



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.

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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 _____.

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- 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.