d) Packing List; and
 - e) Any other documentation required by applicable regulatory or customs authorities
- 8.5 Packaging methods shall be designed to protect the product from physical damage, environmental exposure, electrostatic discharge (ESD), contamination, and other risks that may affect product conformity during storage and transportation.
- 8.6 The Supplier shall ensure that packaging, labeling, and preservation methods comply with all applicable statutory, regulatory, customer, and Purchase Order requirements.

9 Measuring and Test Equipment:

- 9.1 The Supplier shall establish and maintain a documented calibration and control system for all measuring, monitoring, inspection, test, and production tooling used to verify product or process conformity to specified requirements. This requirement applies to equipment owned by the Supplier, provided by KAE, on loan, leased, or otherwise used in support of product acceptance activities.

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- 9.2 All measuring and test equipment shall be identified with its calibration status and maintained in a manner that ensures continued accuracy and fitness for use. Equipment that is overdue for calibration, found to be out of tolerance, damaged, or otherwise removed from the calibration control system shall be clearly identified, segregated as appropriate, and prohibited from use in determining product, material, or process acceptability.
- 9.3 Calibration standards used by the Supplier, whether calibration is performed internally or externally, shall be traceable to recognized national or international measurement standards (e.g., NIST or equivalent national standards body). Where no such standards exist, the basis used for calibration shall be documented and maintained.
- 9.4 When measuring or test equipment is found to be out of tolerance, the Supplier shall assess the validity of previous inspection and test results obtained using the affected equipment and take appropriate corrective action. Records of the evaluation and resulting actions shall be maintained.
- 9.5 Calibration and maintenance records for measuring and test equipment shall be retained and made available to KAE upon request.
- 9.6 Any software used for inspection, measurement, monitoring, testing, or acceptance activities shall be verified and controlled to ensure its suitability for the intended application.

10 Communication:

- 10.1 When a circumstance arises that may prevent compliance with any Purchase Order, contractual, regulatory, or customer requirement, the Supplier shall immediately notify KAE in writing. Such notification shall include a description of the issue, the affected product or service, the potential impact, and the proposed corrective or containment actions.
- 10.1.1 KAE shall communicate to the Supplier the applicable requirements necessary to ensure product and service conformity, including the following:
- a) Notification of Organizational Changes: The Supplier shall notify the KAE Buyer and Quality Manager in writing within forty-eight (48) hours of significant organizational changes, including:
 - Changes in Quality Management System status
 - Facility relocation
 - Changes in ownership
 - Changes in executive management or
 - Changes in the designated Quality Manager or Quality Management Representative
 - b) Nonconforming Product Notification: The Supplier shall promptly notify KAE of any nonconforming product, process, or service and obtain written authorization from KAE prior to shipment or disposition when required.
 - c) Prevention of Counterfeit Parts: The Supplier shall establish controls to prevent the use, incorporation, or delivery of counterfeit or suspect counterfeit parts in accordance with Section 7.5 and applicable industry requirements.

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- d) Notification of Changes: The Supplier shall notify KAE of proposed changes to products, processes, services, manufacturing locations, external providers, ownership, or key operations and obtain approval from KAE when required prior to implementation.
- e) Flow-Down of Requirements: The Supplier shall flow down all applicable Purchase Order, regulatory, statutory, quality management system, and customer requirements to its external providers and subcontractors. Ensure that applicable product safety requirements are communicated and flowed down throughout the supply chain to all applicable sub-tier suppliers and external providers whose activities may affect product conformity, reliability, or safety.
- f) Test Specimens and Samples: The Supplier shall provide test specimens, samples, production records, or supporting data when required for:
 - Design approval
 - Product verification
 - Failure investigation
 - Qualification activities; or
 - Audits
- g) Record Retention: The Supplier shall retain documented information and quality records in accordance with contractual, customer, statutory, and regulatory requirements, including applicable retention periods and disposition requirements.
- h) Right of Access: The Supplier shall grant KAE, KAE's customers, regulatory authorities, and other authorized representatives the right of access to:
 - Applicable facilities
 - Manufacturing and inspection areas
 - Quality records
 - Procedures
 - Personnel and
 - Other documented information relevant to the fulfillment of contractual requirements, at any level of the supply chain, subject to applicable confidentiality and security requirements.
- i) Personnel Awareness: The Supplier shall ensure that personnel performing work affecting product or service quality are aware of:
 - Their contribution to product or service conformity
 - Their contribution to product safety
 - The impact of nonconforming work
 - The importance of ethical behavior and integrity; and
 - Applicable customer, regulatory, and quality requirements relevant to their responsibilities.

