PRECISE INDUSTRIES INC

Quality Manual

Revision N

Issued July 5, 2017

Conforms to AS9100 Rev. D and ISO 9001:2015

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1.0 Revision History and Approval

Rev.	Nature of changes	Approval	Date
[Rev Number]	Original release.	[Quality Manual Approver Name]	[Date of Issue]
N	Modified to as9100 standard	Greg Hauser	7/5/2017

2.0 Welcome to PRECISE INDUSTRIES INC.

Precise Industries is a company of people, a talent pool with both journeyman and management skills developed over many years working together as a team. Experience and positive attitudes make Precise Industries manufacturing team you will want to work with. When you visit our facility you will find lean manufacturing cells that specialize in specific customer's product. This means your project is worked on by the same skilled people throughout the production run. This results in continuous improvement in the quality and product manufacturability, thus keeping the cost down and the repeatability high.

At Precise Industries we partner with our customers to produce a mutually rewarding relationship.

3.0 Terms and Definitions

Precise adopts the following terms and definitions within its Quality Management System. Where no definition is provided, the company typically adopts the definitions provided in ***ISO 9000: Quality Management – Fundamentals and Vocabulary*** and AS9100 Rev D. In some cases, specific procedures or documentation may provide a different definition to be used in the context of that document; in such cases, the definition will supersede those provided for in this Quality Manual or the referenced definition sources.

General Terminology

[Precise] – PRECISE INDUSTRIES INC

Document – written information used to describe how an activity is done.

Record – captured evidence of an activity having been done.

Risk-Based Thinking Terminology

Risk – Negative effect of uncertainty

Opportunity – Positive effect of uncertainty

Uncertainty - A deficiency of information related to understanding or knowledge of an event, its consequence, or likelihood. (Not to be confused with measurement uncertainty.)

Nonconforming Product Terminology

Rework: Efforts to bring nonconforming product into conformance through additional operations that *do not* alter the original design of the product.

Repair: Efforts to bring nonconforming product into conformance through additional operations that alter the original design of the product; this may be through the addition of material no specified in the original design, or through altering pre-existing design features.

Scrap: The discard of nonconforming product in lieu of rework or repair.

4.0 Context of the Organization

4.1 Understanding the Organization and Its Context

Precise has reviewed and analyzed key aspects of itself and its stakeholders to determine the strategic direction of the company. This requires understanding internal and external issues that are of concern to Precise and its interested parties (per 4.2 below); the interested parties are identified per the document ***Responsibility, authority, and communication.***

Such issues are monitored and updated as appropriate, and discussed as part of management reviews.

4.2 Understanding the Needs and Expectations of Interested Parties

The issues determined per 4.1 above are identified through an analysis of risks facing Precise and its interested parties. “Interested parties” are those stakeholders who receive our Products or who may be impacted by them, or those parties who may otherwise have a significant interest in our company.

This information is then used by senior management to determine the company’s strategic direction. This is defined in records of management review, and periodically updated as conditions and situations change.

4.3 Determining the Scope of the Quality Management System

Based on an analysis of the above issues of concern, interests of stakeholders, and in consideration of its products and services, Precise has determined the scope of the management system as follows:

Manufacture and fabrication of sheet metal products.

The quality system applies to all processes, activities and employees within the company. The facility is located at:

610 Neptune ave
Brea, CA 92821

Phone: 714-482-2333
Fax: 714-482-2332

Web: www.preciseind.com

The following clauses of AS9100 were determined to be not applicable to Precise

- Design

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4.4 Quality Management System and Its Processes

4.4.1 Process Identification

Precise has adopted a process approach for its management system. By identifying the top-level processes within the company, and then managing each of these discretely, this reduces the potential for nonconforming Products discovered during final processes or after delivery. Instead, nonconformities and risks are identified in real time, by actions taken within each of the top-level processes.

Note: not all activities are considered "processes" – the term "process" in this context indicates the activity has been elevated to a higher level of control and management oversight. The controls indicated herein are applicable only to the top-level processes identified.

The following top-level processes have been identified for Precise:

- Process For Shipping
- Order/Contract Review

Each process may be supported by other activities, such as tasks or sub-processes. Monitoring and control of top level processes ensures effective implementation and control of all subordinate tasks or sub-processes.

Each top-level process has a document which defines:

- applicable inputs and outputs
- process owner(s)
- applicable responsibilities and authorities
- applicable risks and opportunities
- critical and supporting resources
- criteria and methods employed to ensure the effectiveness of the process
- quality objectives related to that process

The sequence of interaction of these processes is illustrated in Appendix A.

