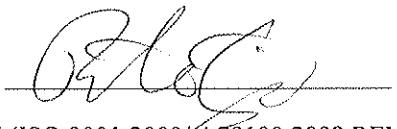
Procedures Manual

GRACE ELECTRONICS, LLC.

20 Peachtree Court,
Holbrook, NY, 11741

This document is approved for use 

CONTROL DOCUMENTATION (ISO 9001:2000/ AS9100:2008 REV.C . Clause 4.2.3)

GRACE ELECTRONICS, LLC.

Procedures Manual

Copy Holder: Quality Management Representative - GRACE ELECTRONICS, LLC.

Copy Number: 1

GRACE ELECTRONICS, LLC.

Distribution

Procedures Manual

Copy Number 1 – GRACE ELECTRONICS, LLC.

Copy Number 2 – Quality Assurance Systems Ltd.
(Uncontrolled Copy)

GRACE ELECTRONICS, LLC.

Amendments

All copies of this Procedures Manual must be kept under strict control to prevent the system from becoming unreliable. The following procedures will ensure that the system remains current and valid.

1. All copies of the Procedures Manual will be clearly numbered and the holder recorded.

2. Each page in the Procedures Manual will carry its own number.

3. The Quality Management Representative will be responsible for all revisions and additions being recorded.

4. Changes can be suggested by any Employee, but must receive signed approval before being entered into the Procedures Manual.

5. Proposed changes to the Procedures Manual will be referred to the management review meeting for approval.

6. All changes must be recorded on the relevant Amendments List (PRM 00, Pages 05 of 08 and 06 of 08) and the appropriate pages or documents in the Procedures Manual changed.

7. The Procedures Manual is not distributed in its controlled form to any other locations, but may be issued in uncontrolled form to any location. Any Uncontrolled copy shall be distributed as "UNCONTROLLED – VALID ONLY", followed by the date. No records need to be maintained of the issue of uncontrolled copies of the Procedures Manual.

Table of Contents

GRACE ELECTRONICS, LLC.

Rick Appio - QA

Table of Amendments - Procedures Manual					
Document Number	Page Number	Issue	Date	Description of Change	Authorization
PRM 00 PRM 06	3 1	2 2	6/29/04 6/29/04	Item 6 changed from 5of 7, 6of7, to 5 of 8, 6 of 8. Item 3.0, added QMF 18 & nomenclature	
PRM 06 PRM 11	2 3	2 2	6/29/04 6/29/04	PARA. 4.1.3, added; QMF 19 & nomenclature PARA. 4.3.2, added ; QMF 20 & nomenclature	
PRM 00	5	2	6/29/04	Added QMF 18, QMF 19, & QMF 20	
PRM 00	4	3	7/14/04	Updated table of contents-Resources	
PRM 03	2	2	7/14/04	PARA. 4.2.3, added QMF 21 Training Checklist and, PARA. 4.2.4 added QMF 21	
PRM 03	5	2	7/14/04	Changed Ref. Doc. Title; was Management Review, S/B Resources	
PRM 12	1-6	2	11/5/04	PRM 12 added Design Control pages 1 through 6 including flow chart.	
PRM 00	4	4	11/5/04	Updated Table of contents with PRM 12 Design Control	
PRM 09	4	2	5/11/05	Updated to further clarify product recall process.	
PRM 05	6	2	1/24/06	Para.4.4.5 , added outgoing Daily Material Report (QMF 23)	
PRM 05	9	2	1/24/06	Para. 4.8.1, added form # for Certificate of Compliance (QMF 22)	
PRM 05	10	2	1/24/06	Added QMF 22, QMF 23 to Reference Documents	
PRM 07	2	2	1/24/06	Para. 4.5, added In House Calibration form (QMF 24)	

Document Number	Page Number	Issue	Date	Description of change	Authorization
PRM 01	2	2	6/14/06	Para 4.1.9, added logo, font, color exceptions	
PRM 09	1,2,3,5	2	6/23/06	Nomenclature changed from Reject tag to Rejected Material Report Form,	
PRM 01	3,4	3	7/24/06	Para.4.1.12 added N.N.P.I. section, 4.2.1, added seven yr. req't., 4.3.1 added correction procedure, 4.3.2, added Signature protection.	
PRM 04	4,	2	7/26/06	Para. 4.2.2.6 added QMF 29, and para. 4.4.15 "formal notification"	
PRM 05	3,5,6,7, 8, 11	3	7/24/06	Para. 4.1.6 added ASTM item, Para. 4.1.9 to 4.1.9.9 added Material control "Level 1", 4.3.1 added Mil-Q9858 +, 4.3.2.1 added Change Order process, 4.3.2.2 added change order, 4.3.3 sign-off process req'ts. 4.3.7 added the C.A.P.E.R sys., 4.3.8 modified shipping/ labelling reqts.4.5.6 "unique idents", 4.8.4 CDRLS	
PRM 06	3	3	7/27/06	Para. 4.2.3 Purchase order Quality Plan added, 4.3.1 modified inspection routing	
PRM 07	1, 2	3	7/24/06	Para.3.0 added C.A.P.E.R. sys., para. 4.7 modified process.	
PRM 08	2,	2	7/25/06	Para. 4.1.3 added Special Audits, 4.2.3, added Internal Audit Check List (QMF 30), para., 4.3.1 modified.	
PRM 09	4,5	4	7/26/06	Para., 4.3.8, out of tolerance, para., 4.3.9 non-conformities after delivery, para. 4.4.3 Resubmitted Material process.	
PRM 11	3,4	3	7/24/06	Para. 4.3.2 added customer "on site surveys section., added GRACE Quality Questionnaire (QMF 31)	
PRM 03	2,3	4	8/01/06	Para. 4.2.3 added Malpractice and Fraud form, 4.2.7 added vision testing.	
Cover & Title		2	2/14/08	Address updated on all covers and title pages (20 Peachtree)	
PRM ALL	na	all	2/11/09	All footers now reflect AS9100	
PRM 00	9	9	2/11/09	Added forms: QMF 35, and QMF 37	
PRM 00	10	1	2/11/09	Added Appendix SPR	
PRM 00	11	1	2/11/09	Added Interaction chart	
PRM 01	1	5	2/11/09	Added to 3.0last sentence: documents:	
PRM 01	2	5	2/11/09	Changed para.4.1.5 "vendors will....."	
PRM 01	3	5	2/11/09	Changed 4.2.3 added Documents	
PRM 06	3	4	2/11/09	Changed 4.3.1 (better outlined inspection)	
PRM 06	4	4	2/11/09	Added Paragraphs 4.3.4, 4.3.5, & 4.3.6	
PRM 09	2	5	2/11/09	4.1.1 :Inspector selection, 4.1.4 :Diposition	
PRM 09	4	5	2/11/09	4.3.9 added "two(2) working days after discovery.	
PRM 12	3	2	2/11/09	4.5.1 added: all changes agreed to are.....	
PRM 12	5	2	2/11/09	4.8.2 added "approved by Engineering and the	

