Quality Manual

GRACE ELECTRONICS, LLC.

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This document is approved for use 

GRACE ELECTRONICS, LLC.

Copy Holder

Copy Holder: Quality System Management Representative

Copy Number : 1

This Quality Manual covers the activities and functions performed by operating areas included in the service scope definition:

Electro-Mechanical Equipment; Fabrication/Assembly/Test/ Integration for the military and commercial customers.
The Quality Management System is designed to meet the requirements of

ISO 9001 : 2000 and AS9100:2008 REV. C

Certificate Number:12971 US

GRACE ELECTRONICS, LLC.

Distribution

Quality Manual

Copy Number 1 – GRACE ELECTRONICS, LLC.

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

GRACE ELECTRONICS, LLC.

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Amendments

All copies of this Quality 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 Quality Manual will be clearly numbered and the holder recorded.

2) Each page in the Quality 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 Quality Manual.

5) Proposed changes to the Quality Manual will be referred to the Management Review Meeting for approval.

6) All changes must be recorded on the Amendments List (QM 04, Page 5 of 17) and appropriate pages in each Quality Manual changed.

7) The Quality Manual is not distributed in its controlled form to any other location, 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 on the issuance of uncontrolled copies of the Quality Manual.

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Rick Appio = RA

Table of Amendments - Quality Manual

Document Number	Page Number	Issue	Date	Description of Change	Authorization
QM 08	13	2	7/14/04	Para. 7.3 Added Design and Development	
ALL	ALL	3	2/10/09	All footers now reflect AS9100	
QM 01	1	3	2/10/09	Added AS9100 rev b (last line)	
QM 03	3	3	2/10/09	Added AS9100 to QM 08 line.	
QM 05	6	3	2/10/09	Added AS9100 to last para. Of the Company Profile	
QM 06	7	3	2/10/09	Added AS9100 to last para.	
QM 07	8	3	2/10/09	Added AS9100 to chart.	
QM 08	9	3	2/10/09	Added As9100 to 2nd para.	
QM 05	6	5	4/23/09	Added to 3rd para. "100% Customer Satisfaction ....."	
ALL	ALL	6	8/02/11	Quality manual updated to Rev. C, and all sections brought up to issue 6 to reflect Rev c updates..	
ALL	ALL	7	9/06/11	Manual brought up to Issue 7, to reflect rev c changes.	
ALL	ALL	8	8/06/12	All sections are now QM 01, was not required to have individual sections.	
QM 01	10	8	8/06/12	Documentation, Para.4.2.2,Service is excluded.	

GRACE ELECTRONICS, LLC.

Company Profile

GRACE ELECTRONICS, LLC. (The Company) is an Independent contract electro-mechanical equipment manufacturer/ diagnostic and repair station for military and commercial customers. The company was founded in 2001 in Suffolk County, NY to fill a gap in the market where OEM's had ceased to support equipment on legacy military aircraft.

The Company has grown and developed, adding a marketing service in 2009, moving premises and expanding to take on additional commercial contracts when they arise.

The Company is proud of its record of providing high quality products and service to their customer as reflected by its quality objectives of "100% Customer Satisfaction, and "100% On Time Delivery".

The Company is at the forefront of the latest technological developments for the industry having consistently upgraded its supply base to ensure their position as one of the leading providers of their services.

Nothing but the highest Quality standard of workmanship is accepted by the Company, this is accomplished through their tight Product Quality Assurance Program to guarantee specification, conformance and reliability.

The Quality Program is controlled from initial inquiry, the control of incoming inspection of materials through to production and the distribution of their Quality products. The use of specialized external services and in house Quality Control assure that the products' quality and safety are consistently maintained.

Delivery is another important aspect of service to this Company and job completion is to agreed time schedules, further enhancing the Company position as a leader in the market.

To qualify itself as a high care, secure supplier the company is certified to Mil-Q-9858A and is under observation by the Defence Contract Management Agency (DCMA).

