

D & H Industries

QUALITY MANUAL

ISO 9001:2008

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Controlled Copy No. 1

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This Quality Manual contains only the pages issued by this facility. The Director of Quality/MR is responsible for processing all authorized changes, and for inserting revision pages into official copies. The Director of Quality/MR has authority to remove and dispose of obsolete pages to prevent their unintentional usage. This collection of documentation is controlled and shall be used as the final authority regarding the latest revision level and amendment status for the Quality Manual and Supporting Procedures. The Director of Quality/MR maintains the Master Copy of this Quality Manual.

SECTION	DATE	PAGE(S)	DESCRIPTION	APPROVAL
All	4/12/05	All	1st Manual Release	President CEO
0.3	7/11/05	1	Changed Quality Goals	President CEO
0.1	7/11/05	1	Updated Amendment Record	President CEO
4	7/11/05	3	Added note about use of PRO-3	President CEO
0.3	3/13/07	1	Updated Quality Policy	President CEO
0.1	3/13/07	1	Updated Amendment Record	President CEO
0.3	5/31/07	1	Updated Quality Policy	President CEO
0.1	5/31/07	1	Updated Amendment Record	President CEO
AppendixA	8/3/07	1	Changed Process Flow Chart	President CEO
0.1	8/3/07	1	Updated Amendment Record	President CEO
AppendixA	9/12/07	1 & 2	Changed Process Flow Chart	President CEO
0.1	9/12/07	1	Updated Amendment Record	President CEO
0.4	12/15/07	1	Updated scope to match certificate of registration.	President
0.1	12/15/07	1 & 2	Updated Amendment Record	President

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0.3	1/25/08	1	Update form to delete CEO in sign-off due to ownership change. Updated Quality Objectives.	President
0.1	1/25/08	1 & 2	Updated Amendment Record	President
All	5/15/08	All	Updated footer and removed CEO from approval	President
4	5/15/08	1 & 2	Updated last paragraph of 4.3.1 Updated R&A – removed CEO	President
5	5/15/08	1	Updated R&A – removed CEO	President
6	5/15/08	1	Updated R&A – removed CEO	President
7	5/15/08	1	Updated R&A – removed CEO and added Mfg. Ops. Mgr. Added sections about design & development. Renumbered sections.	President
8	5/15/08	1	Updated R&A – removed CEO and added Mfg. Ops. Mgr.	President
.4	5/15/08	1	Updated permissible exclusions to add clarification regarding design	President
.3	6/1/09	All	Update QP	President
.1	6/1/09	All	Update	President
4, 5, 6, 7, 8, Cover, .4	1/1/10	All	Re-write to account for transition to ISO 9001:2008	President

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QUALITY POLICY STATEMENT

D & H Industries is committed to providing innovative, world class stamping and assembly services that meet or exceed the needs and expectations of our customers in an environment that promotes quality of product, safety of workplace, and continual improvement.

"First Time, Every Time, On Time"

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Introduction

This Quality Manual describes the policies and company wide control system of the D & H quality management system. The quality management system described in this manual and the procedures that support it, meets the requirements of the ISO 9001:2008 international standard. Procedures have been created and implemented that also meet the requirements of this international standard.

Scope of Registration:

Stamping, fabrication, welding, and assembly of metal parts.

Interaction of Processes:

Please refer to the process flow chart found in Appendix A.

Permissible Exclusions:

D & H does not design the products it manufactures, but it does provide input and guidance on certain aspects of product manufacturability where needed. For this reason, all sections of clause 7.3 have been excluded, except 7.3.2 - Design and Development Inputs and 7.3.4 – Design and Development Review.

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Quality management system

4.1 Scope and Purpose

The quality system described in this section of the QM conforms to the requirements of the standard: Section 4—Quality Management System. This policy defines the corporate commitment to quality.

4.2 Responsibility and Authority (R&A)

The R&A for overall administration of quality management system activities is shared by top management, including the President, and the Director of Quality/MR. Employees have the responsibility to complete quality activities in support of the quality policy, quality system documentation, and customer requirements. Employees have been granted authority in order to meet specified requirements.