				Customer".....	
PRM 01	1	6	4/20/09	Added 4.3 to clauses , and para.4.2.8	
PRM 012	5	3	4/20/09	Added Para 4.9 Config. Data Mgmt.	
Document Number	Page Number	Issue	Date	Description of Change	Authorization
PRM 05	6	5	4/28/09	Called out work in process change authority/sign-off	
PRM 06	2	5	4/28/09	Para:4.1.3 clarified supplier review	
PRM 06	3	5	4/28/09	Removed ANSI/ASQZ1 as sample ref., added DOD MIL-STD-1916	
PRM 12	5	4	4/28/09	Para: 4.8.1, adds Engineering Change Order(QMF 38) to the procedure.	
PRM 04	4	4	3/01/11	Para:4.2.2.6 added QMF 29a2 to procedure.	
PRM 06	3	6	5/25/11	Para: 4.2.3, added 29a2 form and procedure as alternate.	
ALL	ALL	6	8/02/11	To aid in data management all sections as of this date are now revised to issue 6 and ISO9001:2000, AS9100 REV.C	
PRM 05	1	7	9/02/11	Added Risk Management to 2.0	
PRM 05	5	7	9/02/11	Para. 4.2.2 added line 4 "Risk analy.....	
PRM 05	8	7	9/02/11	Added Para. 4.3.9 Risk management	
PRM 02	2	7	9/06/11	Added QMF 06a	

GRACE ELECTRONICS, LLC.

Table of Amendments –Forms and Documents					
Document Number	Page Number	Issue	Date	Description of Change	Authorization
PRM 00	7	2	6/29/04	Added forms : QMF 18, QMF 19, & QMF 20	
PRM 00	8	3	7/14/04	Added form :QMF 21 Training Checklist	
QFM02	1	2	9/24/04	Added PRM 06 Purchasing	
PRM 00	9	6	1/24/06	Added forms : QMF 22, QMF 23, & QMF 24	
QMF25HR, QMF26HR, QMF27HR	2	3	3/14/06	Added forms to PRM03, 4.2.3	
QMF 22	na	2	8/1/06	Added additional requirements to clauses	
QMF 29	4	2	7/27/06	Added Quality Plan –Proposals	
QMF 29A	3	3	7/27/06	Added Quality Plan –Purchase orders	
QMF 30	3	2	7/25/06	Added Internal Audit Check List	
QMF 31	4	3	7/24/06	Added External Audit	

QMF 32	na	1	8/3/06	Created Inter Office Memorandum	
QMF 33 QMF 03	na na	1 2	8/3/06 7/25/06	Added Malpractice & Fraud form Added supervisor sign-off	
Document Number	Page Number	Issue	Date	Description of Change	Authorization
PRM 05	9-12	3	07/25/06	Flow charts revised	
PRM 01	3	4	08/08/07	Added para.4.1.13 FEDLOG Procedure	
QMF 34	N/A	1	08/08/07	Added this form for FEDLOG regulations	
QMF04A	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF12	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF13	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
13A	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF18A	N/A	3	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF19	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF22	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF31	N/A	2	02/14/08	Up-dated address on all listed forms to 20 Peachtree Ct., Holbrook, NY, 11741	
QMF 35	N/A	1	02/11/09	ANSI/ASQCZ1.4-1993 CHART	
QMF 37	N/A	1	02/11/09	Corrective Action Request	
QMF 38	N/A	1	04/28/09	Added Engineering Change Order	
QMF 29a2	N/A	2	09/02/11	The word "RISK" was added	
QMF 06a	N/A	1	09/06/11	Form Added	
QMF 39	NA	1	09/06/11	Form Added	
QMF 29a2	N/A	4	03/01/12	Added Solicitation Flow /Evaluation	
QMF 29a3	NA	5	04/16/12	Changed formate	
QMF 29a4	NA	6	05/25/12	Improved formate	
QMF 13B	N/A	1	05/25/12	New PO form, company added Quick bks.	
QMF 40	NA	1	05/25/12	Added job charge form	
QMF 41	NA	1	07/19/12	Added form	
QMF 42	NA	1	07/19/12	Added form	
QMF 29a5	NA	7	07/19/12	Added notes area	
QMF29a5	NA	8	08/06/12	Added risk levels low,med.,&high	
PRM 01	1	8	08/06/12	Para 3.0 added "unrestricted access"ref. 5.52	
PRM 03	2	8	08/06/12	Para4.2.10 added form QM 21	
PRM 07	1	8	08/06/12	Para. 3.0, added ANSI/NCSL Z540 guide line	
PRM 10	2	8	08/14/12	Added"Tools"	
QMF43,44,45	NA	1	08/17/12	Added these forms	
PRM 05	4	8	08/17/12	Added to para4.3.2 QMF 44	
PRM 06	3	8	08/17/12	Added 4.4 inventory, and QMF 43	

GRACE ELECTRONICS, LLC.

