

Revision



SECONN FABRICATION

Quality Management System Document



QUALITY MANUAL

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ABOUT SECONN FABRICATION

I see people every week, customers and peers alike, who tell me that they cannot believe what we are able to do with regard to timeliness, the quality of our products and the pride our team puts into each job.

What is Seconn About? It's about our people. Everything we have built, from our reputation to our new facility, all starts with the dedication and skill of our team.



Robert J. Marelli Jr.
Founder and President, Seconn

As a precision sheet metal fabricator in Waterford Connecticut, Seconn is distinct in all the ways that make it an industry leader, surpassing its client's expectations and continually impressing industry peers. All of the advantages that Seconn enjoys, from state-of-the-art equipment and unparalleled turnaround time to new product offerings and first-rate customer service are all the result of one key factor...the people, each of whom is a vital part to the company's foundation.

Unlike many other fabrication facilities, Seconn's team has remained a united force for more than a decade, a fact that leads to more streamlined processes and manufacturing consistency. Each Seconn team member is cross-trained in multiple workstations, highly motivated and takes the utmost pride in delivering top quality products to our customers. Because of cross training, an environment of creativity and a team atmosphere, Seconn enjoys significantly lower lead times than others in our industry, thus producing higher client satisfaction. Today, because of the proven success Seconn has enjoyed, others in the industry are looking at how they can imitate what Seconn has built.

QUALITY SYSTEM MANUAL

MANUAL NUMBER: 1



SUMMARY OF CHANGES

Revision	Change(s)	Effective Date	Approved By:
QSM-1 ORG	Original	January 1, 2008	Robert J. Marelli, Jr.
QSM-1 A	DCR # 0009-10-2008	October 7, 2008	Robert J. Marelli, Jr.
QSM-1-B	DCR # 0022-11-2008	November 18, 2008	Robert J. Marelli, Jr.
QSM-1-C	DCR # 0034-12-2008	December 22, 2008	Robert J. Marelli, Jr.
QSM-1-D	DCR # 0037-12-2008	January 12, 2009	Robert J. Marelli, Jr.
QSM-1-E	DCR # 0051-05-2009	May 1, 2009	Robert J. Marelli, Jr.
QSM-1-F	DCR#0085-10-2009	October 8, 2009	Robert J. Marelli, Jr.



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EIGHT QUALITY MANAGEMENT PRICIPLES OF ISO 9000

CUSTOMER FOCUS: AN ORGANIZATION DEPENDS ON THEIR CUSTOMERS AND SHOULD THEREFORE UNDERSTAND CURRENT AND FUTURE NEEDS. AN ORGANIZATION SHOULD ALSO MEET CUSTOMER REQUIREMENTS AND STRIVE TO EXCEED CUSTOMER EXPECTATIONS.

LEADERSHIP: LEADERSHIP ESTABLISHES UNITY OF PURPOSE AND DIRECTION. STRONG LEADERSHIP CREATES AND MAINTAINS AN OPERATING ENVIRONMENT IN WHICH PEOPLE CAN BECOME FULLY INVOLVED IN ACHIEVING ORGANIZATIONAL OBJECTIVES.

INVOLVEMENT: PEOPLE AT ALL LEVELS ARE THE ESSENCE OF AN ORGANIZATION. FULL INVOLVEMENT ENABLES THEIR ABILITIES TO BE USED FOR THE ORGANIZATION'S BENEFIT.

PROCESS APPROACH: A DESIRED RESULT IS ACHIEVED MORE EFFICIENTLY WHEN ACTIVITIES AND RELATED RESOURCES ARE A MANAGED PROCESS.

SYSTEM APPROACH TO MANAGEMENT: IDENTIFYING, UNDERSTANDING AND MANAGING INTERRELATED PROCESSES AS A SYSTEM CONTRIBUTES TO THE ORGANIZATION'S EFFECTIVENESS AND EFFICIENCY IN ACHIEVING ITS OBJECTIVES.

CONTINUAL IMPROVEMENT: CONTINUAL IMPROVEMENT OF THE ORGANIZATION'S OVERALL PERFORMANCE SHOULD BE A PERMANENT OBJECTIVE OF THE ORGANIZATION.

FACTUAL APPROACH TO DECISION-MAKING: EFFECTIVE DECISIONS ARE BASED ON THE ANALYSIS OF THE DATA AND INFORMATION.