4.3 Quality Management System

General Requirements:

4.3.1 A quality management system has been established, documented, implemented, maintained, and is continually improved in accordance with the requirements of ISO 9001:2008. To implement the system, the organization has:

- ◆ determined the processes needed for the quality management system and their application throughout the organization;
- ◆ determined the sequence and interaction of these processes;
- ◆ determined the criteria and methods needed to ensure that both the operation and control of these processes are effective;
- ◆ ensured the availability of resources and information necessary to support the operation and monitoring of these processes;
- ◆ monitored, measured (where applicable), and analyzed these processes; and,
- ◆ implemented actions necessary to achieve planned results and continual improvement of these processes.

These processes are managed in accordance with ISO 9001:2008.

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D&H outsources the following processes:

- Calibration;
- Internal Audits;
- Plating/Painting;
- Machine Maintenance;
- Heat Treating; and
- Tool and Die Manufacturing.

Whenever processes are outsourced, a purchase order or other contractual document stipulating the services to be provided is used. Where the outsourced process involves product processing, D&H performs inbound inspection on the product upon return from the subcontractor. Please refer to QP07 and QP08 for further details on how the Purchasing and Inspection processes are controlled.

Documentation Requirements:

4.3.2 Quality management system documentation includes:

- ◆ documented statements of a quality policy and quality objectives;
- ◆ a Quality Manual;
- ◆ documented procedures and records required by ISO 9001:2008; and
- ◆ documents, including records determined by the organization to be necessary for the effective planning, operation and control of processes.

4.3.3 A Quality Manual has been established and maintained that includes:

- ◆ the scope of the quality management system, including details of and justification for any permissible exclusions;
- ◆ the documented procedures established for the quality management system, or reference to them; and,
- ◆ a description of the interaction between the processes of the quality management system.

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Control of Documents:

4.3.4 Documents and records required by the quality management system are controlled.

A documented procedure has been established to define the controls needed to:

- ◆ approve documents for adequacy prior to issue;
- ◆ review and update as necessary and re-approve documents;
- ◆ ensure that changes and the current revision status of documents are identified;
- ◆ ensure that relevant versions of applicable documents are available at points of use;
- ◆ ensure that documents remain legible and readily identifiable;
- ◆ ensure that documents of external origin determined by D&H to be necessary for the planning and operation of the quality management system are identified and their distribution controlled; if D&H ever uses registration marks, Perry Johnson's PRO-3 procedure will be downloaded, implemented and controlled; and,
- ◆ prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

Control of Records:

4.3.5 Records are established and maintained to provide evidence of conformity to requirements and of the effective operation of the quality management system.

Records are legible, readily identifiable, and retrievable.

A documented procedure has been established to define the controls needed for the identification, storage, protection, retrieval, retention time, and disposition of records.

4.4 Related and Support Documentation

Procedure QP04 – Quality Management System

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Management responsibility

5.1 Scope and Purpose

The quality system described in this section of the QM conforms to the requirements of the standard: Section 5—Management Responsibility. This policy defines the corporate commitment to quality.

5.2 Responsibility and Authority (R&A)

The R&A for overall administration of quality management system activities is shared by top management, including the President, and the Director of Quality/MR. Employees have the responsibility to complete quality activities in support of the quality policy, quality system documentation, and customer requirements. Employees have been granted authority in order to meet specified requirements.

5.3 Quality System Requirements

Management Responsibility:

5.3.1 Top management has provided evidence of its commitment to the development and implementation of the quality management system and continually improving its effectiveness by:

- ◆ communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements;
- ◆ establishing the quality policy;
- ◆ ensuring that quality objectives are established;
- ◆ conducting management reviews; and,
- ◆ ensuring the availability of resources.

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Customer Focus:

5.3.2 Top management has ensured that customer requirements are determined and fulfilled with the aim of enhancing customer satisfaction.

Quality Policy:

5.3.3 Top management has ensured the quality policy is:

- ◆ appropriate to the purpose of the organization;
- ◆ includes a commitment to comply with requirements and continually improve the effectiveness of the quality management system;
- ◆ provides a framework for establishing and reviewing quality objectives;
- ◆ communicated and understood within the organization; and,
- ◆ reviewed for continuing suitability.

Planning and Quality Objectives:

5.3.4 Top management has ensured quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within the organization. The quality objectives are measurable and consistent with the quality policy.

Quality Management System Planning:

5.3.5 Top management has ensured that:

- ◆ the planning of the quality management system is carried out in order to meet the requirements of the general requirements of this international standard (section 4.1); and,
- ◆ the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

Responsibility and Authority:

5.3.6 Top management has ensured the responsibilities and authorities are defined and communicated within the organization.