Note: Appendix A represents the typical sequence of processes, and may be altered depending on customer or regulatory requirements at the job or contract level, as needed.

4.4.2 Process Controls & Objectives

Each process has at least one objective established for it; this is a statement of the intent of the process. Each objective is then supported by at least one "metric" or key performance indicator (KPI) which is then measured to determine the process' ability to meet the quality objective.

Note: some processes have multiple objectives and multiple metrics. This is determined by the nature of the process, it's impact on Products and associated risks.

Note: Whereas ISO 9001 discusses process measurements and "quality objectives" as separate concepts, [Short Client Name] combines them; i.e., quality objectives are used to control the processes. Additional objectives for Products may be assigned, but these will also be used to measure process effectiveness.

Throughout the year, metrics data is measured and gathered by process owners or other assigned managers, in order to present the data to Senior Management Team. The data is then analyzed by Senior Management in order that Senior Management Team may set goals and make adjustments for the purposes of long-term continual improvement.

The specific quality objectives for each process are defined in the applicable key performance indicaors Metrics, along with current standings and goals for each objective, are recorded in records of management review.

When a process does not meet a goal, or an unexpected problem is encountered with a process, the corrective and preventive action process is implemented to research and resolve the issue. In addition, opportunities for improvement are sought and implemented, for the identified processes.

4.4.3 Outsourced Processes

Any process performed by a third party is considered an “outsourced process” and must be controlled, as well. The company’s outsourced processes, and the control methods implemented for each, are defined in.

The type and extent of control to be applied to the outsourced process take into consideration:

a) the potential impact of the outsourced process on the company’s capability to provide product that conforms to requirements,

b) the degree to which the control for the process is shared,

c) the capability of achieving the necessary control through the purchasing contract requirements.

5.0 Leadership

5.1 Leadership & Commitment

5.1.1 General

Senior Management Team of Precise provides evidence of its leadership and commitment to the development and implementation of the management system and continually improving its effectiveness by:

a) taking accountability of the effectiveness of the management system;

b) ensuring that the ***Quality Policy*** and quality objectives are established for the management system and are compatible with the strategic direction and the context of the organization;

c) ensuring the integration of the management system requirements into the organization’s other business processes, as deemed appropriate

d) promoting awareness of the process approach;

e) ensuring that the resources needed for the management system are available;

f) communicating the importance of effective quality management and of conforming to the management system requirements;

g) ensuring that the management system achieves its intended results;

h) engaging, directing and supporting persons to contribute to the effectiveness of the management system;

i) promoting continual improvement;

j) Supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

Note: "business processes" such as accounting, employee benefits management and legal activities are out of scope of the QMS.

5.1.2 Customer focus

Senior management team of Precise adopts a customer-first approach which ensures that customer needs and expectations are determined, converted into requirements and are met with the aim of enhancing customer satisfaction.

This is accomplished by assuring:

a) customer and applicable statutory and regulatory requirements are determined, understood and consistently met;

b) the risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed;

c) the focus on enhancing customer satisfaction is maintained;

d) product and service conformity and on-time delivery performance are measured and appropriate action is taken if planned results are not, or will not be, achieved.

5.2 Policy

Precise has developed the Quality Policy, defined in section 3.0 above, that governs day-to-day operations to ensure quality.

The Quality Policy is released as a standalone document as well, and is communicated and implemented throughout the organization.

The Quality Policy of Precise is as follows:

Precise Industries recognizes that Quality is everyone's responsibility. Our future is dependent upon customer satisfaction. Toward that goal, all employees will strive to generate zero defects, 100% on time deliveries, and work to continually improve all aspects of Precise Industries

5.3 Organizational Roles Responsibilities and Authorities

Senior Management has assigned responsibilities and authorities for all relevant roles in the company. These are communicated through the combination of the ***Org Chart*** and Position Description.

The I.T. Manager has been assigned the role of Management Representative when having a single point of contact to represent the precise quality system is useful or required by customer or regulations. The senior management team shall also be responsible for:

a) ensuring that the quality management system conforms to the requirements of this International Standard;

b) ensuring that the processes are delivering their intended outputs;

c) reporting on the performance of the quality management system and on opportunities for improvement, in particular to top management;

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.

Other duties of the Management Representative may be defined herein or within other documented procedures.

