

	Purchasing Quality Requirements	 Kol Kifuf Ltd. Pipe and Profile Bending and Processing
Date: 26 Oct, 2017	Addendum to Clause 7.4.2	
	Edition 03	

1. **General:**

As part of Kol Kifuf Ltd.'s commitment to meet the requirements of Standard AS9100, we are required to submit said requirements to our subcontractors and suppliers. We expect full cooperation from them in meeting the following requirements. This document details the quality requirements which apply to materials and services supplied to Kol Kifuf Ltd., and will be mentioned in each purchase order sent to said subcontractors and suppliers. Kol Kifuf Ltd. shall put in place control measures to supervise these subcontractors. Employees of suppliers associated with the purchase order shall be made aware of their contribution to product quality, product safety and ethical conduct.

By signing this form and returning it to Kol Kifuf Ltd, the subcontractor / supplier will confirm they agree to meet the requirements detailed henceforth.

2. **Definitions:**

Purchaser: Kol Kifuf Ltd.

Supplier - A supplier or subcontractor (SC) of products or services (procedures) ordered by the purchaser.

3. **Quality System:**

- 3.1. The supplier **and its own subcontractors** are required to maintain a quality management system in accordance with ISO 9001:2015 and/or AS9100D, or any quality management system approved by Kol Kifuf Ltd. and/or its customers.
- 3.2. The supplier shall notify Kol Kifuf Ltd. of any material changes to its organization or applied manufacturing process.
- 3.3. Calibration of measuring and testing equipment shall only be conducted in laboratories certified to do so in accordance with ISO 17025.
- 3.4. In the case of products designated for Aerospace clients, the supplier will meet the requirements detailed in this addendum.

4. **Environmental Protection:**

The supplier / SC shall meet all state-sanctioned legal requirements and regulations pertaining to environmental protection, and shall produce appropriate credentials upon request.

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5. **Configuration Control:**


- 5.1. Manufacture of items shall be in accordance with the approved documentation for manufacture received from Kol Kifuf Ltd. No changes to materials, parts, design or manufacturing procedures shall be made without Kol Kifuf Ltd.'s prior written consent. suppliers requesting approval for changes shall submit a request **in writing** which includes the suggested changes and reasons for the request. The request shall be examined by Kol Kifuf Ltd. and shall be approved if possible, signed by either the QA manager or the CEO of Kol Kifuf Ltd. No changes shall be approved without a signed approval form from KKLT.
- 5.2. Irregular products not conforming to order requirements, specifications, sketches, etc. shall be examined by a Material Review Board and reported immediately to Kol Kifuf Ltd.'s QA manager. The above applies also to irregular products received from the supplier's subcontractors.
- 5.3. In cases where the order is subcontracted out, the workers carrying out the project shall be adequately qualified to manufacture the requested product. If necessary, documentation of their qualifications shall be provided at the request of the company.
- 5.4. Requests / Approvals for changes shall be attached to the order and to the items.
- 5.5. The supplier shall keep all document records - confirmation of receipt, tests, audits and documentation - for seven years after the delivery date, or for the duration requested by Kol Kifuf Ltd.

6. **Special Processes:**

- 6.1. Although work is carried out by Kol Kifuf Ltd.'s approved subcontractors, responsibility for product quality, tests and documentation rests with the supplier of relevant items.
- 6.2. Purchase of raw materials and/or special processes shall be made from suppliers and subcontractors approved by Kol Kifuf Ltd. and/or it's customers.
- 6.3. **Special processes for projects ordered by RAFAEL, Elbit or IAI shall be conducted only by subcontractors approved by the end customer.**
- 6.4. The purchase order for special processes shall include a full description of the product and the detailed underlying standard.

7. **Materials:**

- 7.1. Materials supplied shall include a Certificate of Analysis (COA) from the manufacturer which includes the details of the manufacturer and Batch / Lot No. details.

