1491 West 124th Avenue
Denver, CO 80234

Quality System Manual

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1. Scope

This Quality Manual is written to address the guidance and intent of ISO 9001:2015, AS9100D, AS9120B, and ISO14001. This manual is the basis for all Quality and Environmental System practices, procedures, processes and forms used at all Krayden companies and facilities. For ease of use and the convenience of the user of this Quality Manual, the document structure and numbering scheme follows that of the International Quality and Environmental Standards. In doing this, it is not the intent of Krayden to replicate or reproduce the standard, but rather to interpret the intent of the standard as it has been applied by the organization to meet the needs of our customers and the industry.

2. Normative Reference

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

AS9100D Quality Management Systems – Requirements for Aviation, Space, and Defense Organizations.

AS9120B Quality Management Systems – Requirements for Aviation, Space, and Defense Distributors

ISO 9000:2015 Quality management systems – Fundamentals and vocabulary

ISO 9001:2015 Quality management systems – Requirements

ISO 14001:2015 Environmental management systems - Requirements with guidance for use

3. Terms and Definitions

A Terms and Definitions resource is maintained for many terms and definitions, and includes definitions for terms found in this manual.

ISO9001 requirements are in normal text.

AS9120 and AS9100 additional requirements are in **BOLD** text.

AS9100 only additional requirements are in ***BOLD/italicized*** text.

ISO 14001 only additional requirements are in green text.

4. Context of the Organization

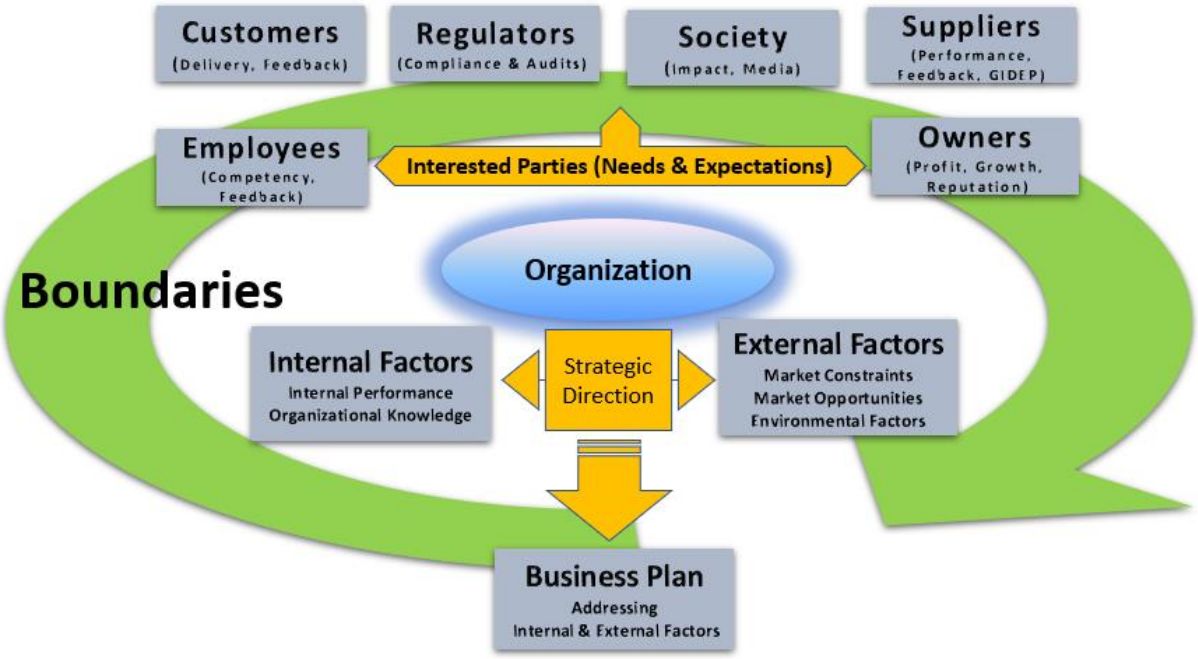
4.1 Understanding the organization and its context

This Quality Manual is applicable to all Krayden companies. Krayden is a Stocking Distributor of Engineered Materials for Manufacturing and Aircraft Maintenance including: Chemicals, Adhesives, Sealants, Soldering Materials, Potting and Encapsulating Products, Release Agents, EMI Shielding, Tapes, Surface Treatment Chemicals, Thermally Conductive Materials, Silicones, Epoxies, Urethanes, UV Cure Systems, Specialty Polymers, Process and Structural Materials, and Film Adhesives. Some product lines are branded

under Krayden divisions, and will be represented as OEM products. Krayden also offers further processing at some locations.

We serve the Aerospace, Electronics, Automotive, Transportation, and General Manufacturing markets. For the purposes of our business model, the term Manufacturer references our major product line suppliers. In these situations, Krayden acts as a licensed distributor for these major product line manufacturers on a contractual basis. Krayden also supports some smaller product lines on an a-la-carte basis. In specific cases, we may also provide value-added services.

We rely on product manufacturers to provide all product and sales related support, including certifications, SDS, product data, and regulatory requirements. Product manufacturers utilize Krayden for technical sales and support, as well as product distribution. We use ERP software systems that are the backbone of operations. All warehouses are integrated within the respective ERP system. Our organizational strength is a diverse portfolio of product lines and locations throughout the US and the world to better serve our customer base.



Regarding climate change in relation to the organization, Krayden addresses relevant environmental issues through various documents, including the Environmental Policy, the FMEA, and the SWOT Analysis. Environmental laws and regulatory requirements are addressed as they arise. Additionally, the Business Code of Conduct and Confidentiality policy incorporates the most common ESG programs, and is part of our standard flowdown to our vendors.

Our Mission Statement is:

Krayden is a technical, limited-line distributor that partners with premier suppliers of specialty materials to provide engineered solutions, customized support, and best in class responsiveness to our mutual customers.

4.2 Understanding the needs and expectations of interested parties

Krayden Inc. has classified interested parties into three categories; Primary, Secondary and Other.

- Primary interested parties are those that are directly affected by the effective and efficient operation of the Krayden Quality Management System, operation of an Environmental Management System, and the Quality of the Krayden product. Manufacturers and customers are the primary external interested parties. Krayden relies on the manufacturer for production, pricing, availability, shipment, certification, warranty, and regulatory product information. Customers levy varying demands from the above manufacturer-provided services. Krayden management, employees and owners are the primary internal interested parties. Internally, all employees share the goal of sustained growth. Inclusion of all employees in compensation rewards for meeting targets aligns with profitability goals of ownership.
- Secondary interested parties are those parties that have been identified as regulatory and statutory agencies and organizations, final customers and OEMs, as well as ordinary suppliers and vendors. Customers also are increasingly requiring social and environmental declarations which reflect the elimination of abuses in other areas of the world. Krayden uses a variety of methods to comply, including internal policies and certifying documents to interested parties. Regulatory requirements concerning products are integrated into the Quality System. Export compliance, Hazardous Materials handling and waste disposal are all addressed when applicable.
- Other Interested parties refers to parties which achieve benefit from the final product and/or from Krayden Inc. being successful. These interested parties include the final user of the end product and the general community within which Krayden operates.