6.0 Planning

6.1 Actions to Address Risks and Opportunities

Note Precise deviates slightly from the approach towards risk and opportunity presented in ISO 9001. Instead, Precise views "uncertainty" as neutral, but defines "risk" as a negative effect of uncertainty, and "opportunity" as a positive effect of uncertainty. Precise has elected to manage risks and opportunities separately, except where they may overlap. Formal risk management may not be utilized in all instances; instead, the level of risk assessment, analysis, treatment and recordkeeping will be performed to the level deemed appropriate for each circumstance or application.

Precise considers risks and opportunities when taking actions within the management system, as well as when implementing or improving the management system; likewise, these are considered relative to products and services. Risks and opportunities are managed in accordance with the document ***Risk Management Procedure***. This procedure defines how risks are managed in order to minimize their likelihood and impact, and how opportunities are managed to improve their likelihood and benefit.

6.2 Quality Objectives and Planning to Achieve Them

As part of the adoption of the process approach, Precise utilizes its process objectives, as discussed in 4.4 above, as the main quality objectives for the QMS. These include overall product-related quality objectives; additional product-related quality objectives may be defined in work instructions or customer requirements.

The process objectives have been developed in consideration that they:

a) be consistent with the quality policy;

b) be measurable;

c) take into account applicable requirements;

d) be relevant to conformity of products and services and to enhancement of customer satisfaction;

e) be monitored;

f) be communicated;

g) be updated as appropriate.

Process quality objectives are defined in the minutes of management review per section 9.3 below.

The planning of process quality objectives is defined in section 4.4. above.

6.3 Planning of Changes

Changes to the quality management system and its processes are carried out in a planned manner.

7.0 Support

7.1 Resources

7.1.1 General

Precise determines and provides the resources needed:

a) to implement and maintain the management system and continually improve its effectiveness

b) to enhance customer satisfaction by meeting customer requirements

Resource allocation is done with consideration of the capability and constraints on existing internal resources, as well as needs related to supplier expectations.

Resources and resource allocation are assessed during management reviews.

7.1.2 People

Senior management ensures that it provides sufficient staffing for the effective operation of the management system, as well its identified processes.

7.1.3 Infrastructure

Precise determines, provides and maintains the infrastructure needed to achieve conformity to product requirements. Infrastructure includes, as applicable:

a) buildings, workspace and associated facilities;

b) process equipment, hardware and software;

c) supporting services such as transport;

d) information and communication technology.

Equipment is maintained per our program Maintenance Log

7.1.4 Environment for the Operation of Processes

Precise provides a clean, safe and well-lit working environment. The Senior Management Team of Precise manages the work environment needed to achieve conformity to product requirements. Specific environmental requirements for products are determined during quality planning and are

documented in subordinate procedures, work instructions, or job documentation. Where special work environments have been implemented, these shall also be maintained per 6.3 above.

Human factors are considered to the extent that they directly impact on the quality of Products.

Note: Social, psychological and safety aspects of the work environment are managed through activities outside of the scope of the management system. Only work environment aspects which can directly affect process efficiency or product and service quality are managed through the management system.

7.1.5 Monitoring and Measuring Resources

Where equipment is used for critical measurement activities, such as inspection and testing, these shall be subject to control and either calibration or verification; see the procedure ***Measuring and monitoring equipment.***

Note: Calibration and measurement traceability is not employed for all measurement devices. Instead, Precise determines which devices will be subject to calibration based on its processes, products and services, or in order to comply with specifications or requirements. These decisions are also based on the importance of a measurement, and considerations of risk.

7.1.6 Organizational Knowledge

Precise also determines the knowledge necessary for the operation of its processes and to achieve conformity of products and services. This may include knowledge and information obtained from:

a) internal sources, such as lessons learned, feedback from subject matter experts, and/or intellectual property;

b) external sources such as standards, academia, conferences, and/or information gathered from customers or suppliers.

This knowledge shall be maintained, and made available to the extent necessary.

When addressing changing needs and trends, Precise shall consider its current knowledge and determine how to acquire or access the necessary additional knowledge.

7.2 Competence

Staff members performing work affecting product quality are competent on the basis of appropriate education, training, skills and experience. The documented procedure ***Training And Awareness*** defines these activities in detail.

Note: the management system does not include other aspects of Human Resources management, such as payroll, benefits, insurance, labor relations or disciplinary actions.

7.3 Awareness

Training and subsequent communication ensure that staff are aware of:

a) the quality policy;

b) relevant quality objectives;

c) their contribution to the effectiveness of the management system, including the benefits of improved performance;

d) the implications of not conforming with the management system requirements,

e) relevant quality management system documented information and changes thereto;

f) their contribution to product or service conformity;

g) their contribution to product safety;

h) the importance of ethical behavior.