An essential requirement of the continuing maintenance and development of the Company's Quality objectives is the installation of a Quality System registered to ISO 9001:2000 and AS9100:2008 rev C status.

GRACE ELECTRONICS, LLC.

Quality Policy

GRACE ELECTRONICS, LLC. recognizes that the disciplines of quality, health/safety and environmental management are an integral part of its management function. The Company views these as primary responsibilities and as keys to good business in adopting appropriate quality standards.

The Company's quality policy calls for continual improvement in its quality management activities and business will be conducted according to the following principles.

The Company will:

- Comply with all applicable laws and regulations.
- Follow a concept of continual improvement and make best use of our management resources in all quality matters.
- Communicate our quality objectives and performance against these objectives throughout the Company and to interested parties.
- Take due care to ensure that activities are safe for employees, customers, suppliers and any others who come into contact with our work.
- Work closely with our customers and suppliers to establish the highest quality standards.
- Adopt a forward-looking view on future business decisions that may affect quality.
- Train our staff in the needs and responsibilities of quality management.

It is GRACE ELECTRONICS, LLC. aim that with the total involvement of all staff through the implementation and ongoing development of a documented Quality Management System meeting the ISO 9001:2000 and AS9100:2008 Rev. C standard we will exceed the expectations of our customers, staff and investors.

Signed: _____ Director Date: 8/06/12

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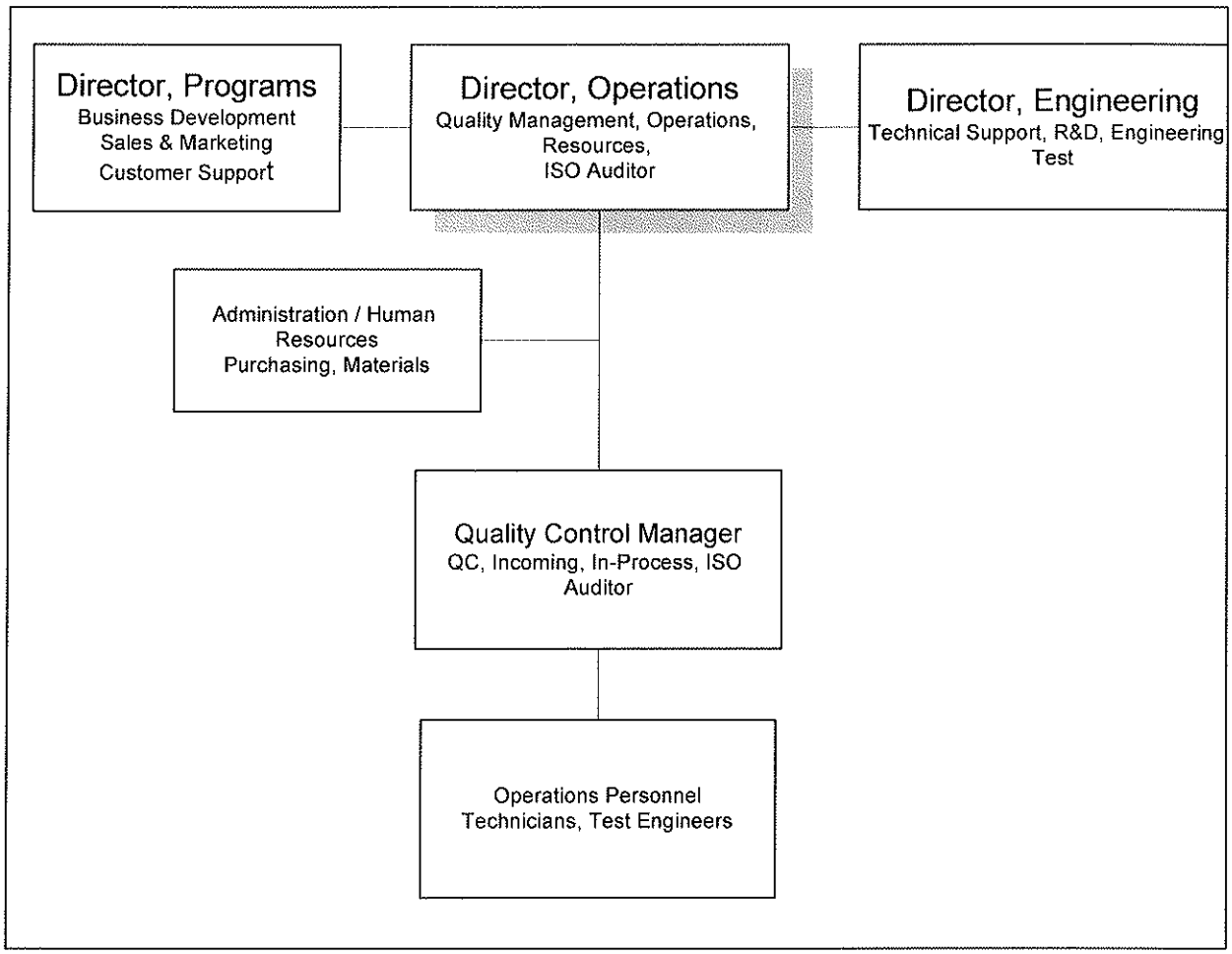
Organization and Responsibilities