4.3 Determining the scope of the Quality Management System

The intent of the Quality System is to define the requirements for Krayden to consistently provide products and services that meet customer, statutory, and regulatory requirements. The goals of the Quality System are to enhance customer satisfaction, provide for continual improvement, and to ensure product conformity to our customers. The only customer property we plan to handle is limited to intellectual property in the form of specifications or drawings.

All ISO9001:2015, AS9100D, and AS9120B requirements are applicable to this scope, with the exception of clauses listed below by company. We do no manufacturing, product validation, service, or installation, but distribute commercial items produced by other entities. Some companies sell branded products and/or do product processing that does not alter the base characteristics of the product.

Below is a list of exceptions to sections of the standard, by company:

Company	Clause(s) Excepted
Krayden, Inc, Krayden Canada, Krayden Mexico, Krayden Philippines, Krayden Singapore (Material Technologies); Krayden Europe	8.3
Northern Composites	8.3, 8.5.1.2 (AS9100)
Bonding Source	8.3, 8.4.1.b, 8.5.1 (service only)
Aerospheres (UK) Ltd.	8.3, 8.5.3

We are a stocking distributor of engineered materials for manufacturing including: chemicals, adhesives, sealants, soldering materials, potting and encapsulating products, release agents, EMI shielding, tapes, surface treatments chemicals, thermally conductive materials, silicones, epoxies, urethanes, UV cure systems, tapes, abrasives, specialty polymers, and film adhesives.

Primary markets served are aerospace materials, electronic materials, automotive materials, general industry sealing and bonding materials, microelectronics, RF/Microwave, and prototype and tooling materials. Our primary business model is as a Stockist Distributor, maintaining stock levels needed to provide rapid shipment to customers. We also provide custom orders when needed due to volume, packaging, testing, or other reasons. Repack, kitting, other processing operations are performed at some locations.

Krayden Incorporated is structured as a multi-site organization, headquartered in Denver, CO. It includes Krayden Canada, Krayden Mexico, Krayden Philippines, Material Technologies (aka Krayden Singapore), Krayden Europe (aka Caplinq Europe BV), and Aerospheres UK Ltd. as part of the multi-site organization. Krayden-Northern Composites is a separate multi-site certification. Krayden- Bonding Source operates as an individual site with independent certification.

Other Krayden-owned companies use this Quality Manual and Quality system as a guide as they grow and develop.

Processes are defined at each site as below:

Krayden USA	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Denver, CO	X	X	X	X	X	X	AS9120, ISO9001
Morgan Hill, CA			X				AS9120, ISO9001
Atlanta, GA			X		X		AS9120, ISO9001
Santa Ana, CA			X				AS9120, ISO9001
El Paso, TX			X				ISO9001, AS9120

Grand Prairie, TX			X				ISO9001, AS9120
Chicago, IL			X				ISO9001, AS9120
Krayden Canada	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Richmond, BC	X	X	X	X			AS9120, ISO9001
Mississauga, ON			X				AS9120, ISO9001
Calgary, AB			X				AS9120, ISO9001
Krayden Mexico	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Guadalajara, JA	X	X	X				AS9120, ISO9001
Northern Composites	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Hampton, NH	X	X	X				AS9100, AS9120, ISO9001
Greensboro, NC			X	X			AS9100, AS9120, ISO9001
Bonding Source	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Manchester, NH	X	X	X	X			ISO9001
Krayden Philippines	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Laguna, PH	X	X	X				ISO9001, AS9120
Krayden Singapore	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Singapore, Singapore	X	X	X	X	X		ISO9001, AS9120
Krayden Europe	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
	X	**X**	**X**				ISO9001 certified, AS9120 pending
Aerospheres, UK LTD	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Hemel, Hempstead, UK	X	X	X	X	X	X	AS9120, ISO9001,

							ISO14001 ASA-100
Aerospheres, USA	**Order Desk**	**IM**	**Shipping & Receiving**	**Processing**	**Quality**	**Support**	**Certified**
Morgan Hill, CA, US			X				AS9120, ISO9001 ASA-100

4.4 Quality management system and its processes

4.4.1 Quality Management System

The Quality Management System reflects the Krayden definition and management of processes necessary to ensure that products and services conform to customer and applicable statutory and regulatory requirements. The core processes are identified, and the interfaces depicted in Figure 4.4 "QMS Process Interactions."

The structure of the Quality Management System is derived from the nature of our business functions and customer needs. We emphasize the importance of processes being able to achieve desired outputs by following all applicable procedures. We address and follow all statutory, regulatory and legal requirements required for us and our customers. We determine the performance of these processes by identifying Key Process Indicators (KPI's).

Krayden companies implement Environmental Management Systems philosophies to varying degrees up to and including certification to ISO14001. Combining the Environmental Management System in this manual may also be referred to as an Integrated Management System (IMS) Manual.