7.4 Communication

Senior Management of Precise ensures internal communication takes place regarding the effectiveness of the management system. Internal communication methods include

1. use of corrective and preventive action processes to report nonconformities or suggestions for improvement
2. use of the results of analysis of data
3. meetings (periodic, scheduled and/or unscheduled) to discuss aspects of the QMS
4. use of the results of the internal audit process
5. regular company meetings with all employees
6. internal emails
7. memos to employees
8. Precises' open door policy, which allows any employee access to Senior Management for discussions on improving the quality system

7.5 Documented Information

The management system documentation includes both documents and records.

Note: the ISO 9001:2015 standard uses the term "documented information"; Precise does not use this term, but instead relies on the terms "document" and "record" to avoid confusion. In this context the terms are defined by Precise as provided for in section 3.0 above. Documents and records undergo different controls as defined herein.

Documents required for the management system are controlled in accordance with procedure ***Control of Documents.*** The purpose of document control is to ensure that staff has access to the latest, approved information, and to restrict the use of obsolete information. All documented procedures are established, documented, implemented and maintained.

A documented procedure ***Control of Records*** has been established to define the controls needed for the identification, storage, retrieval, protection, retention time, and disposition of quality records. This procedure also defines the methods for controlling records that are created by and/or retained by suppliers.

Configuration documents are subject to additional controls per section 8.1.2 below.

These controls are applicable to those records which provide evidence of conformance to requirements; this may be evidence of [Product or Service Sing.] requirements, contractual requirements, procedural requirements, or statutory/regulatory compliance. In addition, quality records include any records which provide evidence of the effective operation of the management system.

8.0 Operation

8.1 Operational Planning and Control

Precise plans and develops the processes needed for realization of its Products Planning of Product

realization is consistent with the requirements of the other processes of the management system. Such planning considers the information related to the context of the organization (see section 2.0 above), current resources and capabilities, as well as Product requirements.

Such planning is accomplished through:

a) determining the requirements for the Products;

b) establishing criteria for the processes and the acceptance of Products;

c) determining the resources needed to achieve conformity to the Product requirements;

d) implementing control of the processes in accordance with the criteria;

e) determining, maintaining and retaining documents and records to the extent necessary to have confidence that the processes have been carried out as planned and to demonstrate the conformity of Products to their requirements;

f) determining the processes and controls needed to manage critical items, including production process controls when key characteristics have been identified;

g) engaging representatives of affected organization functions for operational planning and control;

h) determining the process and resources to support the use and maintenance of the Products;

i) determining the products and services to be obtained from external providers;

j) establishing the controls needed to prevent the delivery of nonconforming Products ***to the customer.***

Outsourced processes and the means by which Precise controls them are defined in the documented procedure ***Outsourced Processes.***

Due to the nature of Precises' work, formal program or project management is not implemented.

Process controls include methods to control the temporary or permanent transfer of work, to ensure the continuing conformity of the Products This will consider how work transfer impacts and risks are managed.

In this context, "work transfer" can mean the temporary or permanent handover of work between precise internal processes, between Precise and an external service provider, or between external providers.

For transfers between internal processes, or within precise divisions, these are controlled through normal work planning methods. More complex work transfers are documented on the ***Job Traveler*** form.

For transfers between Precise and an external service provider, or between external providers, these are controlled under the Purchasing requirements defined in section 8.4 below.

8.1.1 Operational Risk Management

Operational risk management is conducted to manage the risks related to Product realization requirements; see section 6.1 on risk and opportunity management above.

8.1.2 Configuration Management

Precise plans, implements, and controls configuration management activities as appropriate to its Products in order to ensure the identification and control of physical and functional attributes throughout the product lifecycle. This is defined in the documented procedure ***Configuration Management.*** This includes document control for configuration documents, and change control for configured items.

8.1.3 Product Safety

Operational controls shall be implemented to assure product safety during the entire product life cycle, where this is appropriate relative to precises' Products. These activities may include:

a) assessment of hazards and management of associated risks;

b) management of safety critical items;

c) analysis and reporting of occurred events affecting safety;

d) communication of these events and training of persons.

8.1.4 Prevention of Counterfeit Parts

Operational controls shall be implemented to assure the prevention of counterfeit or suspect counterfeit part use and their inclusion in product(s) delivered to the customer. These activities are defined in greater detail in the documented procedure ***Counterfeit Part***

8.2 Requirements for Products and Services

8.2.1 Customer Communication

Precise] has implemented effective communication with customers in relation to:

a) Providing information relating to Products or Services;

b) Handling enquiries, contracts or orders, including changes;

c) Obtaining customer feedback relating to products and services, including customer complaints;

d) Handling or controlling customer property;

e) Establishing specific requirements for contingency actions, when relevant.