GRACE ELECTRONICS, LLC.

Quality Management System Requirements

4.0 Quality Management System

4.1 General

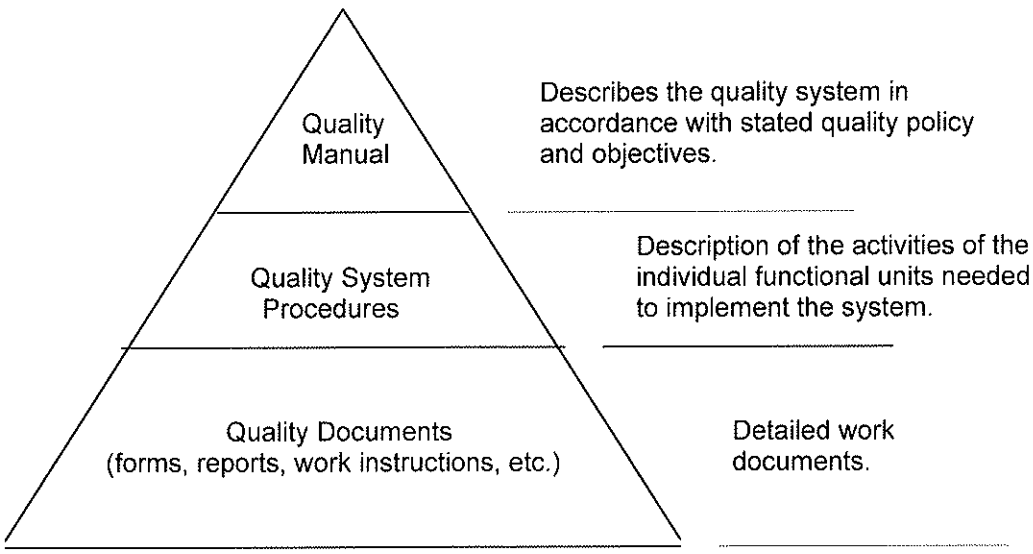
GRACE ELECTRONICS, LLC., through the offices of the Owners, is committed to maintaining an effective quality management system.

This manual has been prepared to satisfy the requirements of ISO 9001:2000 and AS9100 for quality management systems for the activities carried out at the site.

Wherever possible, quality controls have been integrated into existing systems (environment, health and safety) and cross-referenced for ease of interpretation.

The effective implementation of the quality management system will be verified by regular inspections, reviews and audits that will compare management practice against the requirements of the written procedures for quality management system standards. Corrective action will be taken where necessary and will be subsequently reviewed for effectiveness.

The system is structured as below:



GRACE ELECTRONICS, LLC.