11 Competence:

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- 11.1 The Supplier shall ensure that personnel performing work affecting product quality, product safety, regulatory compliance, or customer requirements are competent based on appropriate education, training, skills, qualifications, and experience. The Supplier shall maintain documented evidence of personnel competency and qualification, as applicable.
 - 11.1.1 Personnel responsible for communications and interactions with KAE shall be knowledgeable of applicable contractual, quality, regulatory, and customer requirements.
 - 11.1.2 Personnel supporting verification, validation, inspection, testing, audits, or customer oversight activities conducted by KAE or KAE's Customer at the Supplier's facility shall be appropriately trained and qualified to perform such activities.
 - 11.1.3 Personnel engaged in design and development activities shall possess the necessary technical competency, qualifications, and authority to perform assigned responsibilities and satisfy applicable design requirements.
 - 11.1.4 Personnel responsible for activities involving specific requirements, critical items, key characteristics, or product safety features shall receive appropriate training and qualification commensurate with the risks associated with those activities.
 - 11.1.5 Personnel performing inspection, testing, verification, validation, or production process verification activities shall be trained, qualified, and authorized in accordance with documented procedures and applicable customer requirements.
- 11.2 Statistical Techniques for Product Acceptance: When statistical sampling plans are used for product acceptance, the sampling method shall comply with applicable contractual, regulatory, industry, and customer requirements. The Supplier shall maintain documented procedures describing the selection and application of statistical techniques.
 - 11.2.1 KAE reserves the right to perform independent inspection, testing, verification, or validation of any product or material received. Acceptance by statistical sampling shall not limit KAE's right to reject material found to be nonconforming.
 - 11.2.2 Where a lot is determined to be nonconforming through KAE's inspection, testing, verification, or approved acceptance methodology, KAE may reject the entire lot unless otherwise agreed in writing.

12 Documents and Records:

- 12.1 The Supplier shall establish and maintain a documented system for the control, retention, protection, retrieval, and disposition of quality records and documented information. Unless otherwise specified by KAE, all records related to product realization, manufacturing, inspection, testing, calibration, verification, validation, traceability, and quality management activities shall be retained for a minimum of ten (10) years from the date of product delivery.
- 12.2 Documents shall be reviewed, approved, and controlled to ensure their adequacy and suitability prior to release. At a minimum, controlled documents shall:
 - a) Be clearly identified by title or document number
 - b) Identify the document owner or responsible function
 - c) Include the date of issue or approval

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- d) Include the current revision level or revision date
 - e) Identify changes when revised; and
 - f) Be available at points of use, as applicable
- 12.3 Quality records and documented information shall be maintained in a legible, identifiable, retrievable, and protected condition to prevent loss, deterioration, unauthorized alteration, or destruction.
- 12.4 The Supplier shall make applicable records and documented information available to KAE, KAE's customers, regulatory authorities, and other authorized representatives upon request, subject to applicable confidentiality and proprietary information requirements.
- 12.5 Electronic records shall be adequately protected through appropriate controls, including backup, access control, and recovery measures, to ensure record integrity and availability throughout the required retention period.
- 12.6 At the end of the required retention period, records shall not be destroyed without first satisfying any applicable contractual, customer, statutory, or regulatory requirements governing record disposition.

13 Confidentiality:

- 13.1 All information, data, documents, specifications, drawings, designs, software, processes, business information, and other materials disclosed or made available to the Supplier by KAE, KAE's customers, or their representatives, whether in written, electronic, verbal, visual, or any other form, shall be considered confidential and proprietary unless otherwise identified in writing.
- 13.2 The Supplier shall:
- a) Use such information solely for the purpose of fulfilling KAE contractual requirements
 - b) Protect the information from unauthorized access, disclosure, use, modification, or distribution
 - c) Implement appropriate information security controls to protect electronic data, networks, intellectual property, and confidential information from unauthorized access, loss, corruption, cyber threats, or disclosure. Electronic records and systems supporting KAE products shall be protected through access controls, backup measures, and cybersecurity practices appropriate to the sensitivity of the information
 - d) Restrict access to those personnel who have a legitimate business need to know and who are bound by appropriate confidentiality obligations; and
 - e) Exercise at least the same degree of care used to protect its own confidential information, but in no case is it less than a reasonable standard of care.
- 13.3 The Supplier shall not disclose, release, reproduce, distribute, or otherwise make available any confidential or proprietary information to any third party without prior written authorization from KAE.

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- 13.4 The Supplier shall ensure that confidentiality requirements are flowed down to its employees, subcontractors, consultants, agents, and External Providers who may have access to confidential information related to KAE products, services, or contracts.
- 13.5 Upon request by KAE, or upon completion or termination of the contractual relationship, the Supplier shall return or securely destroy confidential information, including copies, extracts, and reproductions, unless retention is required by contractual, legal, regulatory, or customer requirements.
- 13.6 The Supplier shall promptly notify KAE of any unauthorized access, disclosure, loss, or compromise of confidential information and shall take appropriate containment and corrective actions.
- 13.7 The obligations of confidentiality shall survive the completion, cancellation, or termination of any Purchase Order or contractual agreement unless otherwise agreed in writing by KAE.