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Management Representative:

5.3.7 Top management has appointed a member of D&H's management who, irrespective of other responsibilities, has responsibility and authority that includes:

- ◆ ensuring processes needed for the quality management system are established, implemented and maintained;
- ◆ reporting to top management on the performance of the quality management system, and any need for improvement;
- ◆ ensuring the promotion of awareness of customer requirements throughout the organization; and,
- ◆ acting as liaison with external parties on matters relating to the quality system as appropriate.

Internal Communication:

5.3.8 Top management has ensured appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the quality management system.

Management Review:

5.3.9 Top management reviews the quality management system at planned intervals to ensure its continuing suitability, adequacy, and effectiveness. This review includes assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives. Records of management reviews are maintained.

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Management Review Input:

5.3.10 Input to management review includes information on:

- ◆ results of audits;
- ◆ customer feedback;
- ◆ process performance and product conformity;
- ◆ status of preventive and corrective actions;
- ◆ follow-up actions from earlier management reviews;
- ◆ planned changes that could affect the quality management system; and,
- ◆ recommendations for improvement.

Management Review Output:

5.3.11 Output from management review includes any decisions and actions related to:

- ◆ improvement of the effectiveness of quality management system and its processes;
- ◆ improvement of product related to customer requirements; and,
- ◆ resource needs.

5.4 Related and Support Documentation

Procedure QP05 – Management Responsibility

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Resource management

6.1 Scope and Purpose

The quality system described in this section of the QM conforms to the requirements of the standard: Section 6—Resource Management. This policy defines the corporate commitment to quality.

6.2 Responsibility and Authority (R&A)

The R&A for overall administration of quality management system activities is shared by top management, including the President, the Director of Quality/MR, and any appointed designee. Employees have the responsibility to complete quality activities in support of the quality policy, quality system documentation, and customer requirements. Employees have been granted authority in order to meet specified requirements.

6.3 Resource Management

Provision of Resources:

6.3.1 Resources have been determined and provided to:

- ◆ implement and maintain the quality management system and continually improve its effectiveness; and,
- ◆ enhance customer satisfaction by meeting customer requirements.

Human Resources:

6.3.2 Personnel performing work affecting conformity to product requirements are competent on the basis

Competence, Awareness and Training:

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6.3.3 The organization has:

- ◆ determined the necessary competence for personnel performing work affecting conformity to product requirements;
- ◆ where applicable, provided training or taken other action to achieve the necessary competence;
- ◆ evaluated the effectiveness of the actions taken;
- ◆ ensured that its personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives; and,
- ◆ maintained appropriate records of education, training, skills and experience.

Infrastructure:

6.3.4 The infrastructure needed to achieve conformity to product requirements has been determined, provided, and maintained.

Infrastructure examples may include, but not be limited to:

- ◆ buildings, workspace and associated utilities;
- ◆ process equipment, (both hardware and software); and,
- ◆ supporting services (such as transport, communication, or information systems).

Work Environment:

6.3.5 The work environment needed to achieve conformity to product requirements has been determined and managed.

6.4 Related and Support Documentation

Procedure QP05 – Management Responsibility
 Procedure QP06 – Resource Management
 Procedure QP07 – Product Realization

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Product realization

7.1 Scope and Purpose

The quality system described in this section of the QM conforms to the requirements of the standard: Section 7—Product Realization. This policy defines the corporate commitment to quality.

7.2 Responsibility and Authority (R&A)

The R&A for overall administration of quality management system activities is shared by top management, including the President, the Manufacturing Operations Manager, the Customer Service Manager, the Purchasing Manager, the Quality Technician, the Administrative Assistant, the Production Coordinator, and the Director of Quality/MR. Employees have the responsibility to complete quality activities in support of the quality policy, quality system documentation, and customer requirements. Employees have been granted authority in order to meet specified requirements.

7.3 Product Realization

Planning of Product Realization:

7.3.1 The processes needed for product realization are planned and developed, and are consistent with the requirements of the other processes of the quality management system. In planning product realization, the following has been determined, as appropriate:

- ◆ quality objectives and requirements for the product;
- ◆ the need to establish processes and documents, and to provide resources specific to the product;
- ◆ required verification, validation, monitoring, measurement, inspection and test activities specific to the product and the criteria for product acceptance;
- ◆ records needed to provide evidence that the realization processes and resulting product meet requirements; and,
- ◆ planning output is in a suitable form for methods of operation.