Quality Management System Requirements

4.2 Documentation

4.2.1 The Company has written its quality policy and procedures as appropriate for its size, type and complexity. The quality policy is available to all employees.

4.2.2 The Company has prepared and maintains a controlled quality manual that defines the scope of its activities, with the exclusion of Service, supported by documented procedures for all covered activities.

4.2.3 A documented procedure ensures that all relevant quality documentation is controlled, reviewed, updated and approved as necessary. The Company ensures that quality documentation is legible and retrievable, and located where necessary. The status of quality documents is identified; obsolete quality documents are clearly identified to prevent unintended use. Where quality documents originate from outside the Company, these documents are identified and controlled.

4.2.4 Procedures are in place for the identification, storage, retrieval, protection, retention and disposition of quality records.

5.0 Management Responsibility

5.1 Commitment

Top management of the Company will ensure that all employees and subcontractors are aware of the need to meet customer and regulatory requirements and that the necessary resources are available. Quality policy and objectives are kept up-to-date via regular management review.

5.2 Customer Focus

Top management ensures that its customer needs and expectations are properly determined and fulfilled so the Company can achieve customer satisfaction. Due consideration is also given to product, service and regulatory/ legal requirements.

GRACE ELECTRONICS, LLC.

Quality Management System Requirements

5.3 Policy

The Company has established, through its quality policy, the need to meet customer requirements and continually improve its products and services. Quality objectives are reviewed for continuing suitability and communicated as appropriate throughout the organization.

5.4 Planning

The Company has ensured that all relevant functions and levels within the organization have clear, measurable quality objectives that are consistent with the Company's quality policy and product requirements. Adequate resources are available and output is planned in a controlled manner as required by its quality management system, being mindful of the need for continual process improvement.

5.5 Administration

5.5.1 Details of the Company's quality management system are documented. Elements of the quality management system have been defined and communicated wherever quality is affected.

5.5.2 Representatives have been appointed who have the authority and responsibility to ensure that the quality management system is established and maintained, and that reports on the performance of the system (and on any need for improvement) are made available to the Quality Management Representative. The significance of meeting customer requirements is understood.

5.5.3 Communication between all levels and functions are set to ensure the effectiveness of the processes of the quality management system.

5.6 Management Review

5.6.1 The complete quality management system is reviewed at planned intervals to evaluate the need for change and ensure its continuing suitability, adequacy and effectiveness, in meeting the Company's objectives.

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Quality Management System Requirements

5.6 Management Review (continued)

5.6.2 The review includes the evaluation of current performance objectives and improvement opportunities based on quality audits, customer feedback, process improvement, product performance, follow-up from previous meetings, and any changes that could effect product or service quality.

5.6.3 All results of management review activity are recorded.

6.0 Resource Management

6.1 Provision of Resources

The Company has ensured that the necessary resources needed to implement and improve the quality management system and to address customer satisfaction are available.

6.2 Human Resources

6.2.1 Where personnel are assigned quality responsibilities, the Company has ensured that they are competent on the basis of applicable education, training, skills and experience.

6.2.2 The Company has identified the training needs for quality related activities and provides training to satisfy these needs. Performance is evaluated, and appropriate training records are maintained.

6.3 Facilities

Suitably equipped workplaces with appropriate hardware/ software and supporting services are provided.

6.4 Work Environment

All aspects of the human and physical factors of the work environment that affect the conformity of product or service have been identified and are managed.

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Quality Management System Requirements

7.0 Product Realization

7.1 Planning of Realization Process

The production process for the Company's products and services is planned and documented as defined in the quality management system. Quality objectives, resources, processes and documentation needs are stated, and acceptable criteria for verification and validation are defined. Records appropriate to the level of confidence required for the process (and the product or service) are maintained.

7.2 Customer Related Processes

7.2.1 The needs of the customer with regard to availability, delivery and support are considered along with the product's intended use. In addition, regulatory and legal requirements are determined and satisfied.