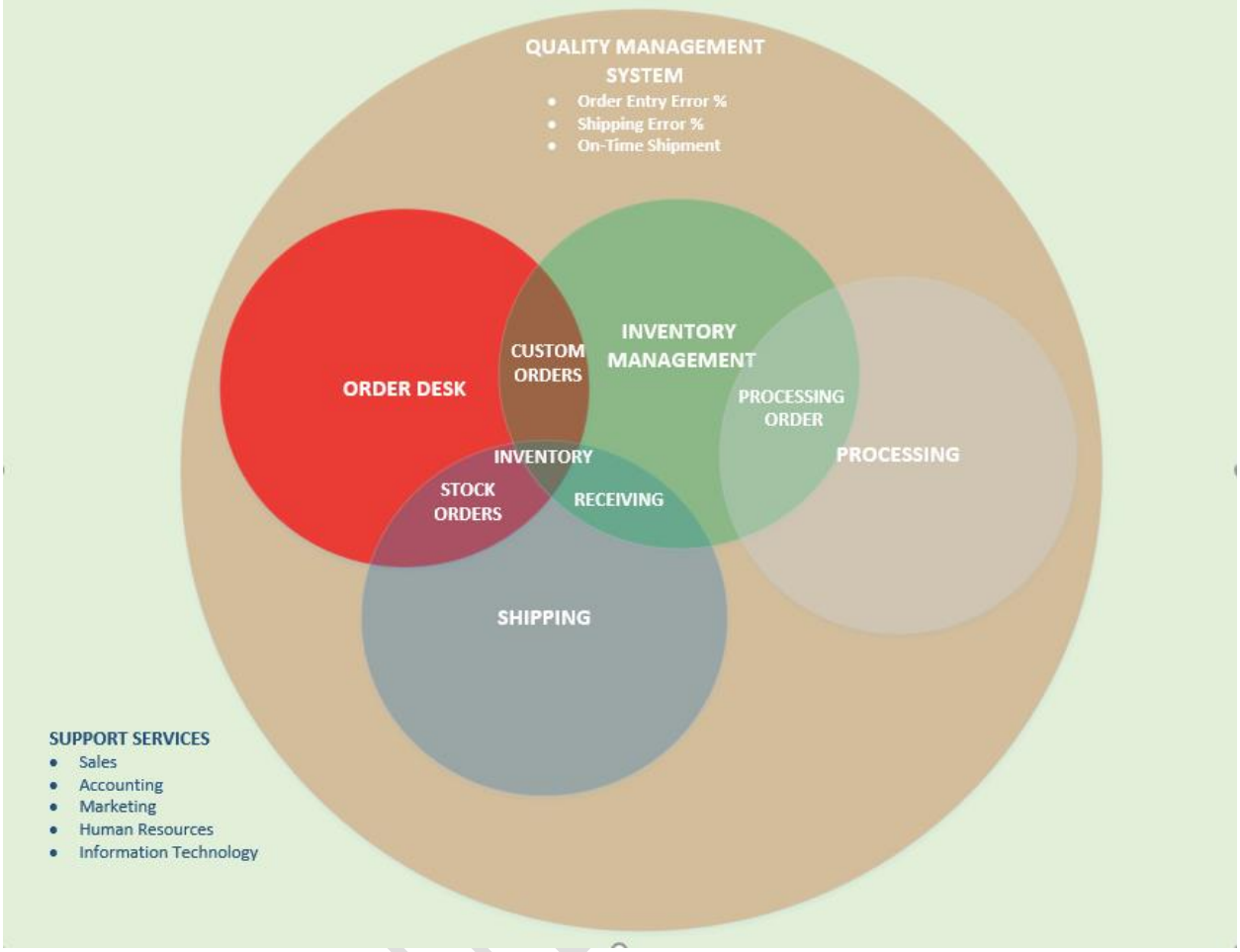


FIGURE 4.4 QMS Process Interactions

4.4.2 Quality System Documented Information

The Quality Manual addresses the scope, procedures and the various processes such as: work instructions, resource documents, flow charts and necessary forms of the Quality Management System and their interaction with the various elements of the Quality Management System and applicable standards. All procedures have been written to comply with all applicable standards.

The Quality Management System consists of this Quality Manual, Procedures, Work Instructions, Resources and Forms. Outputs of processes are retained as documented information that processes were carried out as planned, via the ERP system or Electronic Records.

5. LEADERSHIP

5.1 Leadership and commitment

5.1.1 General

Management is committed to the development and improvement of the Quality Management System. In support of this commitment, it is the leadership responsibility of top management to:

a. take accountability for the effectiveness of the quality management system;
b. ensure that the quality policy and quality objectives are established for the quality management system and are compatible with the context and strategic direction of the organization;
c. ensure the integration of the quality management system requirements into the organization's business processes;
d. promote the use of the process approach and risk-based thinking;
e. ensure that the resources needed for the quality management system are available;
f. communicate the importance of effective quality management and of conforming to the quality management system requirements;
g. ensure that the quality management system achieves its intended results;
h. engage, directing, and supporting persons to contribute to the effectiveness of the quality management system;
i. promote improvement;
j. support other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

5.1.2 Customer focus

We are customer-focused, committed to understanding current and future customer needs and meeting customer requirements and expectations. With the aim of achieving customer satisfaction and confidence, management facilitates the planning, development and implementation of procedures to ensure that customer needs, requirements (including statutory and regulatory), and expectations can be:

a. determined, understood, and met;
b. include risks and opportunities;
c. focus on enhancing customer satisfaction.
d. **Product and process conformity and on-time shipment are measured and appropriate actions are taken if planned results are not achieved.**

Contract Review and Shipping processes are primary processes affecting Customer Satisfaction.

5.2 Quality Policy

5.2.1 Establishing the quality policy

The Quality Policy provides a framework for establishing and reviewing company objectives. Its continuing suitability is addressed during the Management Review Meeting.

The Krayden Quality Policy is to:

- provide our customers with products and services that meet or exceed their expectations and needs;
- provide confidence to our customers and suppliers that their quality requirements are understood, being fulfilled and maintained; and
- commit to the requirements and continually improve the effectiveness of the quality management system.

5.2.2 Communicating the quality policy

The Quality Policy is explained and addressed with all new employees during Orientation. Any additional changes are addressed through company meetings, or notifications, as applicable. It is also published on the Quality Policy and Objectives document.

5.3 Organizational roles, responsibilities, and authorities

Responsibility and authority relating to the Quality Management System has been established and is conveyed through the Quality Manual, Organizational Charts, procedures, processes, work instructions and job descriptions.

Management Representative

The Organizational Chart for each company lists the assigned Management Representative for all quality related activities. **The designated management representative has the organizational freedom and unrestricted access to top management to resolve quality management issues.**

The Quality Department is responsible for:

a. ensuring that the quality management system conforms to the requirements of ISO9001:2015, AS9100D, and AS9120B;
b. ensuring that the processes are delivering their intended outputs;
c. reporting to top management on the performance of the quality management system and on opportunities for improvement (see 10.1);
d. ensuring the promotion of customer focus throughout the organization;
e. ensuring that the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

Management Team

The Management Team consists of all Department Managers. The Management Team has the overall responsibility of the establishing and defining the quality policy. The Management Team is responsible for the monitoring and maintenance of the Quality Management System throughout the Company including:

- monitoring Quality Objectives to ensure continued effectiveness and improvement of the Quality Management System;
- ensuring resources are available in order to maintain the Quality Management System;
- taking action on the results of management reviews of the Quality Management System;

- supporting those responsible for the implementation and improvement of the Quality Management System;
- ensuring the Quality Policy is supported, understood and maintained at all levels of the organization;
- ensuring appropriate supporting procedures are written and followed throughout their departments;
- ensuring department personnel are trained in all phases of their assigned duties and responsibilities;
- ensuring proper resources of assigned trained personnel for performing tasks and work affecting customer service satisfaction;
- continually improving the Quality Management System.

All other personnel

- Understand and support the Quality Policy, Quality Objectives, and the appropriate elements of the Quality Management System;
- Perform their tasks with emphasis on the reduction, and prevention of nonconformities;
- Initiate corrective actions to reduce or eliminate the recurrence of nonconformities;
- Participate in the Continual Improvement program.

6. PLANNING

6.1 Actions to address risks and opportunities

Risks and opportunities identified subsequent to 4.1 Organizational Context and 4.2 Interested Parties as well as other risks are listed on the FMEA. Actions to address risks and opportunities are listed on the FMEA. Most failure modes are mitigated through publication of documented information. Details of each action and the effectiveness are listed in the FMEA. KI SWOT Analysis Resource also lists enterprise level risks and opportunities.

6.2 Quality objectives and planning to achieve them

Top Management ensures that the company quality objectives are established for functions and levels within the company. The Quality Objectives are measurable and consistent with the Quality Policy. Quality Objectives include, but are not limited to, those needed to meet requirements for product.