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Determination of Requirements Related to the Product:

7.3.2 Requirements related to the product have been determined, including:

- ◆ requirements specified by the customer, including the requirements for delivery and post-delivery activity;
- ◆ requirements not stated by the customer but necessary for specified or intended use, where known;
- ◆ statutory and regulatory requirements applicable to the product; and,
- ◆ determination of any additional requirements considered necessary.

Review of Requirements Related to the Product:

7.3.3 Requirements related to the product are reviewed. This review is conducted prior to committing to supply a product to customers, and ensures that:

- ◆ product requirements are defined;
- ◆ contract or order requirements differing from those previously expressed are resolved;
- ◆ the organization has the ability to meet the defined requirements; and,
- ◆ records of the results of review and actions arising from this review are maintained.

Where the customer provides no documented statement of requirements, customer requirements are confirmed before acceptance.

Where product requirements are changed, it is ensured that relevant documents are amended and that relevant personnel are made aware of the changed requirements.

Customer Communication:

7.3.4 Effective arrangements for communication with customers relating to the following are determined and implemented:

- ◆ product information;
- ◆ inquiries, contracts or order handling, including amendments; and,
- ◆ customer feedback, including customer complaints.

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Design and development

7.3.5 Design & development inputs

Inputs relating to product requirements are determined and records maintained. These inputs include, where appropriate:

- ◆ Functional and performance requirements,
- ◆ Applicable statutory and regulatory requirements,
- ◆ Information derived from previous similar designs, and
- ◆ Other requirements essential for design and development.

The inputs are reviewed for adequacy. Requirements are complete, unambiguous and not in conflict with each other.

7.3.6 Design & development review

At suitable stages, systematic reviews of design and development are performed in accordance with planned arrangements

- ◆ To evaluate the ability of the results of design and development to meet requirements, and
- ◆ To identify any problems and propose necessary actions.

Participants in reviews include representatives of functions concerned with the design and development stages being reviewed. Records of the results of the reviews and any necessary actions are maintained.

Purchasing Process:

7.3.7 Purchasing processes are controlled to ensure purchased product conforms to specified purchase requirements. The type and extent of control is applied to suppliers and purchased product is dependent upon the effect of the purchased product on subsequent product realization or the final product.

Suppliers are evaluated and selected based on their ability to supply product in accordance with requirements. Criteria for selection, evaluation, and re-evaluation and any necessary actions arising from the evaluation are maintained.

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Purchasing Information:

7.3.8 Purchasing information describes the product to be purchased, including where appropriate:

- ◆ requirements for approval of product, procedures, processes, and equipment;
- ◆ requirements for qualification of personnel; and,
- ◆ quality management system requirements.

The adequacy of specified purchasing requirements prior to their communication to suppliers is ensured.

Verification of Purchased Product:

7.3.9 Inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements are established and implemented. Where verification of purchased product is intended at suppliers' premises, including customer verification of such product, the verification activity and the method of product release are stated in the purchasing information.

Control of Production and Service Provision:

7.3.10 Production and service operations are planned and carried out under controlled conditions, including, as applicable:

- ◆ the availability of information that describes the characteristics of the product;
- ◆ the availability of work instructions, as necessary;
- ◆ the use of suitable equipment;
- ◆ the availability and use of monitoring and measuring equipment;
- ◆ the implementation of monitoring and measurement; and,
- ◆ the implementation of product release, delivery and post-delivery activities.

Validation of Processes for Production and Service Provision:

7.3.11 Processes for production and service where the resulting output cannot be verified by subsequent monitoring or measurement are validated. This includes any processes where deficiencies become apparent only after the product is in use or the service has been delivered. Validation demonstrates the ability of these processes to achieve planned results. Arrangements are established for these

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processes including, as applicable:

- ◆ defined criteria for review and approval of the processes;
- ◆ approval of equipment and qualification of personnel;
- ◆ use of specific methods and procedures;
- ◆ requirements for records; and,
- ◆ revalidation.

Identification and Traceability:

7.3.12 Product is identified, where appropriate, by suitable means throughout production realization. The status of the product is identified with respect to measurement and monitoring requirements throughout production realization. Where traceability is a requirement, the unique identification of product is controlled and records maintained.