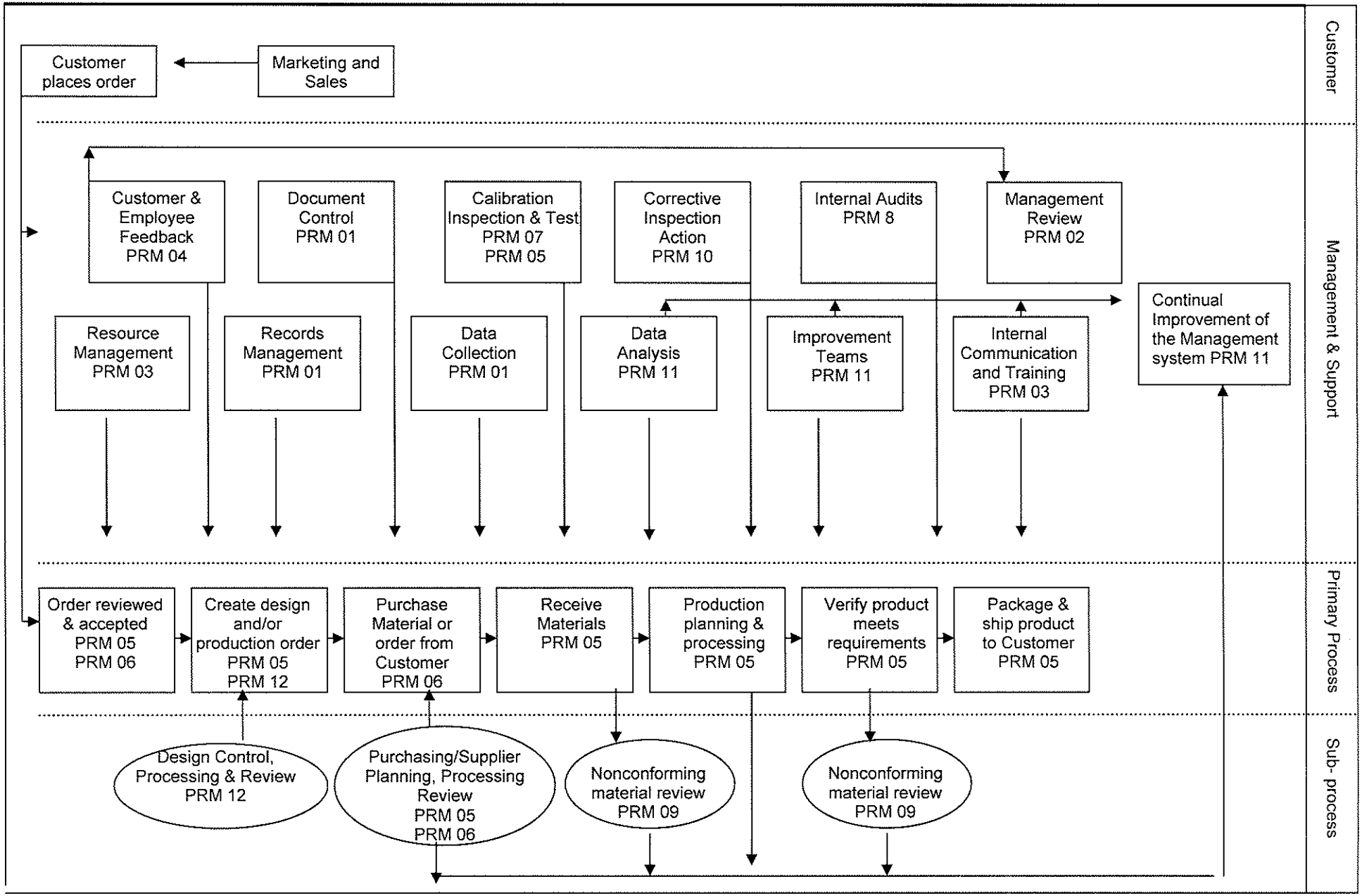
Quality Assurance Master Form and Document Register

Document Number	Description	Date	Issue No.
QMF 01	Training Details and Needs	04.30.04	1
QMF 01A	Training Plan	04.30.04	1
QMF 01B	Training Records and Subsequent Training	04.30.04	1
QMF 02	Internal Quality Audit Program	09.24.04	2
QMF 03	Internal Quality Audit Report	04.30.04	1
QMF 04	Complaints/ Non-conformance Register	04.30.04	1
QMF 04A	Non-conformance Report	02.14.08	2
QMF 05	Measuring and Monitoring Equipment Register	04.30.04	1
QMF 05A	Measuring and Monitoring Equipment Calibration Record	04.30.04	1
QMF 06	Management Review Agenda	04.30.04	1
QMF 06a	Meeting Agenda(first of the month mtg.)	09/06/11	1
QMF 07	Machine Maintenance Record	04.30.04	1
QMF 08	Proposal	04.30.04	1
QMF 09	Order Acknowledgement	04.30.04	1
QMF 10	Work Order	04.30.04	1
QMF 10A	Open Action Item Report	04.30.04	1
QMF 10B	Material Receiving and Inspection Report DD250	04.30.04	1
QMF 10C	Traveller	04.30.04	1
QMF 11	Rejected Material Report (RMA)	04.30.04	1
QMF 12	Packing List	02.14.08	2
QMF 13	Purchase Order	02.14.08	2
QMF 13A	Change Order	02.14.08	2
QMF 13B	Purchase order (Quick Books)	05.25.11	3
QMF 14	Bill Of Lading	04.30.04	1
QMF 15	Preferred Supplier Register	04.30.04	1
QMF 16	Incoming Material Daily Inspection Report	04.30.04	1

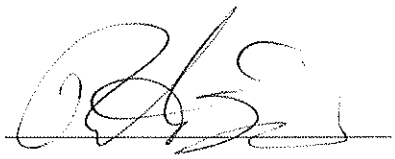
QMF 16A	Government Owned Material Incoming Material Daily Inspection Report	04.30.04	1
QMF 17	Incoming Inspection/ Identification of Chemicals	04.30.04	1
QMF 18A	Supplier Profile Questionnaire	02.14.08	3
QMF 19	Supplier Performance History	02.14.08	2
QMF 20	Customer Questionnaire Checklist	06.29.04	1
QMF 21	Training Checklist	7/14/04	1
QMF 22	Certificate of Compliance	2/14/08	2
QMF 23	Outgoing Daily Material Report	1/24/06	1
QMF 24	In House Calibration Form	1/24/06	1
QMF 25HR	Application for Employment	3/14/06	1
QMF 26HR	Employment Secrecy Agreement	3/14/06	1
QMF 27HR	Information System Policy	3/14/06	1
QMF 28	Rejected Material Report Log	6/23/06	1
QMF 29	Quality Plan-Proposals	7/31/06	1
QMF 29A	Quality Plan- Purchase Orders	8/03/06	1
QMF 29a5	Solicitation Flow / Risk Evaluation	7/19/12	5
QMF 30	Internal Audit Check List	8/03/06	1
QMF 31	External Audit Check list/Questionnaire	2/14/08	2
QMF 32	Inter Office Memorandum	8/03/06	1
QMF 33	Malpractice and Fraud Prevention Form	8/03/06	1
QMF 34	Procedure for utilizing FEDLOG	8/08/07	1
QMF 35	ANSI/ASQCZ1.4-1993 General Inspection	2/26/09	1
QMF 37	Corrective Action Request	2/26/09	1
QMF 38	Engineering Change Order	4/28/09	1
QMF 39	Quality Plan-Contract Award Review	9/06/11	1
QMF 40	Shop Time Sheet	9/06/11	1
QMF 41	Proprietary Information Agreement(PIA)	7/19/12	1
QMF 42	Outgoing Material Report (log)	7/19/12	1
QMF 43	Stock Part Requisition	8/17/12	1
QMF 44	Work Order Cover Sheet	8/17/12	1
QMF 45	Invoice (Quick Books)	8/17/12	1