These objectives are stated on the current Quality Objectives Document. Quality Objectives are reviewed during management review.

KPIs for processes are defined in a separate, annual document by division.

6.3 Planning of changes

Quality planning is defined and documented through this manual as well as additional procedures and processes. The integrity of the system is maintained through communication and review by quality before changes are made when organizational changes are implemented.

7. SUPPORT

7.1 Resources

7.1.1 General

Through the Management Review Meeting and other meetings, the Management Team determines and allocates the resources needed to:

- establish, implement, maintain, and improve the processes of the Quality Management System;
- address customer satisfaction by meeting customer requirements.

In addition, management will consider, as needed, external resources such as:

- vendors;
- contract warehouses;
- certification bodies/registrars;
- external providers of transportation (commercial carriers.)

7.1.2 People

The management team allocates resources for operation of the quality system.

7.1.3 Infrastructure

The Management Team determines, provides, and maintains the equipment and facilities needed to achieve the conformity of our products and services. Consideration has been given to the following:

- workspace and associated facilities;
- equipment, hardware, and software (for physical and information processes);
- the ERP system and general Internet access;
- supporting services, such as contract services and consulting services;
- freezers, coolers, and air-conditioned product storage conditions.

These are reviewed through periodic management reviews, and other meetings as needed.

Freezers, coolers, HVAC, and forklifts are on routine preventive maintenance agreements. All other production equipment is used on a run-to-failure program and repaired or replaced when needed.

7.1.4 Environment for the operation of processes

We implement and maintain safe working environments. All employees are instructed to notify management immediately should they see any unsafe conditions. In addition, each employee receives applicable basic safety training during employee orientation from their supervisor.

We recognize and plan for the work environments needed to achieve conformity of our products and services. Consideration has been given to:

- health and safety – use of protective equipment, and training, as applicable;
- work methods;
- standards of conduct;
- working conditions – heat, humidity, light, etc.
- social / psychological issues.

7.1.5 Monitoring and measuring resources

We outsource all calibration to established metrology testing companies. Exceptions for certain calibrations done in-house may be granted by the Director of Quality and will be indicated on the Master Calibration List with the § symbol.

Temperature Probes are used to monitor storage conditions. These probes are purchased from a vendor that provides them pre-calibrated with calibration certificates. Each probe bears a serial number which matches the calibration date on the certificate, and this information is **maintained on the Master Calibration List**. The expiration date is 25 months after the activation date. The Shipping and Receiving Manager or designee will review the Master Calibration List at the beginning of every month, check for probes which have an upcoming calibration expiration date, and schedule that probe for replacement with a new pre-calibrated one.

Counting Scales will be used only for counting low-value items, generally referred to as “Plastics.” These items are sold to Krayden by weight. Counting scales may be used for orders or inventory purposes. The scales will not be considered part of the calibration program and will not be included on the master calibration log.

The expiration date for the pressure differential instrument in the VA Cutting Room shall be 25 months.

Other calibrated items differing from above will be placed on the master calibration log with the expiration date indicated on that item’s certificate of calibration.

Items found out of tolerance require review by management to determine if there is a potential detrimental effect to products and, if so, determine appropriate action.

All new equipment must have current calibration evidence before use.

Calibration methods are per each equipment manufacturer's recommendation. The testing company shall use NIST or other recognized reference standards.

We do not use computer software in any measuring capacity to determine product conformity.

7.1.6 Organizational knowledge

Organizational Knowledge is captured via work instructions and resource documents. Experience is passed to new employees via OJT (on the job training) to Work Instructions and Resource documents. Knowledge needed for positions is defined by the job descriptions.

7.2 Competence

Management assigns personnel in a manner ensuring that those who have responsibilities are competent on the basis of:

- education, meeting the requisite level for the position as identified in the job description(s) and interviewing process;
- experience, relating to the requirements of the position;
- training assessed and provided as necessary on an ongoing basis.

Documented Information pertaining to competence, awareness, and training will be retained.

Competency requirements are relevant for any personnel involved in the operation of the QMS. **Retraining may be used to ensure continued competence, or when a shortcoming is detected in competence.**

7.3 Awareness

We establish and maintain procedures and training for making employees throughout the company aware of:

- required competence of personnel through the use of job descriptions;
- training to address identified needs;
- evaluation of the effectiveness of training at defined intervals;
- the intent of the Quality Policy, Quality Objectives, and the requirements of the Quality Management System;
- their roles and responsibilities in achieving conformance with customer requirements and the Quality Management System;
- the impact of their work activities on quality and the final product;
- **the consequences of quality problems resulting from non-conforming product and/or the departure from specified procedures;**
- maintenance of appropriate documented information for education, training, skills, and experience;
- **the importance of ethical behavior;**
- **Product handling to preserve product, and contributions to product safety;**
- **Changes to quality management system documentation.**

7.4 Communication

Communication related to the QMS will occur as below:

1. Continual communication – **internal**. This mode of communication is to be used as a reminder of our quality policy or changes in the quality system. These can be sent periodically, as a part of a larger campaign or as conditions warrant to effectively engage with internal stakeholders.
2. Continual communication – **external**. This mode is to remind our suppliers and customers about our commitment to quality and may be included in marketing material. These can be sent periodically or as conditions warrant. They may be informational or be part of a larger initiative.

   Continual communications are released at the discretion of the quality department and are not time sensitive.

3. Incident based - **internal**. This communication is triggered by an event that mandates we notify our employees of an incident that affects our product quality, the quality policy in a significant fashion or findings in internal/external audits and necessitates employee awareness.
4. Incident based – **external**. This communication is triggered by an event that requires we notify our external stakeholders of an incident or incidents that affects product quality, our quality policy or other items that may affect end users of any products or services. This may also be the result of notification from a supplier.

Any of the above communication can arise from internal or external feedback regarding issues related to the quality management system.

In advance of releasing incident-based external communications, customer-facing staff should be briefed on how to respond to customers and suppliers.

Content of all communication should contain:

- *What is the urgency?*
- *Who is the audience?*
- *How will this be communicated, email, mail notification?*
- *What is the goal of the communication?*
- *Is there a problem, if so, what is it?*
- *What's the solution?*
- *What's our role?*
- *Is action required on the part of the recipient?*
- *Is this aligned with other communications?*
- *Can the recipient expect further communication?*

There may be other communication considerations as the situation warrants.

7.5 Documented information

We establish and maintain documented information to describe the elements of our Quality Management System and their interaction. Documented information pertaining to these Quality Management System elements is maintained on the computer network:

- *Quality Manual*;
- *Procedures*: describe how policies are practiced through operating processes;
- *Work Instructions*: details on a specific task, in support of a procedure or policy;
- *Training*: documented information used for on-the-job training with signoffs as employee progresses in training;
- *Forms*: intended to capture information or data and when completed constitute documented information;
- *Resources*: supplemental information that may be needed to accomplish a higher-level task;
- ***Traceability Records*: for products;**
- ***Product Conformity*;**
- ERP: Purchase Orders, Records, Order Fulfillment, Shipment, Receipts;
- Computer Network may contain records not stored in ERP.

