

SUPPLIER QUALITY REQUIREMENTS

This Quality document establishes the KimCo Design and Manufacturing quality requirements for suppliers to ensure that information is flowed-down to the entire supply chain. It is our supplier's responsibility to ensure this information is flowed-down to their sub-tier suppliers.

QUALITY CONTROL SYSTEM

Quality System and Related Procedures- Supplier's Quality Assurance system shall be implemented by written procedures, which adequately provide for compliance with the requirements herein. Manufacturers will either have a third party certified quality management system ISO9001 or have processes in place that comply with these industry specifications.

Organization- Quality Assurance responsibility shall be clearly designated within the Supplier's organization(s). Personnel having this responsibility shall have sufficient authority to assure that quality is not compromised.

Quality System - The Supplier shall immediately notify the Buyer in writing of any change to its Quality Assurance system that may affect: **1)** the inspection, conformity, or safety of the product, **2)** quality leadership, or **3)** quality system status.

NOTIFICATIONS AND MATERIAL/PROCESS CHANGES

Due to the nature of the custom products designed by our customers, it is mandatory that our suppliers (*regardless of design ownership*) make no changes to the materials, specifications, or process used to manufacture items on our purchase order without first notifying and obtaining a written approval from KimCo Design and Manufacturing. Suppliers are required to have a process for qualification and communication of changes which promptly and accurately notifies KimCo of the changes. The change communication must include all changes to parts, materials, and processes in production. Suppliers are responsible for managing changes made by sub-tier manufacturers within their supply chain.

CHANGE IN MANUFACTURING FACILITY LOCATION

The Supplier shall immediately notify the Buyer in writing of any planned change to the manufacturing facility location of the contracted part or assembly.

DRAWING AND CHANGE CONTROL

The Supplier's Quality Assurance system shall assure that the latest applicable drawings, specifications, technical requirements, Purchase Order information and changes thereto will be available at the time and place of the Supplier's acceptance of material and/or services. All changes shall be processed in a manner which will assure incorporation on the affected material and/or services at specified effectivity points. On Buyer-designed parts, the Buyer may require that the Supplier's change control system be compatible with that of the Buyer.

PROCUREMENT BY THE SUPPLIER

The Supplier shall maintain a system to assure that Supplier-procured materials and/or services conform to Purchase Order drawings and specification requirements. The Supplier's Quality Assurance system shall contain controls for assuring requirements are met by sub-tier suppliers, including flow-down of the most current component revision level requirement to the approved sources. The implementation of such controls shall be subject to surveillance by the Buyer.

NOT VARIFIABLE UPON RECEIPT

The Supplier shall provide adequate controls, within the quality system, to ensure that characteristics not verifiable upon receipt are adequately controlled.

PRESERVATION AND PACKAGING

All material intended for the Buyer shall be protected against the usual hazards of electrostatic discharge (ESD), corrosion, contamination, deterioration, or other spoilage at the Supplier's facility and in transit.

All material for the Buyer shall be packed with suitable protection so as to prevent damage through handling, during storage at the Supplier, in transit, and during storage at the Buyer's facility before use.

Components which are identified by the manufacturer as moisture sensitive must be handled as identified in IPC-SM-786A.

SUBSTITUTION

Regarding commercial off the shelf material, the Supplier shall not substitute "equivalent" items in place of those items specified on the Purchase Order. If an equivalent item to a specified material is to be supplied, it is offered with supporting documentation prior to the shipment. All changes relating to part number, drawing specification, delivery or price must be in agreement by the Buyer and confirmed by a change to the Purchase Order.

OBSOLESCENCE

The Supplier shall notify Buyer of impending part obsolescence for all parts that are on open orders or which have been shipped by the supplier over the past 12 months. The notification shall occur at the earliest point possible and at least 6 months prior to the "end of life" order date.

COUNTERFEIT PARTS PREVENTION

No supplier or distributor shall deliver (or use) any counterfeit parts or components to KimCo Design and Manufacturing. A 'counterfeit' part is defined as: A part falsely represented in some manner (*e.g. manufacturer, date code, lot code, reliability level, markings, etc.*). The term, 'falsely Represented' specifically includes any parts that have been reclaimed, previously used, or modified.

MEASURING AND TEST EQUIPMENT CALIBRATION SYSTEM

The Supplier shall maintain a system, including written procedures, to assure inspection and evaluation of measuring and test equipment, whether Supplier-owned or supplied by the Buyer or another agency. This system shall assure that the inherent accuracy of the equipment is comparable with the requirements of the unit being tested, and that required measurements are adequately performed. The system shall include appropriate calibration schedules and records.