Quality Standards and Procedures Relationship Appendix SPR 9/6/2011

Standard			GRACE Procedure
Section #	**Standard as required**		
4.1	General Requirements	>	GRACE Quality and Procedures Manual (GQPM)
4.2	Control of Documents	>	GQPM sect. PRM 01 Document Control And Records
5.1	Management Responsibility	>	GQPM sect. PRM 02 Management Review
5.5	Responsibility, Authority, & Communication	>	GQPM sect. PRM 11 Measurement and Improvement
5.6	Management Review	>	GQPM sect. PRM 02 Management Review
6.1	Resource Management	>	GQPM sect. PRM 03 Resources
7.1	Product Realization	>	GQPM sect. PRM 05 Process Control
7.2	Customer Related Processes	>	GQPM sect. PRM 04 Customer Requirements
7.3	Design and Development	>	GQPM sect. PRM 12 Design Control
7.4	Purchasing	>	GQPM sect. PRM 06 Purchasing
7.5	Production and Service Provisions	>	GQPM sect. PRM 05 Process Control
7.6	Control of Monitoring and Measuring Devices	>	GQPM sect. PRM 07 Measuring and Monitoring Equipment
8.1	Measurement, Analysis , and Improvement	>	GQPM sect. PRM 11 Measurement and Improvement
8.3	Control of Nonconforming Product	>	GQPM sect. PRM 09 Control of Nonconforming Product
8.4	Analysis of Data	>	GQPM sect. PRM 11 Measurement and Improvement
8.5	Improvement	>	GQPM sect. PRM 11 Measurement and Improvement


Customer
Customer places order
Marketing and Sales
Management & Support
Customer & Employee Feedback PRM 04
Document Control PRM 01
Calibration Inspection & Test PRM 07 PRM 05
Corrective Inspection Action PRM 10
Internal Audits PRM 8
Management Review PRM 02
Resource Management PRM 03
Records Management PRM 01
Data Collection PRM 01
Data Analysis PRM 11
Improvement Teams PRM 11
Internal Communication and Training PRM 03
Continual Improvement of the Management system PRM 11
Primary Process
Order reviewed & accepted PRM 05 PRM 06
Create design and/or production order PRM 05 PRM 12
Purchase Material or order from Customer PRM 06
Receive Materials PRM 05
Production planning & processing PRM 05
Verify product meets requirements PRM 05
Package & ship product to Customer PRM 05
Sub- process
Design Control, Processing & Review PRM 12
Purchasing/Supplier Planning, Processing Review PRM 05 PRM 06
Nonconforming material review PRM 09
Nonconforming material review PRM 09

GRACE ELECTRONICS, LLC.

This document is approved for use 

DOCUMENT CONTROL AND RECORDS. (ISO 9001:2000/AS9100:2008. Clause 4.2.1, 4.2.2, 4.2.3 and 4.2.4, 4.3)

1.0 INTRODUCTION

To demonstrate that the Company's stated quality objectives have been satisfied, a detailed system of control for quality related documentation and records needs to be maintained.

2.0 SCOPE

The Company will produce and maintain adequate documentation to detail the requirements of the quality management system and to ensure that the requirements of the customer can be satisfied. Adequate records must be maintained for this purpose.

This procedure also applies to all records generated under the other procedures in the quality management system.

3.0 RESPONSIBILITY

It is the responsibility of the Quality Management Representative(that was appointed by management,and has unrestricted access to top management to resolve quality management issues) to ensure that:

The Quality Management System processes are established , implemented, maintained and are adequately documented.

All reporting to management on the performance of the Quality management system, and needed improvements are properly recorded, controlled and approved, and are readily available to those personnel that need to use them. This will ensure the promotion of awareness of customer requirements throughout the organization.

Sufficient records, and documents are maintained and these are legible and readily accessible.

GRACE ELECTRONICS, LLC.

PROCEDURE

4.1 Document and Data Control

4.1.1 All quality and procedures manual documentation must carry a unique identification number, an issue number and the date from which the document becomes effective.

4.1.2 Documents must be formally approved for use. Each section of the manual is to be re-approved when any changes take place.

4.1.3 Other quality documents must be clearly identified by his title or other reference, traceable from the document master register.

4.1.4 A master register will be available and must carry the current issue of each document. The master register will be the only source of copies.

4.1.5 External documentation must be adequately controlled to ensure that it is not damaged or lost. Vendors will be required to retain all records that pertain to GRACE purchases (for manufacturing materials) three (3) years. This requirement will be a noted clause on the PO (Purchase Order)

4.1.6 Any changes required to the Quality Manual, Procedures Manual or General Documents will be reviewed at the Management Review Meeting.

4.1.7 Whenever a change takes place to any section of the manual the revision status of the procedure must be updated.

4.1.8 All forms must be periodically assessed under the quality audit procedures for relevancy and fitness for use.

4.1.9 Whenever a change takes place to any form, the revision status of the document must be updated. (with the exception of logos, font, colours, etc.)

GRACE ELECTRONICS, LLC.

4.1 Document and Data Control (continued)

4.1.10 The Quality Management Representative shall be responsible for ensuring that changed sections or documents are introduced into all controlled copies of the manual. Due to the small circulation of the manual, no transmittal system is necessary.

4.1.11 Obsolete documents will generally be withdrawn from the system, marked 'Superseded' and retained.

4.1.12 Under no circumstances shall GRACE transmit Naval Nuclear Propulsion Information (N.N.P.I.) as defined in NAVSEAINST C 5511.32B or export controlled documentation outside the United States or any Foreign National without the written approval of the Purchaser.

4.1.13 Current FEDLOG data is stored on the GRACE secure server which is restricted to authorized users via USERID and PASSWORD login. Prior to obtaining a USERID each individual is required to read and sign the FEDLOG Procedure Form (QMF-34) which outlines all procedures and restrictions in utilizing the FEDLOG.

4.2 Records

4.2.1 All completed quality documentation and records must be retained for at least seven years unless otherwise stated by contract.