Customer Property:

7.3.12 Care is exercised with customer property while it is under control or being used. Customer property provided for use or incorporation into product is identified, verified, protected and safeguarded. Any customer property that is lost, damaged or otherwise found to be unsuitable for use is recorded and reported to customers.

Preservation of Product:

7.3.13 Conformity of product during internal processing and delivery to the intended destination is preserved to maintain conformity to requirements. As applicable, this includes identification, handling, packaging, storage and protection. Preservation also applies to the constituent parts of a product.

Control of Measuring and Monitoring Equipment:

7.3.14 The monitoring and measurements to be undertaken, and the monitoring and measuring equipment needed to assure conformity of product to determine requirements are determined. Processes are established to ensure that monitoring and measurement can be carried out and are carried out in a manner consistent with the monitoring and measurement requirements. Where necessary to ensure valid results, measuring equipment is:

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- ◆ calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration is recorded;
- ◆ adjusted or re-adjusted as necessary;
- ◆ identified to enable the calibration status to be determined;
- ◆ safeguarded from adjustments that would invalidate the measurement result; and,
- ◆ protected from damage and deterioration during handling, maintenance and storage.

The validity of the previous measuring results are assessed and recorded when the equipment is found not to conform to requirements. Appropriate action is taken on the equipment and any product affected. Records of the results of calibration and verification are maintained.

7.4 Related and Support Documentation

Procedure QP05 – Management Responsibility
 Procedure QP07 – Product Realization

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Measurement, analysis and improvement

8.1 Scope and Purpose

The quality system described in this section of the QM conforms to the requirements of the standard: Section 8—Measurement, Analysis and Improvement. This policy defines the corporate commitment to quality.

8.2 Responsibility and Authority (R&A)

The R&A for overall administration of quality management system activities is shared by the President, the Manufacturing Operations Manager, the Quality Technician, and the Director of Quality/MR. Employees have the responsibility to complete quality activities in support of the quality policy, quality system documentation, and customer requirements. Employees have been granted authority in order to meet specified requirements.

8.3 Measurement, Analysis and Improvement

General Requirements:

8.3.1 The organization has planned and implemented the monitoring, measurement, analysis, and improvement processes needed to:

- ◆ demonstrate conformity to product requirements;
- ◆ ensure conformity of the quality management system; and,
- ◆ continually improve the effectiveness of the quality management system.

This includes determination of applicable methods, including statistical techniques, and the extent of their use.

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Customer Satisfaction:

8.3.2 As one of the measurements of the performance of the quality system, the organization monitors information relating to customer perception as to whether customer requirements have been met.

Internal Audit:

8.3.3 Periodic internal audits are conducted at planned intervals to determine whether the quality management system:

- ◆ conforms to the planned arrangements, to the requirements of this International Standard, and to the quality management system requirements established by the organization; and,
- ◆ is effectively implemented and maintained.

An audit program is planned that takes into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits. The audit criteria, scope, frequency, and methods are defined. Selection of auditors and conduct of audits ensures objectivity and impartiality of the audit process. Auditors do not audit their own work.

The responsibilities and requirements for planning and conducting audits, and for reporting results and maintaining records, are defined in a documented procedure.

The management responsible for the audited area ensures corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes. Follow-up activities include the verification of the actions taken and the reporting of verification results.

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Monitoring and Measurement of Processes:

8.3.4 Suitable methods are applied for monitoring and, where applicable, measurement of the quality management system processes. These methods demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, corrections and corrective actions are taken, as appropriate, to ensure conformity of the product.

Monitoring and Measurement of Product:

8.3.5 The characteristics of the product are monitored and measured to verify that product requirements are fulfilled. This is completed at appropriate stages of the product realization process in accordance with planned arrangements.

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

Product release and service delivery to the customer do not proceed until all the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority, and where applicable, by the customer.

Control of Nonconforming Product:

8.3.6 Product that does not conform to product requirements is identified and controlled to prevent its unintended use or delivery. The controls and related responsibilities and authorities for dealing with nonconforming product are defined in a documented procedure.

Where applicable, nonconforming product is dealt with by one or more of the following manners:

- ◆ by taking action to eliminate the detected nonconformity;
- ◆ by authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer; and,
- ◆ by taking action to preclude its original intended use or application.

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Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, are maintained.

When nonconforming product is corrected, it is subject to re-verification to demonstrate conformity to the requirements.