8.2.2 Determining the Requirements Related to Products and Services

During the intake of new business Precise captures:

a) The requirements for the products and services, including any applicable statutory and regulatory requirements and other requirements deemed necessary by Precise

b) Requirements not stated by the customer but necessary for specified or intended use, where known

c) Operational risks (new technologies, capability and capacity, delivery time frames, etc.)

These activities are defined in greater detail in the procedure ***Risk Management.***

8.2.3 Review of Requirements Related to Products and Services

Once requirements are captured, Precise reviews the requirements prior to its commitment to supply the Product or Service. This review ensures that:

a) product requirements are defined

b) contract or order requirements differing from those previously expressed are resolved

c) the organization has the ability to meet the defined requirements, and/or the claims for the products and services it offers

d) special requirements (see 8.5.1 below) can be met

e) risks have been identified and considered

These activities are defined in greater detail in the procedure ***Contract Review***

8.2.4 Changes to Requirements for Products and Services

Precise updates all relevant requirements and documents when the requirement are changed, and ensures that all appropriate staff is notified; see the documented procedure **Order *Contract Review.***

8.3 Design and Development of Products and Services

Does not apply

8.4 Control of Externally Provided Processes, Products and Services

Precise ensures that purchased Product or Service conform to specified purchase requirements.

Precise evaluates and selects suppliers based on their ability to supply products and services in accordance with the organization's requirements. Criteria for selection, evaluation and re-evaluation are established.

Purchases are made via the release of formal purchase orders and/or contracts which clearly describe what is being purchased. Received products or services are then verified against requirements to ensure satisfaction of requirements. Suppliers who do not providing conforming products or services may be placed on probationary status and or no longer used as a supplier.

These activities are further defined in the documents ***Purchasing Procedure*** and ***Receiving Procedure.***

8.5 Production and Service Provision

8.5.1 Control of Production and Service Provision

To control its provision of Products. Precise considers, as applicable, the following:

a) the availability of documents or records that define the characteristics of the Products as well as the results to be achieved;

b) the availability and use of suitable monitoring and measuring resources;

c) the implementation of monitoring and measurement activities;

d) the use of suitable infrastructure and environment;

e) the appointment of competent persons, including any required qualifications;

f) the validation and revalidation of special processes if applicable (see below);

g) the implementation of actions to prevent human error;

h) the implementation of release, delivery and post-delivery activities.

Where special requirements, key characteristics and/or critical items are identified or deemed appropriate, the processes will be planned and controlled to manage these aspects. See the procedure Paint quality control for guidance on this subject.

Where appropriate, special statistical techniques may be used to control or monitor operational processes. In such cases, the techniques selected shall be based on known standards or otherwise justified as statistically valid. This includes sampling plans when sampling is used for inspection, testing or other purposes.

Some special processes are sent to outside suppliers, and controlled as an outsourced process.

Precise utilizes some “special processes” where the result of the process cannot be verified by subsequent monitoring or measurement. The special processes in use and the methods of validation of each are defined in the document ***Paint quality control***

8.5.1.1 Control of Equipment, Tools and Software Programs

Equipment, tools, and software programs used to automate, control, monitor, or measure production processes are validated prior to final release for production and are be maintained. Special storage requirements, if applicable, are defined for production equipment or tooling including any necessary periodic preservation or condition checks.

8.5.1.2 Validation and Control of Special Processes

Precise utilizes some “special processes” where the result of the process cannot be verified by subsequent monitoring or measurement. The special processes in use and the methods of validation of each are defined in the document ***Paint quality control.***

Some special processes are sent to outside suppliers, and controlled and an outsourced process.

8.5.1.3 Production Process Verification

Paint quality control processes in use as of 6/6/2017 are approved based on previous experience.

New [Production or Service Provision] processes are validated prior to use or implementation. This may include running test product through the new process or equipment, or by performing a First Article Inspection on a part produced by the process, tooling or equipment. First Article is discussed further in section 8.6.4 below.

8.5.2 Identification and Traceability

Where appropriate, Precise identifies its Product or other critical process outputs by suitable means. Such identification includes the status of the Product with respect to monitoring and measurement requirements. Unless otherwise indicated as nonconforming, pending inspection or disposition, or some other similar identifier, all Products shall be considered conforming and suitable for use.