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8. **Adhesives / Chemical Substances:**

- 8.1. Each individual package and/or the COA of raw materials shall include the following: manufacture date, recommended shelf life, storage conditions, temperature, moisture and any other necessary details pertaining to products with a limited shelf life.
- 8.2. The remaining shelf life of said raw materials shall not be less than one year of the item's total shelf life upon leaving the supplier's site, with the exception of individual cases to be examined upon request by the customer or in accordance with shelf life requirements of the relevant item.
- 8.3. If an MSDS toxicity report exists, it shall be supplied along with the items.

9. **Fasteners:**

- 9.1. Fasteners shall be supplied with a Certificate of Conformance (COC) conforming to order requirements. The report shall include the manufacturer's details and the batch no. of the fasteners.
- 9.2. Fasteners shall be supplied from a single batch, made by a single manufacturer. If this is not possible, the batches shall be separated and the appropriate paperwork attached to each batch.

10. **Flow-down of requirements to the subcontractor:**

- 10.1. The work order shall be executed by the supplier. Work shall not be subcontracted out without the prior approval of Kol Kifuf Ltd.'s QA manager.
- 10.2. The supplier shall be responsible for flow-down of relevant quality requirements to subcontractors.
- 10.3. **For projects ordered by RAFAEL, Elbit or IAI, the flow-down clause shall include the requirements of Kol Kifuf Ltd.'s end customer.**

11. **Access to supplier's site:**

- 11.1. The supplier undertakes, by prior arrangement, to allow authorized Kol Kifuf Ltd. personnel, and/or end customer representatives, and/or government representatives, access for testing and total access to all manufacture sites, means of production, and documentation associated with Kol Kifuf Ltd.'s orders, whether belonging to the supplier or to any subcontractors.

12. **Traceability:**

- 12.1. Raw materials / products will be supplied from one batch of raw materials. In the case the materials / products are supplied from different batches, the packages shall be separated along with the relevant documentation.

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- 12.2. Unless otherwise noted, parts / materials shall carry batch / lot numbers and will include traceability measures of the batch of raw materials.

13. **Inspection:**

- 13.1. The supplier shall bear responsibility for planning and conducting all required tests and inspections in order to ensure full conformance of the product to the purchase order. In addition, the supplier shall bear responsibility for the following requirements:
- 13.1.1. **Source Inspection:** Kol Kifuf Ltd. QA representatives (with or without the end customer) shall be allowed to inspect the item at the supplier's site prior to delivery. This shall be noted on Kol Kifuf Ltd.'s order form. In this case:
- 13.1.1.1. The supplier must notify Kol Kifuf Ltd. when the items are ready and coordinate source inspection with Kol Kifuf Ltd. QA representatives.
- 13.1.1.2. Source inspections shall not absolve the supplier of responsibility for the quality of products supplied.
- 13.1.2. **First Article Inspection (FAI) and changes to the manufacture process:** If the order contains such a requirement, each item manufactured according to specifications - and which is ordered for the first time in two years since the last order - shall undergo FAI by the supplier in accordance with AS9120. Kol Kifuf Ltd.'s QA manager may waive this requirement in writing to the supplier (A repeat FAI shall be performed if any changes are made to the product as is relevant to said change and its implications).
- 13.1.2.1. The report shall be submitted using Kol Kifuf Ltd. forms or supplier FAI forms (if the supplier is AS9100-certified).
- 13.1.2.2. The report shall include all requested parameters, means of measurement, measurement results, date of calibration, series sampling plan, standards used to dictate processes, and whether the results conform to standard requirements.
- 13.1.2.3. Following approval of the first product, no changes to the product or the manufacturing process shall be made without prior written approval from the QA manager or CEO of the purchaser.
- 13.1.3. **Sample Testing:**
- 13.1.3.1. Unless the purchase order states otherwise, the final sample testing will be carried out using the Squeglia sampling plan, AQL 1.5%.
- 13.1.3.2. Subcontractors / suppliers conducting acceptance testing for their products shall, unless stated otherwise, use a single sampling

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plan, Inspection Level II, AQL 1.5%, or the Squeglia plan, AQL 1.5%. The Acceptance Number for both methods, in accordance with AS9100C, is zero. This means that even a single non-conformance shall disqualify the lot and require a 100% inspection or sorting.