When nonconforming product is detected after delivery or use has started, actions are taken appropriate to the effects, or potential effects, of the nonconformity.

Analysis of Data:

8.3.7 The determination of, collection, and analysis of appropriate data is completed to demonstrate the suitability and effectiveness of the quality management system, and to evaluate where continual improvement of the effectiveness of the quality management system can be made. This includes data generated as a result of monitoring and measurement and from other relevant sources.

The analysis of data provides information relating to:

- ◆ customer satisfaction;
- ◆ conformance to product requirements;
- ◆ characteristics and trends of processes and products including opportunities for preventive action; and,
- ◆ suppliers.

Continual Improvement:

8.3.8 The effectiveness of the quality management system is continually improved through the use of the following:

- ◆ quality policy;
- ◆ quality objectives;
- ◆ audit results;
- ◆ analysis of data;
- ◆ corrective and preventive actions; and,

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- ◆ management review.

Corrective and Preventive Action:

8.3.9 Corrective action is taken to eliminate the cause of nonconformities in order to prevent recurrence. Corrective actions are appropriate to the impact of the problems encountered.

A documented procedure for corrective action is established defining requirements for:

- ◆ reviewing nonconformities (including customer complaints);
- ◆ determining the causes of nonconformities;
- ◆ evaluating the need for action to ensure that nonconformities do not recur;
- ◆ determining and implementing action needed;
- ◆ records of the results of actions taken; and,
- ◆ reviewing the effectiveness of corrective action taken.

8.3.10 Preventive action is determined to eliminate the causes of potential nonconformities in order to prevent occurrence. Preventive actions are appropriate to the effects of the potential problems.

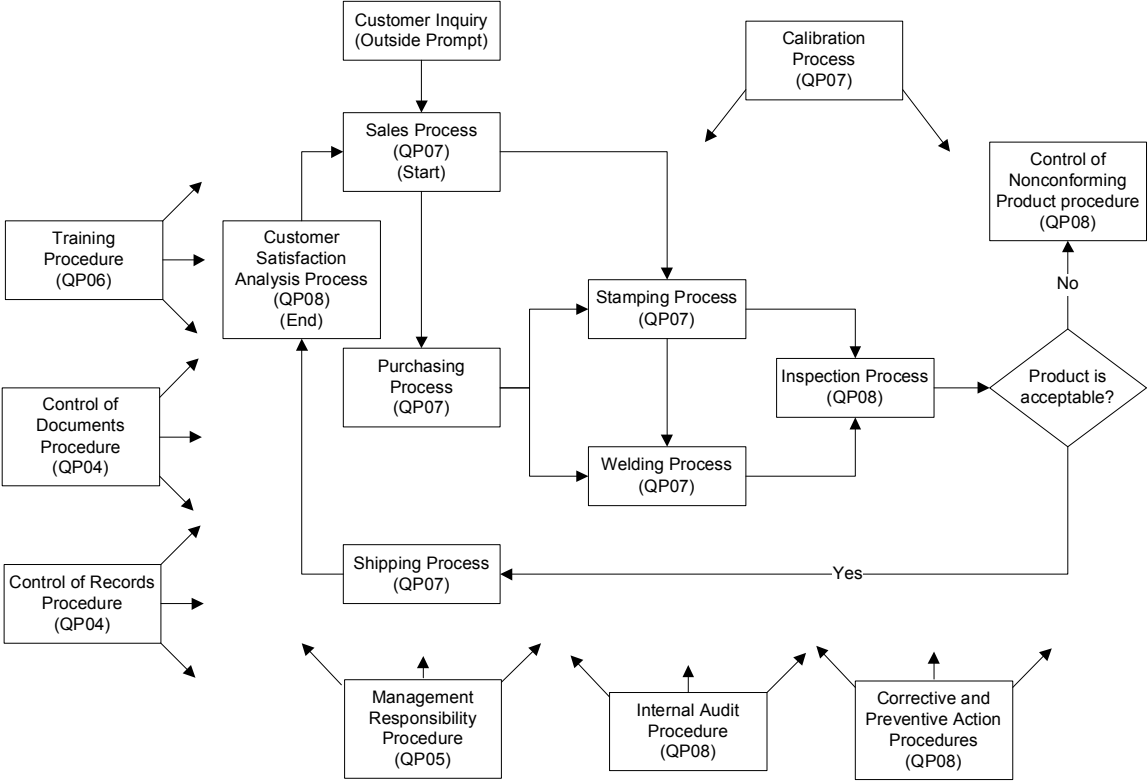
A documented procedure for preventive action is established defining requirements for:

- ◆ determining potential nonconformities and their causes;
- ◆ evaluating the need for action to prevent occurrence of nonconformities;
- ◆ determining and implementing action needed;
- ◆ records of results of action taken; and,
- ◆ reviewing the effectiveness of preventive action taken.