This documented information, as well as memos, emails, meeting minutes, and the system processes they describe, formally illustrate internal communication regarding the function and effectiveness of the Quality Management System and comply with all applicable regulatory requirements.

Documented information required by the standard may be combined and may be covered by more than one information source, as applicable.

Prior to 3/26/25, records were kept for a period of 10 years. Effective 3/26/25, records will be maintained for 25 years. After 25 years, they will be purged electronically or physically destroyed. Any altered record must indicate the date of alteration, and the person altering it, and be scanned as a new record. No alterations may be made by Krayden to Manufacturer certification documents.

Approval and Issue

All new documents and revisions are submitted to the Quality Team by the document owner. They are reviewed for adequacy and **approved by the Quality Manager, or other designated authority, prior to issue and/or initial release**. When documents of external origin are used in processing operations, they are stored in a controlled directory. Should the need arise, the Quality team will control them in accordance with customer requirements.

Identification and Control

All documented information is titled, dated, and the document is owner identified. Revision level is indicated by the revision date. Where two revisions are made in a day, that second revision will not be published until the next day.

Identification, storage, protection, retrieval, retention and archiving of most documented information is accomplished electronically by using the ERP system and/or the network. System integrity and back-up is maintained by the internal ICT team.

Storage and Retrieval

Documented information is published electronically to ensure legibility and is available on the network to those performing the task defined and/or those having responsibility for the document.

Everyone in the company has access only to relevant up-to-date information, including internal quality records and external information.

Paper records, when they exist, are maintained by the responsible manager.

Obsolete documents will be removed from public areas of the network and archived.

Retained documented information may be in the form of sheets of paper, log sheets, files, photographic or electronic media. When required, they may be presented to customers or authorized agencies.

Electronic records may be accessed, viewed, and retrieved from the ERP System and through the network. These are on-line company-wide systems available to team members at all facilities.

Records in electronic form are backed up per the Control of Technology Procedure.

The paper copies of documented information that are scanned into electronic storage shall be kept as backup for the time indicated below:

- Pick List = 3 months
- Receipt packages = 3 months
- Hazmat shipping papers = 2 years
- HazWaste shipping papers = 3 years
- NOTE: The above Haz paper retention times are US requirements. Retention times may vary in other countries.

Disposition of Records

In the event that Krayden ceases operations, customers requiring transfer of quality records will be contacted to arrange for the transfer of such records.

Documentation changes

When required, document changes will be made to improve the Quality Management System, processes, or products. Documents are reviewed on an as-needed basis.

Suggested revisions or deletions of documents are submitted for review and approval to the document owner. Once approved by the document owner, it will be sent to the Quality Manager, or other designated authority, for final approval and publishing.

Management assesses the impact of changes, as necessary, prior to change and issue. Changes are summarized or suitably identified within the document or attachments when practical. Major document

changes will be reported in the management review meeting and communicated to affected employee groups.

Training of employees to procedures or changes falls under the responsibility of the department manager or supervisor for the particular procedure.

Translations

Documented information may be translated using various software methods, this is for convenience and in the event of any discrepancy between the translated version and the original version published in English, the original English version shall govern.

8. OPERATION

8.1 Operational planning and control

Product realization is achieved through proper planning of all activities. These activities include contract review, order entry, product fulfillment, and follow-up. Planning is conducted through the management review. The planning is documented in the various Procedures and Work Instructions.

We order products from original manufacturers and their authorized sources. At receipt, the product, lot, and necessary data are verified against the PO and packing slip information. The primary tool is visual inspection of paperwork, labels, and containers (see Receiving Work Instruction.) Once stocked, inventory levels are monitored, and products are stored as required by the manufacturer. Products are ordered for shipment using the ERP system. During the shipment process, products, paperwork, and labeling are checked for conformity to requirements (see Shipping Work Instruction.) After shipment, customer feedback is used to determine if any further actions are required.

FOD prevention is primarily achieved by maintaining all packaging provided by the manufacturer. Devices to measure storage temperature of products ensure continued conformity to requirements (see 7.1.5.)

There is an established, implemented, and maintained process to place and control the temporary or permanent transfer of work, to ensure the continuing conformity of the work to requirements. The process ensures that work transfer risks and impacts are managed.

8.1.1 Operational Risk Management

We plan, implement, and control a process to manage operational risks to the achievement of applicable requirements of the products and services:

- ***a) Assignment of responsibilities for operational risk management;***
- ***b) Definition of risk assessment criteria (e.g., likelihood, consequences, risk acceptance);***
- ***c) Identification, assessment, and communications of risks throughout operations;***
- ***d) Identification, implementation, and management of actions to mitigate risks that exceed the defined risk acceptance criteria;***
- e) ***Acceptance of risks remaining after implementation of mitigating actions.***

8.1.2 Configuration Management

Primary control of product configuration is achieved by manufacturers' assignment of different part numbers.

Certification to specifications is the primary product configuration component that is within our realm of control.

Products will be purchased with certification to specifications based on historical ordering patterns. When a customer order is received for certification to specification not already in the plan, the Inventory Management Department will order product or certification as necessary to fulfill the order.

Certification to specification configuration is identified by the test reports on file for the specific lot and part.

Certification to specification change control is realized through two methods. The vendor may identify changes to availability of specifications and revisions. Alternately, the customer may submit revisions to specifications to the Vendor, who will review and publish approval and certification to the revised specifications.

Accounting of available specifications is available at all times through the inventory system.

Every order is reviewed for compliance to specification requirements. Certification documents are audited for product, lot, quantity, specification, and traceability during processing.

8.1.3 Product Safety

The processes needed to assure product safety during the product lifecycle have been planned, implemented, and maintained. Product safety is ensured through collection of raw material certifications and outside services, critical dimension testing, foreign object testing, and protection of product during processing.

8.1.4 Prevention of Counterfeit Parts

Primary prevention of counterfeit parts is achieved by purchasing products through the manufacturer or their authorized distributor network. Purchasing sources are controlled via the ERP system. Traceability to the OEM through certification documents and shipping documents are used for further verification. Suspected counterfeit parts shall be controlled as nonconforming material. (see 8.7.)

8.1.5 Prevention of Suspected Unapproved Parts

Unapproved or suspected unapproved parts shall be controlled as nonconforming material.

8.2 Requirements for products and services

8.2.1 Customer communication

Product Information

We publish a line card and website containing product line information. Specific information on products is conveyed from manufacturers. Information concerning changes or discontinuation of products is conveyed to pertinent customers.

Order Administration and Coordination

We establish and maintain a process for coordinating quotations, contracts, purchase orders and drawings as needed between Customer Service and the customer. The order fulfillment process addresses the proper process for entering an approved order. We ensure that all purchase orders to subcontracted suppliers shall include an adequate and complete description of the products being procured. The description shall include, but not be limited to: part number, drawing revision, packaging and shipping instructions and other applicable data.