13.1.3.3. The supplier will address Key Characteristics (KC) as required in the documentation of the purchased product.

14. **Corrective Action:**

- 14.1. Upon discovery of a non-conformance in product prior to delivery to Kol Kifuf Ltd., the supplier shall notify Kol Kifuf Ltd. and submit a request to approve the nonconformity including a full description of the nature of the non-conformance. Nonconforming items shall not be supplied without prior written consent from Kol Kifuf Ltd.'s QA manager. A copy of said approval shall be attached to the delivery paperwork.
- 14.2. Upon discovery of a non-conformance by Kol Kifuf Ltd. during acceptance testing or source inspection, a non-conformance report shall be sent to the supplier. Said report shall be filled out correctly and will include evidence of corrective actions taken. The report shall be signed and sent back to Kol Kifuf Ltd. within no more than ten business days.

15. **Quality Records:**


- 15.1. Items shall be supplied with the following documentation:
 - 15.1.1. Each item and/or process shall include a Certificate of Conformance signed by a certified auditor. If necessary, the certificate will include the name of the person who conducted the process, the date on which it was performed, and the applied specifications. This declaration shall serve as a guarantee that the item was manufactured, processed, and tested in accordance with the sketches and specifications / standards applicable to the order.
 - 15.1.2. Certificate of Conformance (COC) or Certificate of Testing (COT) for the raw materials used to manufacture the parts.
 - 15.1.3. Applied functionality testing reports.
 - 15.1.4. Approved non-conformance documents signed by Kol Kifuf Ltd. (if required).

16. **Marking:**

- 16.1. If required on the order, parts will be marked as requested on the sketches or specifications, in accordance with the applied standard.

17. **Packing, Shipping and FOD:**


- 17.1. The supplier shall avoid any damage to the product during transport, manufacture, and storage.

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- 17.2. Each package shall carry a label describing the product, Kol Kifuf Ltd.'s order no., supplier name, and exact number of parts in the package.
- 17.3. Each shipment shall include the item's required quality and testing reports as mentioned above, signed by a certified auditor.
- 17.4. For processes performed by a subcontractor, the package shall include the SC's quality paperwork.
- 17.5. Prior to packaging, the items will be examined to detect and prevent Foreign Object Debris (FOD).

18. Counterfeit Parts Prevention:

- 18.1. The supplier shall meet the requirements of standards AS9120, AS5553.
- 18.2. The supplier shall maintain a method to ensure traceability of the supply chain of parts supplied.
- 18.3. The supplier shall attach to the order all documents to prove traceability of the order. Traceability shall include all parties involved in the supply chain, from the original component manufacturer to the direct source from whom the component was purchased by the supplier.
- 18.4. The supplier shall attach to each delivery the original COC issued by the component manufacturer.
- 18.5. The supplier shall maintain records including Date Code, batch/lot numbers, and any other documentation attached to the purchase order and invoice.
- 18.6. The supplier shall attach to each shipment an original COT, if required to do so on the order.
- 18.7. Components shall only be purchased from distributors licensed by the component manufacturer.

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19. Confirmation of Supplier / Subcontractor:

<p align="center"><u>Confirmation of Supplier / Subcontractor:</u></p> <p align="center">We hereby undertake to conform with the above quality requirements on all Kol Kifuf Ltd. purchase orders.</p> <p align="center">Please sign this document at the earliest and return to:</p> <p align="center">Fax No. 04-8744921</p> <p align="center">Email: uk_e@017.net.il</p>				
Name of Supplier	Date	Name of authorized signatory: CEO / QA Manager	Signature	Stamp