4.2.2 Records must be correctly filed under suitable headings, in files, in folders etc., so that they are readily retrievable. Adequate security must be maintained to ensure that records are not lost or damaged.

4.2.3 Records and Documents must be legible.

4.2.4 Customer drawings will be held in a master file. When a new drawing is received any previous computer file will be deleted and the old hard copy of the drawing will be marked "Obsolete". One copy of the "Obsolete" drawing will be retained and all other copies will be destroyed by spreading all paper copies before discarding. All obsolete electronic media will be electronically scrubbed by our IT representative.

4.2.5 CNC programs are not required by the process.

4.2.6 Records kept on computer or on other electronic media must be backed up on a regular basis such that the information can be recovered if necessary.

Records may be destroyed at the end of the retention period.

4.2.8 Configuration Data management will be controlled and handled under PRM 012, Design, para : 4.9, and will be appropriate to the product.

CORRECTIONS

The acceptable method of correction to any Quality document or Objective Quality Evidence (OQE) is to put a single line through the item then initial and date the item. All corrections must be in ink. White-out, correction tape, and erasures are prohibited.

When signatures are required by contract and will be provided electronically, protection from unauthorized changes of recorded data shall be provided.

GRACE ELECTRONICS, LLC.

This document is approved for use 

MANAGEMENT REVIEW (ISO 9001:2000 Clause 5.6)

1.0 INTRODUCTION

The Quality Management System needs periodic review to ensure that it is kept up–to-date and meets the requirements with regard to policy, objectives, effectiveness, resources and planning.

2.0 SCOPE

The Management Review must cover the operation of the Quality Management System throughout the Company.

3.0 RESPONSIBILITY

It is the responsibility of the Management Representative to ensure that:
The quality management system is reviewed at least **annually** to ensure its continued suitability and effectiveness.
The minutes of the meeting are recorded.
Any actions are identified and implemented.
Opportunities for improvement are identified and implemented.

4.0 PROCEDURE

4.1 Management Reviews must be held at least **once per year** to address all parts of the Company's quality management system:
To determine whether it is operating effectively to the benefit of the Company.
To identify opportunities for improvement.
To determine whether the Company is continuing to meet customer requirements.
To prevent non-conformity.

4.2 The Management Representative, senior management and other staff as appropriate must attend the meeting.

4.3 A Management Meeting Agenda (QMF 06a) will be prepared for each meeting, which must include the following:
Actions from previous meeting - The aim is to ensure that any actions authorized from the previous meeting have been taken / implemented.
Review of the Quality Policy and quality objectives - The Quality Policy must be reviewed to check that it is still suitable for the Company. Any quality objectives must be reviewed to check whether they are still appropriate and are being achieved. New objectives must be set where necessary.
Improvement - The meeting must address methods of improvement to the system. Where areas for improvement are identified, appropriate objectives and methods of monitoring will be established. Any of the topics addressed during the meeting may be considered for improvement initiatives.
Non-conformance and customer complaints - Non-conformances (of materials finished products, procedures, etc.) and customer complaints must be reviewed to check that the underlying cause has been addressed. Their effect on customer satisfaction must be evaluated.

4.3 (continued)
Corrective and preventive action - Corrective and preventive actions must be reviewed to check that they have been effective in achieving an improvement in the quality system.
Internal and external audits - Audit results must be reviewed to check that any non-conformance was corrected within an acceptable timeframe. The frequency of auditing may be reviewed based on the audit results.
Planning and future resource requirements (long term planning) - Any changes to the business that could affect the customer or the quality management system should be addressed. This should include changes related to personnel, equipment , processes or other resources.
Training - Training needs must be reviewed together with any proposals for carrying out training.
Supplier performance - Any need for changes to the suppliers used by the Company must be addressed.
Customer satisfaction - The meeting must address whether the Company is meeting or if possible exceeding, the customers' requirements and expectations. Where complete customer satisfaction is not being achieved the company must plan and allocate suitable resources to resolve the problem.
Risk Management- Review of the processes being used to control risk, new ideas , requirements, and problems.
Any other business - This may include any initiatives for improvement, reduction in rework or waste, etc.

4.4 At a minimum, the review must cover the period since the last Management Review.

4.5 The person responsible for any actions identified at the meeting must be recorded together with target dates for completion where appropriate. The Company must allocate the necessary personnel and resources for these corrective actions.

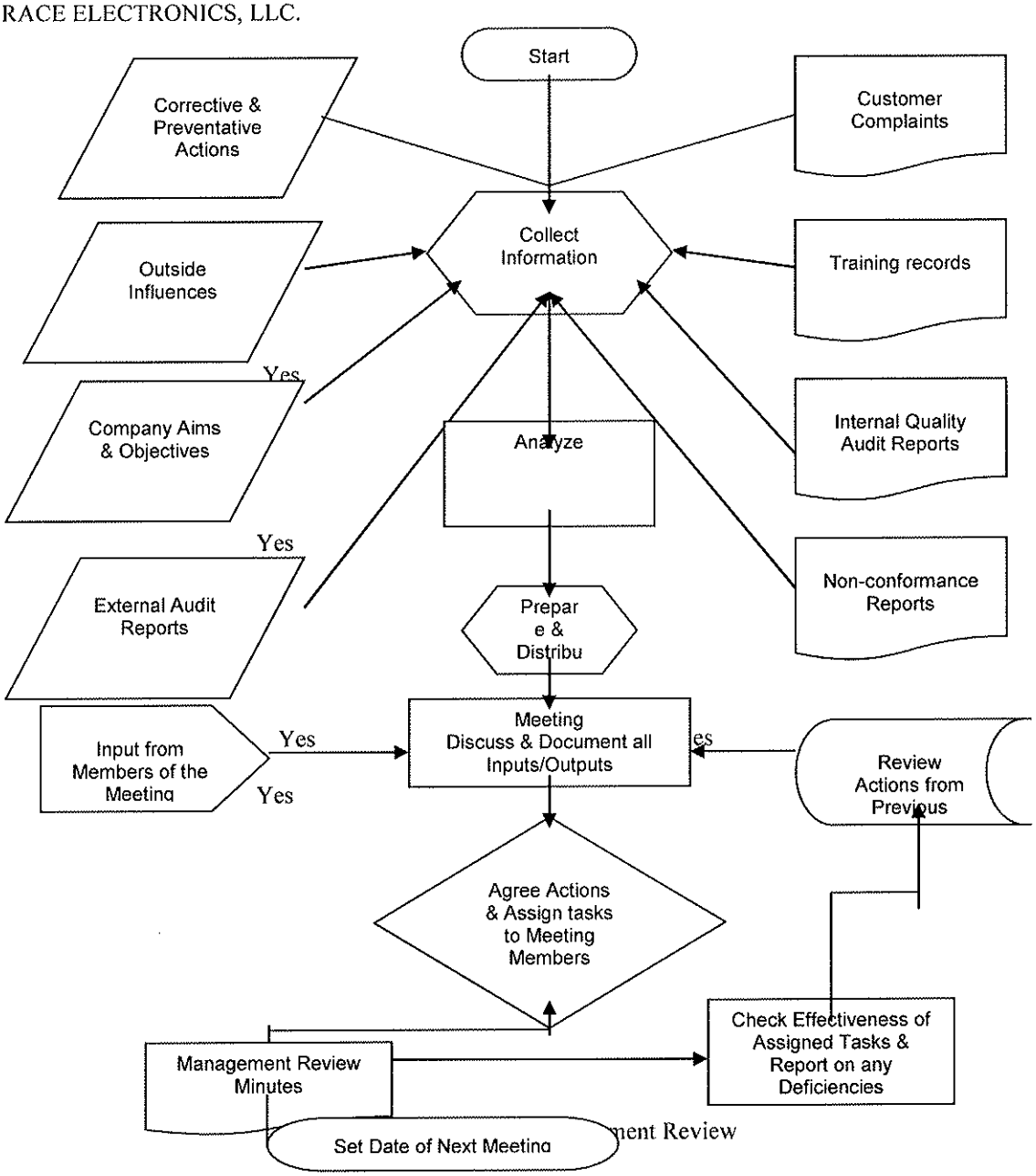
4.6 Inputs to the Management Review must include:
Non-conformance/ Customer Complaints Records (QMF 04/ 04A).
Internal Audit Reports (QMF03).
Training Records (QMF01, QMF01B).