Negotiation and Acceptance of Sale

When negotiation is required for the resolution of a contract or order requirements differ from those previously expressed, or to secure acceptable conditions for the organization, the Management Team or Sales Representatives are available to assist Customer Service Representatives. The acceptance of all sales agreements is subject to the creditworthiness of the customer.

Per 4.3, we do not plan to handle any customer property other than intellectual property in the form of specifications or drawings. Control of such customer property is handled per section 7.5 Documented Information.

When a situation arises where normal process will not meet a customer requirement, customer service will communicate contingencies such as expedited shipping, drop shipping from the manufacturer, or substitution with alternate sizes or products.

Post-Delivery

Customer feedback, complaints, and scorecards are all collected post-delivery when available.

8.2.2 Determining the requirements for products and services

We have established processes for Order Fulfillment, and an Inventory Management Process to identify customer-related processes and requirements including:

- customer requirements for availability, delivery, and support of product and/or service;
- obligations related to product and/or service, including regulatory and legal requirements;
- the organizational capability to meet customer requirements and minimizing the acceptance of undesired risks;
- ***special requirements of the products and services are determined;***
- ***operational risks (e.g. new technology, ability and capacity to provide, short delivery timeframe) have been identified.***

Regulatory and statutory requirements related to products and processes are also reviewed prior to acceptance when applicable (ex: international shipping requirements, import/export licensing requirements). Other requirements also addressed are: actions under warranty provisions, return authorizations, contractual obligations such as maintenance, and supplementary services such as recycling and or final disposal.

8.2.3 Review of the requirements for products and services

We have established procedures for Order Fulfillment, and an Inventory Management Procedure to identify customer related processes and requirements including:

- customer requirements for availability, delivery, and support of product and/or service;
- obligations related to product and/or service, including regulatory and legal requirements (ITAR);
- the organizational capability to meet customer requirements and minimizing the acceptance of undesired risks.

Regulatory and statutory requirements related to products and processes are also reviewed prior to acceptance of orders when applicable (ex: international shipping requirements, import/export licensing requirements). Other requirements addressed are: actions under warranty provisions return authorizations, contractual obligations such as maintenance, and supplementary services such as recycling and/or final disposal.

We establish and maintain the Order Entry Work Instructions and the Customer Requirements resource document for reviewing and accepting orders for products and/or services, including possible risks (e.g.: new technology, shortened delivery times, special shipping conditions, etc.)

Prior to acceptance of an order, customer service will identify the scope of work, the price of products, services, general terms, conditions, and risks, as well as any special conditions applicable to the order.

The authority required for acceptance of an order depends on the scope and the total cost of the products and/or services being considered and is subject to management approval. **In cases where some requirements cannot be fully met, we will negotiate with the customer for a mutually acceptable agreement.**

Order and/or Contract Amendment

Orders or contracts are amended via phone, fax, or e-mail. Revisions are attached directly to the original order/contract. Where product requirements are changed, relevant documentation is amended, and relevant personnel are made aware of revisions. All amendments must be received in the same manner (verbal or written) as the original order. All amendments must be confirmed back to the customer.

8.2.4 Changes to requirements for products and services

Orders or contracts are amended via phone, fax, or e-mail. Revisions are attached directly to the original order/contract. Where product requirements are changed, relevant documented information is amended, and relevant personnel are made aware of revisions. All amendments must be received in the same manner (verbal or written) as the original order. All amendments must be confirmed back to the customer.

8.3 Design and development of products and services

Section 8.3 is not applicable to Krayden companies. We do not design and develop products, but serve as a stocking distributor for various manufacturers. Some locations may build to print, but do not design.

8.4 Control of externally provided processes, products and services

8.4.1 General

Purchasing and Receiving Work Instructions describe the process for ensuring that externally provided products conform to requirements.

Vendor Approval

Material supplier evaluations will be performed in accordance with activity levels and evaluations directed by top management. Once a material supplier is approved, they remain approved until the expiration date of the approval criteria; as follows:

Certificate – ISO9001, AS9100, AS9120 – expiration on certificate
Survey – 2 years
Manager Approval – 1 year

Approval criteria, order of preference:

1. Submission of a current version of ISO 9001, AS9100, or AS9120 Registration Certificate or equivalent.

2. Complete Supplier Quality Survey.

3. Material vendors which do not meet any of the above must submit evidence of their quality management system i.e., Quality System Manual, and be approved by a Manager.

A register of vendors, approval status and scope of approval is maintained in the ERP system. A vendor's status as an approved vendor can be revoked at any time for cause. Only active vendors are accessible by employees in ERP.

Inventory Maintenance Responsibilities

The Inventory Management Department is responsible for monitoring and maintaining inventory levels; the goal of IM is to keep a healthy inventory of all standard items, to bring in specialty items as fast as possible, to find outlets for materials that are approaching expiration, and to return materials that are defective. In addition, IM assists customer service with other issues that may arise relating to materials. The methods used to achieve these responsibilities and goals are to:

- Identify inventory shortages and surpluses;
- Monitor existing purchase orders;
- Find new materials at customer request;
- Identify/tie items to specifications;
- Order certification and test reports;
- Inventory Adjustments;
- Update Item Numbers and Pricing;
- Process nonconformances with vendors, including counterfeit and/or unapproved parts.

Contract Warehousing – Contract Warehouses may be established when necessary to have local warehousing. Contract Warehouses are approved and maintained by IM. Order paperwork is prepared by a trained warehouse associate, and transmitted to the contract facility, with the Picking and Packing Slips listing all requirements for the order. Follow up is done by the trained warehouse associate in the same manner as a Krayden warehouse. Open order, On-Time Shipment, and Nonconformances are logged in the same manner as Krayden Warehouses. Contract warehouses are responsible for maintaining inventory.

Repackaging – When requested by customers, and allowed by the Manufacturer, products may be repackaged into different package configurations. Repackaging requirements are transmitted to vendors via Purchase Orders and Purchasing Terms.

8.4.2 Type and extent of control

Verification of Krayden's purchasing requirements is performed by the Receiving Department. Product labeling, condition, and paperwork are compared to the Krayden PO requirements before purchased products are placed into inventory. Details can be found in the Receiving work instruction. **Top 10 vendors or vendors accounting for 80% of supply by business unit will be evaluated quarterly using a scorecard.**

8.4.3 Information for external providers (Purchasing Information)

Purchase Orders (POs) are prepared by Inventory Management. The POs clearly describe the product ordered, including where applicable:

- quantity
- **specification, type, class, grade, and revision;**
- part number or description;
- certificates of Conformance/Acceptance, technical data;
- Safety Data Sheets.