Precise maintains the identification of the configuration of the products in order to identify any differences between the actual configuration and the required configuration.

The documented procedure ***Identification & Traceability*** defines these methods in detail.

If unique traceability is required by contract, regulatory, or other established requirement, precise controls and records the unique identification of the Product. This shall include, as appropriate:

a) product identification to be maintained throughout the product life

b) the ability to trace all products manufactured from the same batch of raw material, or from the same manufacturing batch, to the destination (e.g., delivery, scrap)

c) for an assembly, the ability to trace its components to the assembly and then to the next higher assembly

d) for a product, a sequential record of its production

The documented procedure ***Identification & Traceability*** defines these methods in detail.

8.5.3 Property Belonging to Customers or External Providers

Precise exercises care with customer or supplier property while it is under the organization's control or being used by the organization. Upon receipt, such property is identified, verified, protected and safeguarded. If any such property is lost, damaged or otherwise found to be unsuitable for use, this is reported to the customer or supplier and records maintained.

For customer intellectual property, including customer furnished data used for design, production and / or inspection, this is identified by customer and maintained and preserved to prevent accidental loss, damage or inappropriate use.

This activity is defined in greater detail in the document ***Customer Supplied Products.***

8.5.4 Preservation

Precise preserves conformity of product during internal processing and delivery to the intended destination. This preservation includes cleaning, FOD control, special handling for sensitive products, marking and labeling including safety warnings, shelf life control and stock rotation, and special handling for hazardous materials. Preservation also applies to the constituent parts of a product.

The documented process **Preservation of Product** defines the methods for preservation of product and the documented procedure ***FOD Procedure*** defines the methods for preventing, identifying and controlling foreign objects.

8.5.5 Post-Delivery Activities

Post-delivery activities are conducted in compliance with the management system defined herein. In determining the extent of post-delivery activities that are required, Precise considers:

a) statutory and regulatory requirements;

b) the potential undesired consequences associated with its Products.

c) the nature, use and intended lifetime of its of Products.

d) customer requirements;

e) customer feedback;

f) collection and analysis of in-service data (e.g., performance, reliability, lessons learned);

g) control, updating, and provision of technical documentation relating to product use, maintenance, repair, and overhaul;

h) controls required for work undertaken external to the organization (e.g., off-site work);

i) product/customer support (e.g., queries, training, warranties, maintenance, replacement parts, resources, obsolescence).

When problems are detected after delivery, precise takes appropriate action including investigation and reporting; see section 10.2.

8.5.6 Control of Changes

Precise reviews and controls both planned and unplanned changes to processes to the extent necessary to ensure continuing conformity with all requirements.

Process change management is defined in the document ***Order/Contract Review***Documents are changed in accordance with procedure ***Control of Documents.***

8.6 Release of Products

Products undergo inspection and/or testing to ensure they meet all requirements at critical stages throughout the various processes, and then prior to final delivery.

Measurement requirements are documented; this documentation is part of the order documentation, and includes:

a) criteria for acceptance and / or rejection,

b) where in the sequence measurement and testing operations are performed,

c) a record of the measurement results, and

d) type of measurement instruments required and any specific instructions associated with their use

Test records will show actual test results data when required by specification or acceptance test plan.

Where required to demonstrate Product qualification Precise will ensure that records provide evidence that the Product meets the defined requirements.

When key characteristics have been identified, they are monitored and controlled as required.

Product is not used until it has been inspected or otherwise verified as conforming to specified requirements, except when released under positive-recall procedures pending completion of all required measurement and monitoring activities.

Evidence of conformity with the acceptance criteria is maintained. Records indicate the person(s) authorizing release of Products.

8.6.2 Receiving Inspection and Testing

Incoming raw materials, processed products or other critical received goods undergo inspection and/or testing at receiving, prior to entry into the production processes.

8.6.3 In-Process Inspection and Testing

At defined stages throughout Production inspections and/or tests are conducted to ensure the Products satisfy the requirements for that particular process or activity, prior to being released to the next process or activity. This is defined in ***the job traveler*** documentation specific to each job.

8.6.4 First Article Inspection

First Article Inspections shall be performed at the discretion of Quality and/or when required by customer or contract requirements.

Such First Article Inspections are a complete inspection of a completed part, of all dimensions and criteria, to validate the production processes and equipment. The product used shall be a representative item from the first production run a new part or assembly to verify that the production processes, production documentation and tooling are capable of producing parts and assemblies that meet requirements. This process shall be repeated when changes occur that invalidate the original results (e.g., engineering changes, manufacturing process changes, tooling changes).