4.7 The minutes of the meeting must be recorded and copies of those minutes must be provided to all personnel who attended the meeting together with those who have action plans to carry out as a result of the meeting.

Reference Documents - Management Review

QMF 01	Training Details and Needs Form
QMF 01B	Subsequent Training Record
QMF 03	Internal Quality Audit Report
QMF 04	Non-conformance/Complaints Register
QMF 04A	Non-conformance/Complaints Registration Form
QMF 06a	Management Meeting Agenda

GRACE ELECTRONICS, LLC.



GRACE ELECTRONICS, LLC.

This document is approved for use 

RESOURCES (ISO 9001:2000/AS9100:2008 Clause 6.1, 6.2.1, 6.2.2, 6.3 and 6.4)

1.0 INTRODUCTION

To meet the requirements of the customer, the Company ensures that there are adequate resources in the form of personnel, plant and equipment. This may include additional resources from outside the Company where necessary.

2.0 SCOPE

This procedure covers the systems and operations necessary to ensure that the Company has adequate resources to meet the requirements of its customers and operates the business in an efficient and safe manner.

3.0 RESPONSIBILITY

It is the responsibility of the Administration Director to ensure that:
The Company's resource requirements are reviewed on a regular basis.
Training needs are identified.
Suitable training is carried out and reviewed for effectiveness.

4.0 PROCEDURE

4.1 General

4.1.1 The review of resources must be formally carried out as part of the management review process, but is also part of the day-to-day management of the Company. See PRM 02 Management Review.

4.1.2 Records associated with personnel and training are maintained in accordance with PRM 01 Document Control and Records. These records must be reviewed at least once per year.

4.2 Human Resources

4.2.1 As part of the general planning and management process, the Company must identify the personnel needed to ensure that it operates effectively. The general structure of the Company is shown in the organization chart in the Quality Manual. Specific responsibilities are defined in the organization chart and documented in the relevant parts of the Procedures Manual.

4.2.2 The management team will prepare recommendations for additional recruitment. Final authorization to hire will be given by the Directors.

4.2 Human Resources (continued)

4.2.3 New applicants will be required to fill out the GRACE application for Employment form (QMF25HR), Employment Secrecy Agreement (QMF26HR), GRACE Information System Policy (QMF27HR) and the Malpractice and Fraud Prevention form (QM 33). New personnel will be selected by interview. The Company's policy of recruiting and procuring personnel with the required level of skills, experience and education is reviewed in the light of labor availability and changes in the nature of the Company's work.

4.2.4 All personnel must be given induction training (QMF 21Training Checklist), including an explanation of the quality management system and the health/ safety requirements when they start work with the Company. A Training Details and Needs Form (QMF 01) will be completed for all new employees.

4.2.5 The training and experience of each employee (QMF 21) will be assessed against defined objectives (and any changes that have taken place or are about to take place) to ensure that personnel are adequately trained and experienced to carry out their duties.

4.2.6 The training needs of all personnel will be identified by the relevant manager or supervisor on an ongoing basis by observation. Where possible, measurable objectives will be set to assist in continual improvement. A Training Plan (QMF 01A) will be generated if appropriate.

4.2.7 Where a specific training need, or test is required, the requirement must be arranged by the responsible manager or supervisor and included on the Training Plan (QMF 01A) (e.g. vision and color acuity test for those performing acceptance inspections, and those capping , labeling and wiring).

4.2.8 Training will generally occur by means of in-house training but may be by formal courses.

4.2.9 Where additional training is undertaken, the details and results will be recorded on the Subsequent Training Record (QMF 01B).

4.2.10 All training must be assessed by the responsible manager or supervisor to determine that it was effective and noted on form QMF 21.

4.2.11 Personnel records must be maintained to show all qualifications, experience and training relevant to the ability of the employee to perform tasks affecting the quality of the product or service (Training Details and Needs Form QMF 01 and Subsequent Training Record QMF 01B). Where appropriate, copies of certificates or other evidence to show that training has been carried out will be maintained.

4.3 Facilities and Equipment

4.3.1 Recommendations for additional plant and equipment will generally be prepared by the Management or Supervision and authorized by the Administration /finance Director as appropriate.

4.3.2 The Operations Director must ensure that all buildings, plant and equipment are regularly maintained in accordance with manufacturer's recommendations or recognized good practice.

4.3 Facilities and Equipment (continued)

4.3.3 The operating personnel undertake routine maintenance, including general cleaning daily, weekly, monthly as required.

4.3.4 Records of maintenance will be maintained. Where appropriate, copies of certificates or other evidence of work will be retained in hard copy form. A summary Machine Maintenance Record (QMF 07) will be maintained.