The document "Purchase Order Terms and Conditions" is made available to external providers, and describes these requirements:

- **requirements for qualification of personnel as applicable;**
- **right of access by the organization, their customer and regulatory authorities to all facilities involved in the order and to all applicable documented information;**
- **requirement to notify organization of nonconforming product; to obtain approval of dispositions of nonconforming product;**
- **to notify organization of changes to product, processes, and suppliers;**
- **to flow down customer requirements as applicable;**
- **Requirements for retention of documented information.**
- ***Design and development control***

Based on information generated by purchasing replenishment programs, material is ordered on a daily basis by various members of the Inventory Management team. Each member has a specific

vendor/product line list that they are responsible for. Inventory levels are reviewed at least once a week for all vendors.

Purchase orders may be sent directly from the ERP software, a hard copy can be printed and faxed, or a purchase order can be placed over the phone or in vendor portals. Confirmation information is entered into the ERP system by IM personnel.

There is no set dollar limit that an Inventory Management Representative can purchase. Nevertheless, management may review purchase orders for accurate information and question any purchase order or line item. Purchasing may establish local limits above which additional approvals may be required.

8.5 Production and service provision

8.5.1 Control of production and service provision

Production and servicing processes are planned and documented information is maintained through the Receiving Work Instruction and the Shipping Work Instruction.

Production areas are regularly cleaned to provide a suitable production and working environment. The inspection status of a product is identified with respect to requirements when applicable. In the case where traceability is a specified requirement, methods for unique identification of individual product/batches will be followed per customer requests.

8.5.1.1

Production equipment has validation requirements built into procedures for use, as required.

8.5.1.2

For processes where the resulting output cannot be verified by subsequent monitoring or measurement, the company establishes arrangements for these processes including, as applicable:

- ***definition of criteria for the review and approval of the processes;***
- ***determination of conditions to maintain the approval;***
- ***approval of facilities and equipment;***
- ***qualification of persons;***
- ***use of specific methods and procedures for implementation and monitoring the processes;***
- ***requirements for documented information to be retained.***

8.5.1.3

- ***The company implements production process verification activities to ensure the production process is able to produce products that meet requirements.***
- ***The company uses a representative item from the first production run of a new part or assembly to verify that the production processes, production documentation, and tooling are able to produce parts and assemblies that meet requirements. This activity shall be repeated when changes occur that invalidate the original results (e.g., engineering changes, production process changes, tooling changes).***

- ***The company retains documented information on the results of production process verification.***

8.5.2 Identification and traceability

We maintain documented information for the inspection of products and paperwork at receipt, during storage, and prior to release, which indicates the conformance, or nonconformance status of that product. We do not test any purchased product. The manufacturer provides all tests results and Certificates of Conformance or Analysis as applicable. Materials are handled carefully to ensure traceability of batch numbers, expiration dates, temperature requirements and other applicable identification requirements as specified by the customer and/or regulatory requirements. Products are identified from receipt to shipping, including: batch numbers, lot numbers and special identification requirements of the customer as applicable. The organization ensures that accurate documented information is kept. This includes written signatures, electronic signatures, passwords, and data entries as applicable. **Acceptance stamps are not used.** All products are considered as "new" condition unless otherwise noted. **Unserviceable product is segregated per the Control of Nonconforming Material Procedure.**

When allowed by manufacturers, we may split products into alternate packaging. The process for the splitting operation will describe the scope of the operation, including methods used to ensure continuance of traceability during processing.

8.5.3 Property belonging to customers or external providers

We do not plan to possess customer-owned physical property. In the case of intellectual property, including customer furnished data or information used for design, production and/or inspection, the organization uses current technology to securely receive and store the intellectual property. Data is handled through the Technology Control Procedure.

Krayden Europe performs contract warehousing and shipment services of customer-consigned materials. This process is known as Order Fulfillment, and is completely outside the scope of the QMS.

8.5.4 Preservation

A First-In-First-Out rotation policy ensures conformity to internal requirements and customer needs from receiving through delivery of product. These include but are not limited to: detection and removal of foreign material, prevention of foreign material, hazardous material requirements, applicable safety warnings and labels, shelf-life requirements, environmental controls and other special handling requirements as applicable by law or regulatory agencies.

We also take steps to ensure that any documented information required by the customer to accompany the product are present at delivery and are protected against loss and deterioration as applicable.

8.5.5 Post-delivery activities

Although individual contracts may require additional activities, the planned post-delivery activities are generally limited to customer feedback processing and exchange of information on warranty claims or notifications of defective products discovered after delivery. In cases of branded products, control, updating, and provision of technical documentation relating to product use, maintenance, repair, and overhaul is also considered.

8.5.6 Control of changes

Process changes are made per section 7.5 Documented Information.

8.6 Release of products and services

The Receiving Work Instruction controls verification of products and release to stock.

The Shipping Work Instruction outlines verification and release of products sent to the customer. The Krayden Certificate of Compliance serves as a statement that products are traceable and that documented evidence of conformity is retained.

To demonstrate product qualification, documented evidence will be retained showing that the products meet the requirements.

8.7 Control of nonconforming outputs

We implement and maintain the Control of Nonconforming Material Procedure to ensure that materials that do not meet specified requirements are identified and prevented from unintended use. Control is provided for identification, documentation, evaluation, segregation, disposition, and notification of nonconforming material.

We ensure that any non-conforming material that requires reporting to regulatory authority is done so in the time frame applicable to such authority(s). Notification would include a clear description of the non-conformity, parts affected, part numbers, quantities, dates delivered and any other critical information as applicable.

A member or members of the US Quality team will maintain GIDEP membership on behalf of Krayden, Inc. They will evaluate all reports from GIDEP and evaluate if they might affect Krayden operations or products. Any issues will follow the Control of Nonconforming Material Procedure for assessment. They will also evaluate whether GIDEP reports should be submitted for potential issues with parts sold by Krayden or Krayden suppliers.

Core processes are measured. Failure to perform to goals within these processes will be evaluated for a corrective action.

9. PERFORMANCE EVALUATION

9.1 Monitoring, measurement, analysis, and evaluation

9.1.1 General

We define plans and implement measurement, monitoring, and analysis activities to assure the continued performance and conformance of processes, products, services to requirements, and to achieve improvement of the Quality Management System. Consideration has been given to:

- the type, location, timing and frequency of measurements;
- requirements for documented information;
- the use of appropriate statistical techniques;
- the effectiveness of implemented methods.

The results of measurement and analysis activities identify potential areas for improvement and provide input for Management Review.

The Quality Management System processes are measured on an ongoing basis through review of Internal Audits, Third-Party Audits, Customer Complaints and Customer Surveys. In the event that any of these processes are nonconforming, corrective actions will be implemented.

Key Process Indicators and Quality Metrics are defined in their respective controlled documents. Data is reviewed monthly, and in the event that a metric or KPI goal is not met for three consecutive measurements, corrective action will be initiated.

In the event of process deviation, the following actions are taken, as applicable:

- Appropriate action to correct the nonconforming process;
- Evaluate whether the process deviation has resulted in product non-conformity;
- Identify and control the non-conforming product.