14 Supplier Performance:

- 14.1 KAE conducts, at a minimum, an annual evaluation of its top five material suppliers based on purchase volume. Supplier performance is assessed using key metrics, including Quality, On-Time Delivery, and Clerical/Administrative Compliance, to establish an overall performance score. This score serves as an objective measure of a supplier's ability to meet KAE's expectations and requirements.
 - 14.1.1 The Supplier is responsible for complying with all applicable Quality System Requirements contained in this document and for maintaining acceptable performance levels. Suppliers who fail to meet established performance expectations may be subject to one or more of the following actions:
 - a) Request for Corrective Action (CAR)
 - b) Request for Preventive Action or Improvement Plan
 - c) Increased inspection or oversight activities
 - d) Supplier performance review meetings
 - e) On-site assessment or audit
 - f) Conditional or probationary supplier status
 - g) Suspension of new business or
 - h) Removal from KAE's Approved Supplier List (ASL)
 - 14.1.2 Supplier performance may be evaluated using objective performance criteria, including but not limited to Quality, On-Time Delivery, and Clerical/Administrative Compliance.

KAE performance expectations are as follows:

 - a) Quality Performance (Product, Documentation, and Packaging): $\geq 90\%$
 - Product conformity to requirements
 - Number and severity of nonconformances
 - Corrective action responsiveness and effectiveness
 - Product traceability compliance

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- Preservation and packaging compliance
- Accuracy and completeness of certifications and documentation
- Product acceptance rates

The Supplier shall monitor and maintain compliance with all applicable requirements, including:

- Product Conformance requirements (see Section 5)
- Preservation and Packaging requirements (see Section 8); and
- Documentation and Record requirements (see Section 12)

b) On-Time Delivery Performance: $\geq 95\%$

The Supplier shall deliver products and services on or before the required delivery date specified in the Purchase Order unless otherwise approved by KAE in writing.

Delivery performance may include:

- Adherence to scheduled delivery dates
- Timely notification of potential delays
- Recovery plan effectiveness; and
- Consistency of delivery performance

The Supplier shall promptly notify KAE of any anticipated delay that may affect delivery commitments and provide a proposed recovery plan when requested.

c) Clerical and Administrative Compliance: $\geq 95\%$

Administrative performance may be measured based on the accuracy, completeness, and timeliness of required documentation, including:

- Certificates of Conformance
- Material Certifications
- Test Reports
- Shipping documentation
- Regulatory and compliance documentation; and
- Other Purchase Order-required records.

Repeated documentation errors, missing records, data inaccuracies, or late submissions may negatively affect Supplier performance ratings.

14.1.3 KAE reserves the right to communicate Supplier performance results and request corrective actions when performance falls below established expectations.

14.1.4 Suppliers shall investigate performance deficiencies identified by KAE and implement appropriate corrective actions within the timeframe specified by KAE.

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- 14.1.5 Continued failure to meet KAE performance expectations may result in disqualification from future business opportunities or removal from the Approved Supplier List.

15 Other Requirements:

- 15.1 Product Discontinuation Notification: In the event that the Supplier plans to discontinue a product, material, component, service, or process that supports KAE requirements, the Supplier shall provide KAE with written notice at least six (6) months prior to the effective date of discontinuation, unless otherwise approved by KAE.
- 15.2 Last-Time Buy Opportunity: When discontinuation is unavoidable, the Supplier shall provide KAE the opportunity to place a last-time purchase order sufficient to support KAE's operational and customer requirements. The Supplier shall identify:
- a) The affected product(s) or service(s)
 - b) The reason for discontinuation
 - c) The effective discontinuation date
 - d) Any available replacement product(s) or service(s)
 - e) Applicable ordering deadlines; and
 - f) Any limitations affecting the last-time purchase opportunity
- 15.3 Notification of Supply Risks: The Supplier shall promptly notify KAE of any known circumstance that may adversely affect the availability, continuity, quality, regulatory compliance, or delivery of products or services supplied to KAE, including but not limited to material shortages, capacity constraints, obsolescence, or significant business disruptions.
- 15.4 Business Continuity: The Supplier is encouraged to maintain business continuity and contingency plans appropriate to the nature of its operations to minimize the impact of disruptions affecting the supply of products or services to KAE.
- 15.5 Compliance with Applicable Requirements: The Supplier shall comply with all applicable contractual, statutory, regulatory, customer, and industry requirements not otherwise specifically addressed within this document.