MEASUREMENT STANDARDS CONTROLS

The Supplier's working standards used for calibration of tooling, measuring, and test equipment shall be checked at established intervals against suitable higher level standards which, in turn, will be checked at established intervals by reference to National Institute of Standards Technology (NIST) or equivalent certified primary standards. The Supplier shall maintain records or other conclusive evidence that proper control is being maintained. The Buyer may conduct, in the Supplier's facility, an evaluation of the Supplier's standards, measuring/testing devices, and calibration/maintenance personnel and methods to establish correlation between the Buyer's and Supplier's measurements.

INSPECTION AND TEST

The Supplier shall provide and maintain suitable gauges, instruments and test equipment to measure and test all material for conformance to the Buyer's requirements. The Supplier shall perform inspection and/or test on end items covered by the Purchase Order prior to submission to the Buyer or prior to delivery. Inspection/test of material, which cannot be readily examined in the end items, must be performed at the appropriate in- process stages of manufacturing. The Supplier must maintain records of inspection/tests.

PROCESSING

The Supplier shall establish a system to assure that all processes, even including those which cannot be readily verified by inspection, will conform to specification requirements. When critical or special processes are performed outside the Supplier's facility, it shall be the Supplier's responsibility to assure proper performance of all such processes.

PROHIBITED PRACTICES

Unauthorized Repair- Repairs (*by welding, soldering, or the use of adhesives*) of parts damaged or found faulty in the fabrication process: repairing holes in castings, forging or other materials by plugging or bushing without authorization from the Buyer Quality Assurance organization.

Unauthorized Processing- Addition, revision, or deletion of processes in manufacturing when those processes are subject to specification control by the Buyer.

Disregard of Approvals- Change in any process of quality control procedure that is subject to specific approval by the Buyer without proper notification and re-approval.

Improper Material Submittal- Submission of material having known defects/problems to the Buyer without notification.

Improper Material Re-submittal- Resubmission of material to the Buyer without material being clearly identified as resubmitted material.

Unauthorized Material and Information Transfer- Buying, selling, or transferring Buyer related material, parts, devices, assemblies or end equipment for purposes other than the performance of the Buyer's business, without prior written approval, or disclosing Buyer part numbers, or information related to those part numbers, to entities other than the Buyer, without prior written approval.

Reclaimed Material- Supplier using reclaimed material without prior written approval from the Buyer.

Part Condition- Shipping product that is not new product. In no circumstance will parts which have been used, screened, repaired or otherwise refurbished be accepted.

SURVEYS AND SURVEILLANCE

The Buyer may conduct a survey and/or perform surveillance of the Supplier's Quality Assurance system to evaluate the degree of ability to comply with these and other applicable requirements, or assist in the resolution of quality problems. As necessary, a representative of the Buyer's Customer may accompany the Buyer's Quality Assurance representative. The Supplier shall grant right of access and all reasonable assistance to the Buyer, the Buyer's customer, and regulatory authorities, to all facilities involved in the order and all applicable records.

THE BUYER'S QUALITY ASSURANCE REPRESENTATIVE

The Buyer and/or Buyer's customers may, at their discretion, provide resident or itinerant Quality Assurance personnel whose function shall be to survey Supplier operations, assist the Supplier in the resolution of quality problems, and witness at any stage (*subject to proprietary considerations*) the manufacture, processing, test, and inspection of items being manufactured for the Buyer. Copies of applicable specifications and documents shall be made available to the Buyer's Quality Assurance representative.

SUPPLIER ASSISTANCE

In the event those requirements are not completely clear or where special assistance is needed, the Buyer will provide qualified personnel to consult with the Supplier. Requests for assistance shall be made via the Buyer's Supply Chain Management department. If inquiries pertain to quality aspects of supplies or services being procured, the Buyer's Quality Assurance organization may be contacted.

FINAL ACCEPTANCE

Inspection/test acceptance at the Supplier's facilities by the Buyer does not guarantee final acceptance. Final acceptance shall be at the Buyer's facility unless otherwise specified on the Purchase Order.

CONFORMANCE RESPONSIBILITY

Surveillance, inspection and/or test conducted by the Buyer or representatives of any customer or government agency at the Supplier's or the Buyer's facility shall not relieve the Supplier of their responsibility in meeting the quality requirements of the Purchase Order.