9.1.2 Customer satisfaction

Through sales management processes, customer satisfaction is monitored as a measurement of Quality Management System performance and value. The appropriate documented information is analyzed to provide information regarding conformance to customer requirements, and customer satisfaction and/or dissatisfaction.

The monitoring of customer perception may include input from sources such as nonconformances, compliments, on-time delivery performance, customer report cards, and other sources as applicable. **The top 5 Aerospace and Defense customers will be annually reviewed as a priority. These are discussed during the Management Review meetings.**

9.1.3 Analysis and evaluation

Management collects and analyzes data through various means (trend analysis, sales performance, audits, etc.) to determine if the Quality Management System is being maintained, efficient, and effective.

Management reviews data from customer satisfaction surveys, audit reports, customer complaints, trends observed from collected data of process/products and their relationship to customer requirements. Results from the inspection of material received from vendors is also reviewed. This information is reviewed and addressed through periodic Management review meetings and their appropriate meeting minutes.

9.2 Internal audit

We plan and conduct internal audits of the entire Quality System to evaluate the effectiveness of the system as a whole and the various individual elements as well as the conformity to any regulatory requirements or standards.

Internal Audits will be conducted at planned intervals as outlined on the Internal Audit Schedule. The Quality Manager will be responsible for updating the Internal Audit Schedule as needed and for scheduling with the Internal Auditor(s) to complete. To promote objectivity and impartiality, the selection of internal auditors shall ensure that no auditor will be auditing their own area or department. The audit schedule is synchronized as much as possible with the management review of the quality system, so that results of an auditing cycle can be available for the management review meeting. During this meeting, status of each audit will be determined based on results of previous internal audits, input from management and other data collected.

We have deemed the Order Entry and Shipping processes of the Product Realization process to be the most critical processes for meeting customer requirements and thus upholding our Quality Policy. As such, these processes are audited more frequently than other areas.

An Internal Audit form will be used as an audit guide. Export compliance will be audited annually as a standalone audit.

Any nonconformities discovered through the Internal Audit Process will be addressed through a corrective action request submitted by the Internal Auditor to the Quality Manager. The Quality Manager verifies successful implementation of the corrective action including follow-up audits to verify the ongoing effectiveness of the corrective action(s).

It is the responsibility of the Quality Manager or designee to evaluate all corrective action items for effective implementation before signing off as completed.

Audits are closed upon the completion of corrective actions and verification of the findings. The Quality Team prepares a final report which is submitted to Top Management and the affected department(s).

The Quality Manager maintains a history file on audits which includes findings, corrective actions, and any other pertinent data.

9.3 Management review

Top Management annually reviews the Quality Management System for suitability and effectiveness during the Management Review Meetings. Management reviews the following:

Inputs

The periodic Management Review includes information on:

a. follow-up action from previous management reviews;
b. changes that could affect the Quality Management System;
c. information on the performance and effectiveness of the Quality Management System, including trends in:
    1. customer satisfaction and feedback;
    2. quality objectives;
    3. process performance and product conformity;
    4. status of nonconformities and corrective actions;
    5. results of monitoring and measurement;
    6. results of audits;
    7. performance of external providers;
    8. **on-time shipment performance;**
d. assignment of resources;
e. effectiveness of actions taken regarding risks and opportunities;
f. recommendations for improvement.

Outputs

Outputs of the Management Review Meetings are listed in the minutes which are retained as documented information. These include but are not limited to the following:

a. opportunities for improvement of the Quality Management System and its processes;
b. need for changes to the Quality Management System;
c. resources needed;
d. risks identified.

10. IMPROVEMENT

10.1 General

Opportunities for improvement to customer service and improvements that prevent, reduce, or mitigate effects of negative factors are reviewed and implemented. Origin of these opportunities includes Nonconformances, Corrective Actions, Continual Improvements, and strategic projects. There is a strategy team devoted to helping the company prioritize initiatives for long-term improvement of the business. Priorities are weighted based on the reason for doing them: customer/regulatory requirement; dependency for another project; increased accuracy, efficiency, or productivity; cost savings; or want.

10.2 Nonconformity and corrective action

Nonconforming product is dealt with in accordance with section 8.7.

Any employee or customer may request a Corrective Action; however, it is the responsibility of a member of the management team to determine if the request is valid before proceeding.

All actions taken to correct nonconformities shall be to a degree appropriate to the magnitude of the problem and commensurate with the risks encountered.

Once the management team has determined to assign resources to investigate a Corrective Action Request (CAR), the CAR form will be used to document the elements of a proper investigation. This includes:

- identification of nonconformities;
- determination of the causes of nonconformities, **including human factors**;
- evaluation of actions needed to ensure nonconformities do not recur;
- implementation and timeliness of necessary action;
- recording the results of actions taken;
- review that actions taken were effective;
- **flow down of the corrective action requirement to a supplier and/or manufacturer, when it is determined that the supplier and/or the manufacturer is responsible for the root cause**;
- **specific actions where a timely and/or effective action is not achieved**;
- actions would also include: the withdrawal of products from stock that are suspected of a non-compliance. Including notification of all customers of the action(s) taken who have purchased the product form the same lot or batch.

Corrective action requests submitted by the customer will be processed and returned by the due date. Vendor-involved corrective actions are controlled by the vendor response time. Customer forms may be used when required by the customer. Our Corrective Action Request form will be used when no specific form is provided by the customer.

When a CAR is issued to suppliers, our Corrective Action Request form may be used.-Top management will be informed of any supplier failing to reply to CAR's.

The Quality Manager is responsible for addressing the status of open corrective actions in the Quality meeting. A log will be used to address/monitor the status of the Corrective Action process. Corrective actions from registrars, customers, internal, or regulatory agencies will be captured on the log. The log may also be used to address and monitor supplier corrective action requests.

10.3 Continual improvement

We facilitate the planning and management for continual improvement of the Quality Management System through strategic planning activities and the processes related to the inputs and results of periodic Management Review meetings, internal audits, third-party audits, vendor audits, etc.

This includes but is not limited to the following:

- Quality Policy;
- Planned Objectives from previous meetings;
- Internal, external and third-party audits as applicable;
- Corrective Action Plans;
- Employee Suggestions.

All continual Improvement opportunities will be evaluated for implementation by the Management Team. Documented information of implemented improvements and evaluation of their effectiveness will be maintained.

The Continual Improvement Log lists opportunities for additions or changes submitted by frontline employees. The log will be reviewed for ideas that will improve the Quality Management System in a profitable manner. There is no intent that action be taken on every suggestion.

Revision Record

Revision Date	Approved By	Description of Change
3/2/2026	John King	Added Business Code of Conduct and Confidentiality policy reference to 4.1. Update Bonding Source scope in 4.3 to reference 8.5.1 (service only), added Krayden Europe to the table, and separate Aerospheres USA (MH) from AEUK. Change site to division in 6.2. Added review by quality in 6.3. Add note about paper retention times in 7.5. Some non-text graphical edits made.