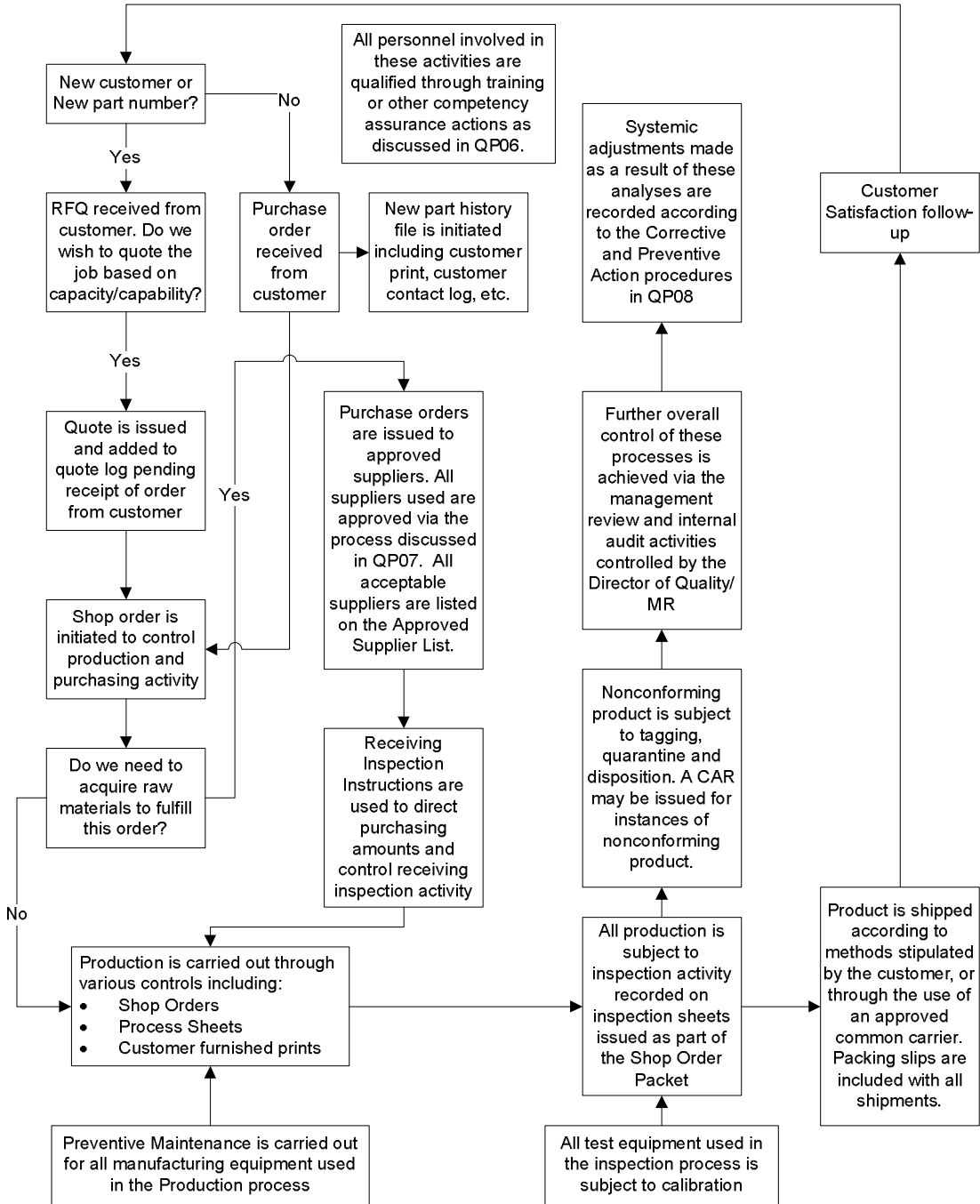
8.4 Related and Support Documentation

Procedure QP08 – Measurement, Analysis, and Improvement

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