EVIDENCE OF EFFECTIVE CONTROL

Verification of product by the Buyer's Customer shall not be used by the Supplier as evidence of effective control of quality and shall not absolve the Supplier of the responsibility to provide acceptable product, nor shall it preclude subsequent rejection by the Buyer or the Buyer's Customer.

RECORDS

The Supplier shall maintain adequate records of inspections, tests, and other Quality Assurance activities. Records shall provide objective evidence of the Quality Assurance operations performed, the results obtained and corrective actions taken. Such records shall be available to the Buyer. Where such records are traceable by serial or lot designation to material supplied to the Buyer, they shall be retained for a period of at least ten (10) years from the date of shipment to the Buyer. At the expiration of this period, Buyer reserves the right to request delivery of such records. In the event that Buyer chooses to exercise this right, Supplier shall promptly deliver such records to Buyer at no additional cost on media agreed to by both parties. If supplier retains quality records by electronic data, the supplier shall have adequate procedures to describe: **1)** the media, **2)** the backup method and frequency, and **3)** the method of security.

PERSONNEL QUALIFICATIONS

Supplier shall provide for training and appropriate certification of personnel performing critical production and inspection operations. A formal documented training program which will facilitate development of process control techniques and statistical methods should be in place.

ENGLISH LANGUAGE REQUIREMENT

The Supplier shall submit all required quality data (e.g., supplier quality procedures, certificates, reports, or other similar data required by the Buyer), correspondence and corrective actions responses in the English language (*U.S.*).

REACH (Registration, Evaluation and Authorization of Chemicals)

If raw materials, parts, or assemblies supplied contain substances of very high concern (*SVHCs*) as prescribed by EU No. 1907/2006, Registration, Evaluation and Authorization of Chemicals, identification shall be included in the shipment. This identification should list the SVHC- designated chemicals present in the purchased article and the conditions under which handling precautions should be taken.

FOREIGN OBJECT DETECTION

The supplier shall develop and maintain a Foreign Object Debris/Damage (FOD) program for manufacturing areas to prevent introduction of foreign objects into any item delivered under purchase orders to Buyer. The Supplier shall employ appropriate housekeeping practices to assure timely removal of residue/debris generated, if any, during manufacturing operations and /or normal daily tasks. The supplier shall determine if sensitive areas that may have a high probability for introduction of foreign objects should have special emphasis controls in place for the manufacturing environment. The supplier shall determine the need for and implement FOD prevention and awareness training programs.

NON CONFORMING MATERIAL

KimCo Design and Manufacturing retains all MRB authority. Material which fails to meet the requirements and/or specifications of applicable drawings referenced on the purchase order shall not be shipped without prior written approval of KimCo Design and Manufacturing. Use-As-Is and repair dispositions on subject deliverable nonconforming material must be approved by KimCo Design and Manufacturing and a copy of the approval shall be enclosed with each shipment made against the purchase order.

Supplier reporting-The supplier shall provide for timely reporting of nonconformities that may affect already delivered product. Notification shall include a clear description of the discrepancy, identification of suspect parts and material affected by the deficiency, dates delivered, and any information to the root cause/corrective action steps initiated to address the defective condition and to prevent recurrence.

CORRECTIVE ACTION

The Supplier's Quality Assurance system shall provide means for ready detection of discrepancies and for prompt and effective corrective action. Corrective action must prevent reoccurrence, including firm effectivity points by serial number, part number, date, or other agreed methods. Corrective action records and information, such as pertinent data on defects and failures, shall be available. The Supplier is responsible for initiation of prompt replies to the Buyer's Corrective Action Requests, and implementation of required corrective action.

CERTIFICATION REQUIREMENTS

Suppliers manufacturing product from KimCo Design and Manufacturing's drawings, specifications or modifications shall be responsible for compliance with all certification requirements referenced on the Purchase Order and for the maintenance of quality control records evidencing compliance with such requirements, regardless of whether work was performed by the Supplier or their sub-tier suppliers.

Certification of Compliance-The Supplier provides, with each shipment, a Certificate of Compliance traceable to the responsible Supplier contact by signature or printed name, which shows KimCo Design and Manufacturing's Purchase Order and part number and as applicable, the Supplier reference number. This document certifies that material or parts furnished have been manufactured and verified in accordance with all applicable specifications as stated in KimCo Design and Manufacturing's Purchase Order. This document also certifies that objective evidence of inspection and testing verifications is on file and available for review.

Records and Traceability Documentation-When Certification of Compliance from the Supplier is based on Certifications of Tests and Inspections received from the manufacturer or another supplier, the Supplier ensures that these Certifications are received and retained, and that adequate traceability exists to the manufacturer of the products.