



Procedure For Handling Non - Conformance

It is the obligation of _____ to inform The Israel Electric Corp. Ltd. (I.E.C.) about major deviation found by manufacturing of parts and components of _____ found at their subcontractors shops.

To fulfill this requirement the following procedure will be applied:

1. Evaluation of Non - Conformance

All non - conformance are divided in three (3) levels:

- 1.1. Level 1: No duty of notification.
- 1.2. Level 2: Duty of notification. Within one (1) week the non - conformity report (NCR) will be delivered to I.E.C. Project Manager. I.E.C. has the right to send their remarks to the report according to internal considerations.
- 1.3. Level 3: Duty of notification and approval by I.E.C. necessary. Within one (1) week NCR will be delivered to I.E.C. Project Manager. When the disposition to repair as a corrective action report (CAR) will be released by _____, it must be delivered immediately to the consideration and approval of I.E.C. .

2. Content of each level

- 2.1. Non - conformance of level 1 results from:
 - 2.1.1. Minor defects that do not affect the quality of material and / or component.
 - 2.1.2. Minor defects during the manufacturing welds of casting and weld repairs, which are carried out according to valid procedures accepted by _____ .
 - 2.1.3. Scrapping of parts without any effect to the quality of component and to the delivery time.

Procedure For Handling Non - Conformance

By non - conformance of defects according to level 1, the function of parts and / or components will not be influenced at all.

2.2. Non - conformance of level 2 results from:

2.2.1. Manufacturing defects without any influence of function, quality and / or the operation security.

2.2.2. Weld defects and their repair in parts and / or components which may affect the function of the component and are carried out according to welding procedures accepted by _____.

2.2.3. Scrapping of major or critical parts with influence on the delivery time.

2.2.4. All non - conformance should be reported when required:

2.2.4.1. Examination of crack growth capability.

2.2.4.2. Additional mechanical calculations.

2.2.4.3. Change of technical drawings.

2.2.4.4. Set up of additional drawings.

2.2.4.5. Changes in Materials.

By non - conformance of defects according to level 2 is required a deviation and corrective action report. In the report, _____ describes the type and extent of the deviation and the actions for repair.

2.3. Non - conformance of level 3 results from:

2.3.1. The component does not meet the I.E.C. specification, or does not meet fully or partly the specified features.

2.3.2. The operation security of component or the maintenance, or the lifetime will be influenced or limited.

2.3.3. Special procedures are necessary for repairing.

2.3.4. Non - conformance of the types described below, but not limited to must be reported and approved by I.E.C. are:

2.3.4.1. Use of material other than specified by _____.

Procedure For Handling Non - Conformance

- 2.3.4.2. Deviations of critical parts.
- 2.3.4.3. Deviations of specified mechanical properties.
- 2.3.4.4. Failures in metallic parts which must be analyzed and for which the evaluation shows restriction in their use.
- 2.3.4.5. Parts for which foreseen test was not carried out and cannot be repaired.
- 2.3.4.6. All repairs which will influence the interchangeability or influence the spare parts.
- 2.3.4.7. Any deviation of parts or component which can limit the interchangeability.

By non - conformance of defects according to level 3 is needed a deviation and corrective action report.

In any case, non - conformance of Level 3 causes a stop in manufacturing.

In the deviation report, _____ describes the type and extent of the corrective action, influence on time schedule, etc.

The repair can be started only after I.E.C 's approval.