Precise uses forms and/or computer software to satisfy first article requirements per AS9102; where the customer dictates a format for First Article reporting, these formats will be used instead.

8.6.5 Final Inspection and Testing

Final acceptance criteria for Products are defined in appropriate subordinate documentation. Reviews, inspections and tests are conducted at appropriate stages to verify that the product and service requirements have been met. This is done before Products are released or services are delivered.

Each process utilizes different methods for measuring and releasing Products These methods are defined in ***the job traveler***

8.7 Control of Nonconforming Outputs

precise ensures that Products or other process outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery.

The controls for such nonconformance's are defined in ***Control of nonconforming material***

9.0 Performance Evaluation

9.1 Monitoring, Measurement, Analysis and Evaluation

9.1.1 General

Precise has determined which aspects of its quality management system must be monitored and measured, as well as the methods to utilize and records to maintain, within this Quality Manual and subordinate documentation.

Monitoring and measurement of the processes, as defined in 4.4 above, ensure that the [Senior Management Team Name] evaluates the performance and effectiveness of the quality management system itself.

9.1.2 Customer Satisfaction

As one of the measurements of the performance of the management system, Precise monitors information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information include:

- recording customer complaints
- product rejections or returns
- repeat orders for product
- changing volume of orders for product
- trends in on-time delivery
- obtain customer scorecards from certain customers
- submittal of customer satisfaction surveys

The corrective and preventive action system shall be used to develop and implement plans for customer satisfaction improvement that address deficiencies identified by these evaluations, and assess the effectiveness of the results.

9.1.3 Analysis and Evaluation

Precise] analyzes and evaluates the data and information arising from monitoring and measurement in order to evaluate:

a) conformity of Products

b) the degree of customer satisfaction;

c) the performance and effectiveness of the quality management system;

d) if planning has been implemented effectively;

e) the effectiveness of actions taken to address risks and opportunities;

f) the performance of external providers;

g) the need for improvements to the quality management system.

Statistical techniques used may be defined in appropriate documented procedures; in all cases, the methods are based on established standards or are otherwise determined to be statistically valid.

9.2 Internal Audit

Precise conducts internal audits at planned intervals to determine whether the management system conforms to contractual and regulatory requirements, to the requirements of ISO 9001, and to management system requirements. Audits also seek to ensure that the management system has been effectively implemented and is maintained.

These activities are defined in the document ***Internal Audits***

9.3 Management Review

The Senior Management Team reviews the management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. The review includes assessing opportunities for improvement, and the need for changes to the management system, including the ***Quality Policy*** and quality objectives.

Management review frequency, agenda (inputs), outputs, required members, actions taken and other review requirements are defined in the documented procedure ***Management Review***

Records from management reviews are maintained.

10.0 Improvement

10.1 General

Precise uses the management system to improve its processes, products and services. Such improvements aim to address the needs and expectations of customers as well as other interested parties, to the extent possible.

Improvement shall be driven by an analysis of data related to:

The results of analysis shall be used to evaluate:

h) conformity of products and services;

i) the degree of customer satisfaction;

j) the performance and effectiveness of the management system;

k) the effectiveness of planning;

l) the effectiveness of actions taken to address risks and opportunities;

m) the performance of external providers;

n) other improvements to the management system.