4.3.5 Parts or subcontract maintenance/repair services are purchased in accordance with the requirements of the purchasing procedure.

4.4 Work Environment

4.4.1 All Managers & Supervisors must maintain a good standard of housekeeping within the work area,and comply with National Aerospace Standard 412(NAS412) Foreign object damage/foreign object debris(FOD) Prevention.

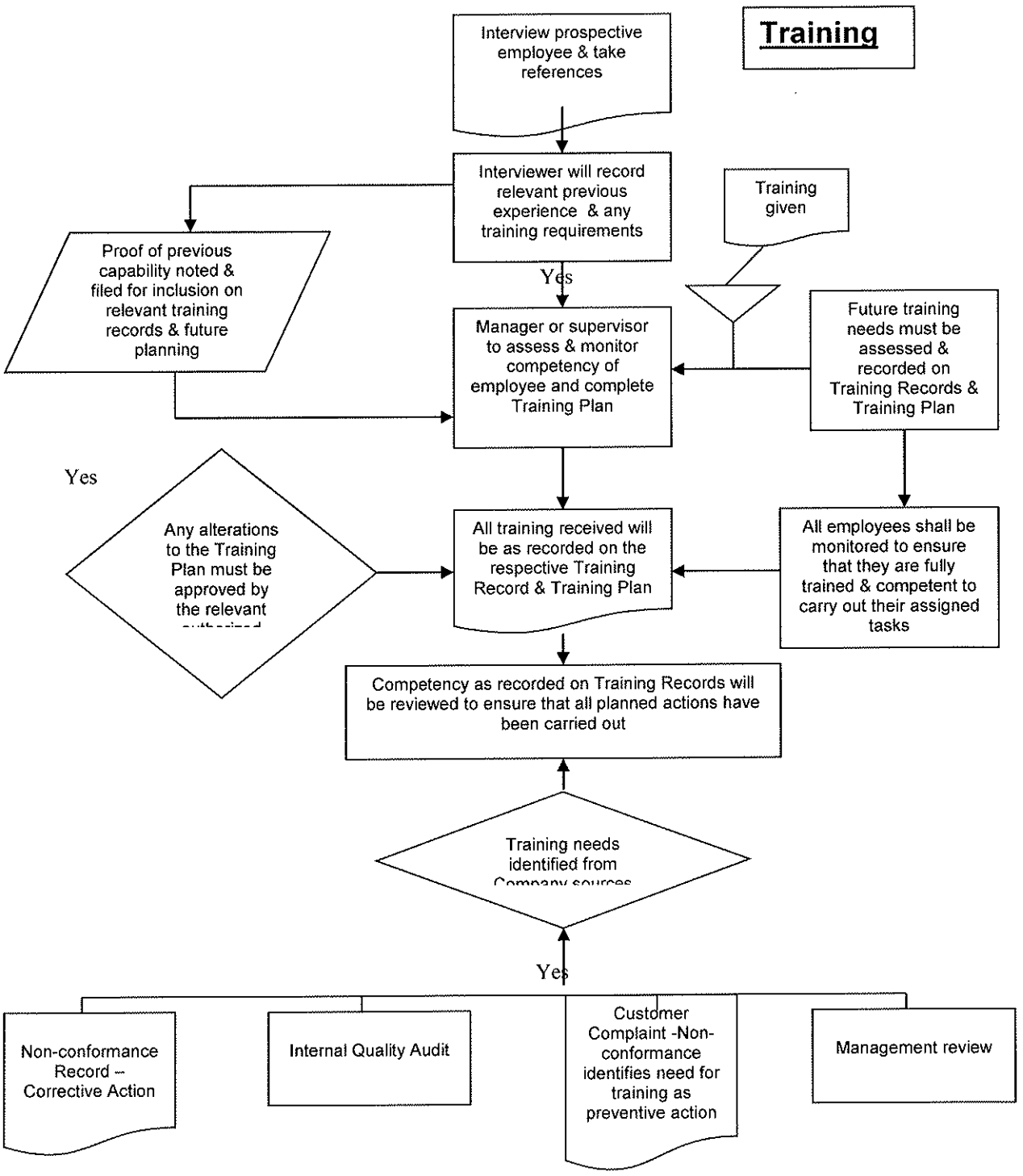
4.4.2 Waste materials must be cleared away regularly to maintain a safe working environment.

4.4.3 Any faulty plant or equipment must be reported to the Operations Director for attention.

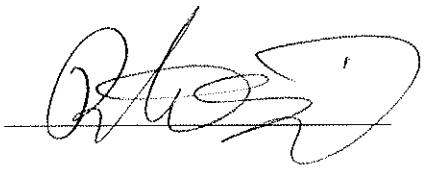
4.4.4 The Company will comply with the Occupational Safety and Health Administration (OSHA) requirements, Material safety Data Sheets (MSDS) and all other hazardous materials regulations.

Reference Documents - Resources

QMF01	Training Details and Needs Form
QMF01A	Training Plan
QMF 01B	Subsequent Training Record
QMF 07	Machine Maintenance Record
QMF 21	Training Checklist
QMF 25HR	Application for Employment
QMF 26HR	Employment Secrecy Agreement
QMF27HR	Information System Policy
QMF 33	Malpractice and Fraud form
NAS 412	National Aerospace Standard 412,FOD PREVENTION


Training
Interview prospective employee & take references
Interviewer will record relevant previous experience & any training requirements
Training given
Proof of previous capability noted & filed for inclusion on relevant training records & future planning
Yes
Manager or supervisor to assess & monitor competency of employee and complete Training Plan
Future training needs must be assessed & recorded on Training Records & Training Plan
Yes
Any alterations to the Training Plan must be approved by the relevant
All training received will be as recorded on the respective Training Record & Training Plan
All employees shall be monitored to ensure that they are fully trained & competent to carry out their assigned tasks
Competency as recorded on Training Records will be reviewed to ensure that all planned actions have been carried out
Training needs identified from
Yes
Non-conformance Record – Corrective Action
Internal Quality Audit
Customer Complaint -Non-conformance identifies need for training as preventive action
Management review

GRACE ELECTRONICS, LLC.

This document is approved for use 

CUSTOMER REQUIREMENTS (ISO 9001:2000/AS9100 Clause 7.1, 7.2.1, 7.2.2 and 7.2.3)

1.0 INTRODUCTION

Meeting the customers' requirements is the principal objective of the Company. The needs of the customer must be fully understood and accepted, and the Company must establish that it is in a position to meet these requirements in an effective manner.