7.2.2 The Company reviews its customers' requirements and determines any additional requirements for each contract or order. Where no customer requirements are documented, details are confirmed before acceptance of the order or contract. Any changes to contracts or quotations are resolved before proceeding, and the Company's ability to meet the defined requirements is confirmed.

7.2.3 The customer is kept informed of product information, inquiries, order changes/ amendments and progress on customer complaints.

7.3 Design and/or Development

Procedures exist for the control and management of the design and development function, including project management, progress control, definition of design input and output with the necessary verification, and design change control.

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Quality Management System Requirements

7.4 Purchasing

7.4.1 The Company controls its purchasing function to ensure that the purchased product conforms to requirements. Suppliers are selected against defined criteria and are subject to planned review and evaluation. The results of evaluations and follow up actions are recorded.

7.4.2 Purchasing documents are reviewed before release for the adequacy of information on product, procedures, processes, equipment and personnel.

7.4.3 The Company verifies its purchased products.

7.5 Production and Service Provisions

7.5.1 Production and service operations are planned and controlled through procedures, product specifications, work instructions, suitable equipment and proper maintenance. Measuring and monitoring activities, final inspection and delivery processes are defined in procedures and instructions.

7.5.2 Where verification of product or service cannot be ensured during the process by measuring and monitoring, control is exercised by qualification of the process, equipment and personnel through defined methods, procedures, records and re-validation if required.

7.5.3 Where appropriate, the Company identifies the product throughout the production and service activities and identifies its status with respect to measuring and monitoring activity. Where traceability is required, the unique identification of the product is controlled and recorded.

7.5.4 Where customer property for inclusion in the product comes within the Company's control, it is identified, verified, maintained and protected with details of adverse condition reported to the customer.

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Quality Management System Requirements

7.5 Production and Service Provisions (continued)

7.5.5 The Company preserves the conformity of the product or service from receipt of order to delivery.

7.6 Control of Measuring and Monitoring Devices

Measuring and monitoring devices are identified throughout the Company where quality is affected, and the devices used are controlled to appropriate standards for consistency. The devices are protected against random adjustments, damage and deterioration, and the results of calibrations are recorded.

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Quality Management System Requirements

8.0 Measurement, Analysis and Improvement

8.1 Planning

The requirement for defining methods and equipment for measurement and monitoring products and processes has been recognized. The procedures for utilizing such methods and equipment have been determined.

8.2 Measurement and Monitoring

8.2.1 Clear methods have been established to audit customer satisfaction and identify any failures to meet Company standards.

8.2.2 Suitably trained personnel conduct periodic independent internal audits on a planned basis. All aspects of internal audits are recorded and reviewed, and corrective action taken where necessary.

8.2.3 Processes effecting customer requirements are periodically reviewed to ensure that the requirements are being met.

8.2.4 Measuring and monitoring of the product throughout the process is designed to ensure that the finished product meets specifications and authorized personnel control its release for delivery.

8.3 Control of Non-conformity

Documented procedures are in place to identify and isolate non-conforming products, and before the corrected or accepted non-conforming item is returned to the process, it is re-checked. In the event non-conforming product mistakenly reaches the customer, appropriate corrective action is taken.

8.4 Analysis of Data

Data referring to product quality problems are collected and analyzed, and where changes to the quality management system offer improvements, these changes are introduced.
Areas for attention are customer complaints, meeting the customer's needs, product characteristics and supplier performance.

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Quality Management System Requirements

8.5 Improvements

8.5.1 The quality management system is managed in a manner to offer continual improvement, consistent with the quality policy, quality objectives, audit results, data analysis, corrective/preventive actions and management review.

8.5.2 Appropriate action is taken to rectify faults/weaknesses and prevent their recurrence. Any actions involving procedural changes are documented. Requirements for identifying faults, determining their cause and developing appropriate corrective action is covered and recorded, with the results reviewed.

8.5.3 The Company identifies preventive actions to preclude the recurrence of non-conformities and problems . The processes to develop/implement preventive actions are set out in procedures, and the results of such actions are recorded and reviewed for effectiveness.