10.2 Nonconformity and Corrective Action

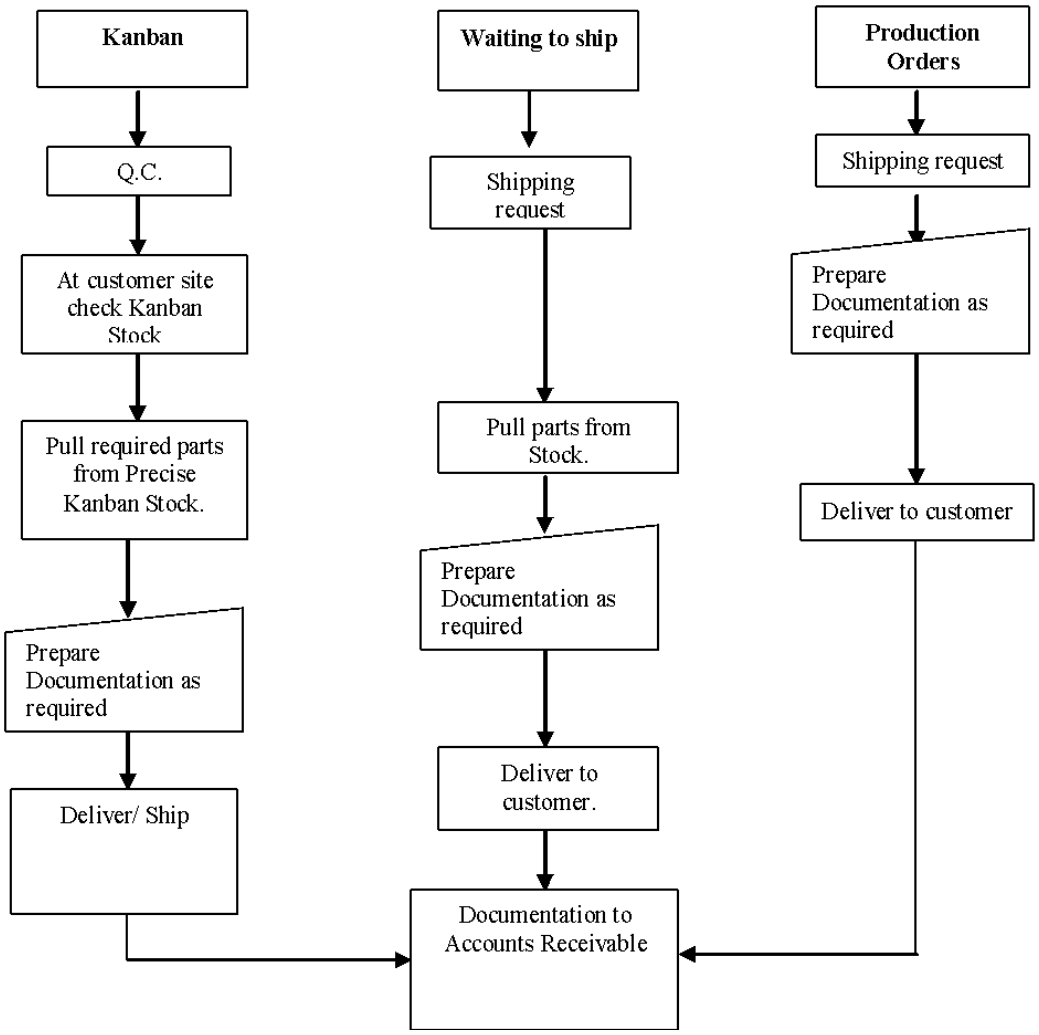
Precise takes corrective action to eliminate the cause of nonconformity in order to prevent recurrence. Likewise, the company takes preventive action to eliminate the causes of potential nonconformities in order to prevent their occurrence.

These activities are done through the use of the formal Corrective Action system, and are defined in the document ***Corrective and Preventive Action***

10.3 Continual Improvement

Through the process effectiveness reviews, done as part of Management Review, precise works to continually improve the suitability, adequacy and effectiveness of the quality management system. This includes seeking opportunities for improvement.

Appendix A: Overall Process Sequence & Interaction



PRECISE INDUSTRIES	Date Written: November 4,2004 Revision Date November 16, 2016	Order/Contract Review	Process: P0003A Page 1 0f 1

Objective: To ensure all Customer orders and related contracts are adequate, accurate, and current to company capabilities.

Process: Upon receipt, a Customer order or a quote is logged in. Quotes are logged into the Quote Tracking System and orders are entered into our E.R.P. system. If it is a Change Order, it is logged in on a Change Order form.

Quotes are given to the President (or Sales Manager) for review. After review by the President (or the Sales Manager), the quote is then given to Estimating for pricing. After pricing, Estimating sends the quote package to the President (or Sales Manager) for review. Once the President (or Sales Manager) has reviewed the completed quote it is given to the Customer Service Dept. to prepare and returned to the Customer as required (example, fax, e-mail, sales person, etc).

New Customer orders, after being logged in, are then given to the President (or Sales Manager) for review and approval. Once approved the order is sent to Document Control entered into the E.R.P. system. Document Control puts the Production Package/Job Traveler together and forwards it to Planning for review and scheduling. Once reviewed and scheduled the Traveler is released to Production.

Change Orders, after being entered on the Change Order form, are given to the President (or Sales Manager) for review. Once the Change Order is reviewed and approved it is given to Estimating, if needed, to value the cost of the change (if Estimating is not needed the process continues onto Sales). The order is then given to Sales /Customer Service to notify the customer of any cost impact or other concerns. Upon Customer approval, the Change Order is then given to Document Control to prepare the new package with the documents that reflect the change. The old/ obsolete documents are archived as appropriate. The package then goes to Planning for scheduling and production release.