2.0 SCOPE

The Company's business is mainly the manufacture and supply of parts in conformance with specifications, instructions and/or samples received.

The scope of this procedure includes:
Identification and documentation of the customer requirements.
Review of these requirements.
Methods of communication with the customer.
Outline planning of the work.

3.0 RESPONSIBILITY

It is the responsibility of the Programs Director to ensure that:
All verbal or written inquiries for proposal and orders are reviewed to ensure that the requirements, together with any changes, are adequately defined and understood by both parties.
These requirements, together with any changes, are adequately documented.

Adequate planning is carried out to ensure that the Company has or can obtain the necessary resources to fulfil the order or contract.
Effective lines of communication are set up between the customer and the Company.
Sufficient records are kept to show that the above requirements have been satisfied.

4.0 PROCEDURE

4.1 General

4.1.1 Customer requirements will be dealt with in three stages:
Receipt and understanding of the customer requirements.
Review of the Company's capability to meet these requirements.
Confirmation of acceptance to the customer.

4.1.2 Inquiries for proposal and orders are generally received by telephone, mail, fax or email.

4.1.3 Records related to dealing with Customer specific inquires will be kept in proposal files.

4.1.4 Records related to dealing with Customer orders will be kept open or closed order files.

4.1.5 When the company is unable to meet the customer's requirements the customer is advised accordingly.

4.1.6 The Company's products and services are as described by the web site www.graceelectronics.com, and brochure.

GRACE ELECTRONICS, LLC.

4.2 Customer Requirements – Inquiries

4.2.1 Inquiry Receipt

4.2.1.1 All verbal or written inquiries, requests for proposal, invitation to tender etc. will be handled by the Programs Director or a delegated representative/ team.

4.2.1.2 Details of the inquiry for proposal will be recorded and must include:
Date of inquiry.
Customer name and contact name.
Customer telephone number, fax number or e-mail address.
Customer inquiry number (if provided by the customer).
Details of requirements.(statement of work, RFP)
Shipping details, where stated.
Any customer supplied documents (drawings, specifications, samples, etc.), if required.
Regulatory or legislative requirements
Any Special requirements for product validation of verification
Any Special Documentation (inspection documents, certificates of compliance etc.)

4.2.1.3 The details will be recorded as part of the written Customer inquiry, on any hard format available.

4.2.2 Inquiry Review

4.2.2.1 When the details of the customer's requirements have been clearly identified, the Company's ability to carry out the work must be formally reviewed by The Programs Director or a delegated representative. Where an inquiry is of a simple or routine nature, for example a repeat order, a full review will not be required.

GRACE ELECTRONICS, LLC.

4.2.2 **Inquiry Review** (continued)

4.2.2.2 The review must be based on the documents or other information provided by the customer or the Company's own documentation defining the requirements.

4.2.2.3 The review of the Company's capability for carrying out the work must address the following:
Can the Company carry out the work in accordance with the customer's requirements without any additional resources or changes to normal Company operations?
Is the inquiry from a new or existing customer?
Is there a need for additional investigation or research?
Is any additional staff training needed?
What materials, supplies or services need to be obtained from outside suppliers?
Does the work involve any special process not usually carried out by the Company?
Are there any quality requirements, e.g. national standards?
Is specific documentation needed (e.g.: Certificates?)

4.2.2.4 When any questions are developed during this review process, they must be resolved with the customer by the Programs Director or delegated representative as appropriate.

4.2.2.5 Where the inquiry is from a new customer, investigations proportionate to the nature of the inquiry and customer would be taken prior to developing a proposal.

4.2.2.6 Confirmation that the Company can meet the customers' requirements will be by the preparation, (utilizing the Quality Plan for Proposals QMF 29,or Solicitation Flow /Risk Evaluation QMF 29a5) and the submission of a Proposal (QMF 08); Proposals are given a unique reference. Details retained electronically and in the Proposal File where electronic storage is not practical.

GRACE ELECTRONICS, LLC.

4.2.2 (cont.) **Inquiry Review** (continued)

4.2.2.7 When a sample part, or specification has been provided by the customer to assist in the preparation of a proposal, it will be identified with the customer name and part number or description.

4.3 Customer Requirements – Orders

4.3.1 Order Receipt

4.3.1.1. All customer orders will be handled by the Programs Director or a designated representative.

4.3.1.2 Each customer order must be identified by the customer name and customer order number or reference. (Note: orders may cover a number of units to be repaired with units arriving in several shipments).

4.3.1.3 Where an order is received without a proposal the details will be recorded in accordance with Section 4.2.1 Inquiry Receipt, Paragraph 4.2.1.2 and 4.2.1.3 of this procedure

4.3.1.4 The details must be recorded in an open order file and electronically on the computer. The proposal file is transferred into the open order file.

4.3.2 Order Review

4.3.2.1 When the details of the customer's requirements have been clearly identified, the Company's ability to carry out the work must be formally reviewed, ensuring the information originally checked in 4.2.2.3 remains current. Where an order is of a simple or routine nature, for example a repeat order or order against a standard price list, a full review would not be required.

GRACE ELECTRONICS, LLC.

4.3.2 Order Review (continued)

4.3.2.2 When an order is received without a prior proposal, the details will be reviewed in accordance with Section 4.2.2 Inquiry Review, Paragraphs 4.2.2.2 and 4.2.2.3 of this procedure.

4.3.2.3 When the order is from a new customer formal credit checks may be made appropriate to the nature of the order and customer.

4.3.2.4 Confirmation that the Company will meet the customer's order requirements will be by raising a Grace Work Order and where requested sending an Order Acknowledgement (QMF 09).

4.4 Communication

4.4.1 Clear lines of communication must be established and maintained between the customer and the Company. This will usually be by means of telephone, fax, letter or e-mail but can be by Sales visit.

4.4.2 Verbal proposals may be given at the time of the inquiry. Where these are for a non specific inquiry or 'Ballpark' budget figure request, these need not be confirmed.

4.4.3 Proposals (QMF 08) for a customer specific inquiry will be confirmed in writing (this may be on the customer's own paperwork) and signed by the Programs Director or a delegated representative to confirm they have been formally reviewed. The details will be retained electronically and in Proposal files where electronic storage is not practical.

4.4.4 Where possible, Customer orders should be in writing with an order number. If a written order number is not received it will be requested.

4.4.5 Verbal orders without an order number will not be accepted even from known and established customers. The reference 'Verbal/Name of person placing the order' is not an acceptable substitute for an order number or reference.