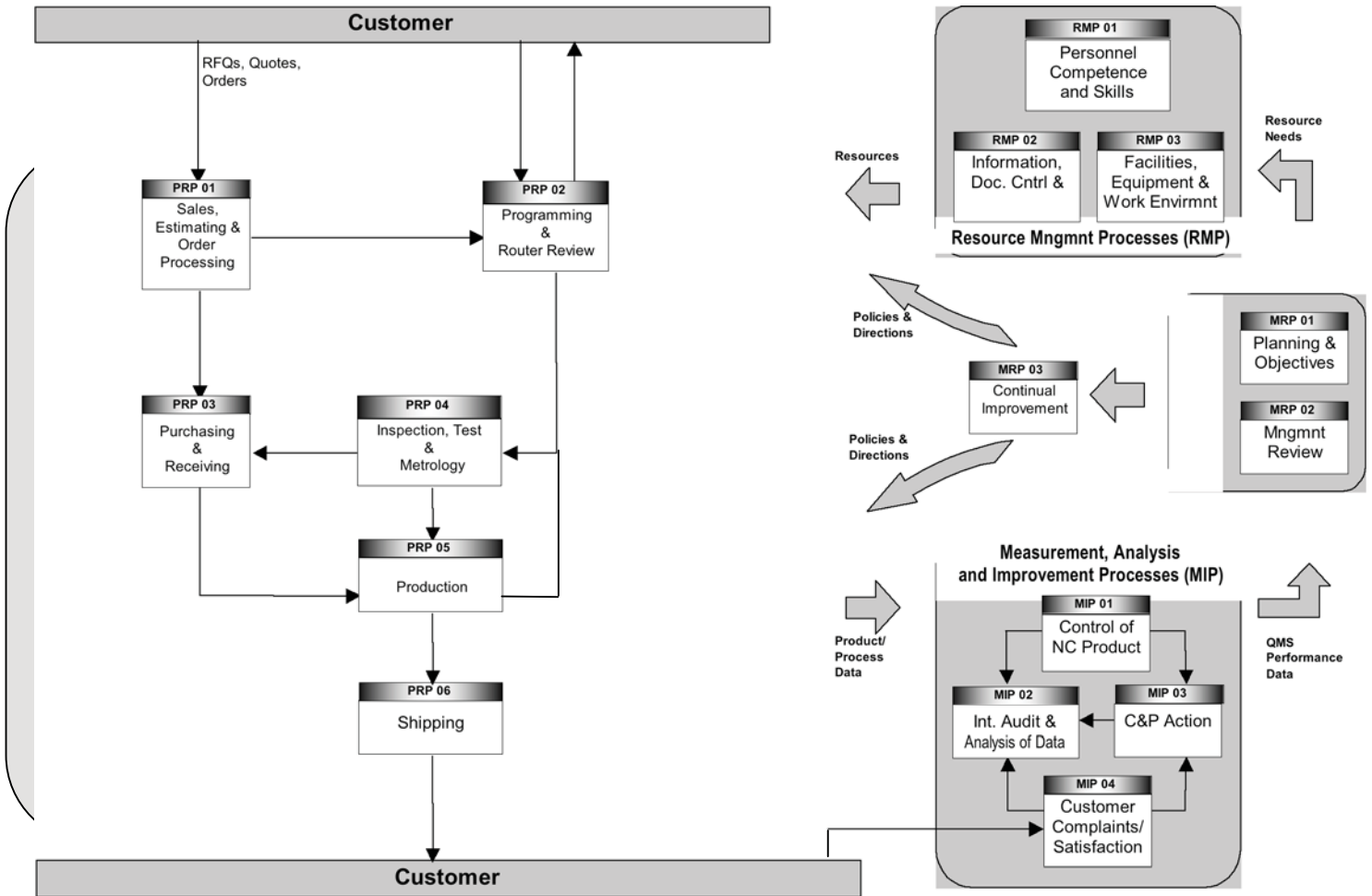
MUTUALLY BENEFICIAL SUPPLIER RELATIONSHIPS: AN ORGANIZATION AND ITS SUPPLIERS ARE INDEPENDENT AND A MUTUALLY BENEFICIAL RELATIONSHIP ENHANCES THE ABILITY OF BOTH TO CREATE VALUE.

THESE QUALITY MANAGEMENT PRINCIPLES FORM THE BASIS FOR THE QUALITY MANAGEMENT SYSTEM STANDARDS WITHIN THE ISO 9000 FAMILY.

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Process Flow Diagram



Process flow diagram showing the interaction between customer-driven processes and the Quality Management System.

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1. Process approach
 - 1.1 The quality management system is designed as a system of interrelated processes. The process approach is applied to the auditing of the system.
 - 1.2 All main activities in the company are defined as Product Realization Processes (PRPs). PRPs are grouped into the following six categories (refer to the diagram at the top of this section):
 - 1.3 The sequence and interrelation between the six groups and individual PRPs are illustrated in a diagram at the beginning of this section (PRP Diagram). Every PRP is further defined in process sheets at the end of this section (PRP Sheets).
 - 1.4 PRPs and their supporting processes are documented in this quality manual and in associated operational procedures and work instructions. The documentation defines these quality system processes and their sequence and interaction, and instructs on how to implement and apply them throughout the organization.
2. Resources Management Processes (RMP)
 - 2.1 The Director of Quality is responsible for determining resource and information requirements necessary to support the operation and monitoring of quality system processes, and for communicating these requirements to the top management. The top management is responsible for ensuring the availability of necessary resources and information. Quality Manual Section 6.1, Provision of Resources, explains in more detail how resource requirements are identified and satisfied.
3. Monitoring Analysis and Improvement Processes (MIP)
 - 3.1 Performance of quality system processes is systematically monitored and measured. This is to ensure their effectiveness and identify opportunities for improvement.
 - 3.2 Performance of quality system processes is monitored through internal quality audits (refer to Quality Manual Section 8.2 and Standard Operating Procedure 8.2.2, Internal Quality Audits). The overall performance of the quality system is monitored by measuring customer satisfaction (refer to Quality Manual Section 8.2).

- 3.3 Quality system processes are reviewed and analyzed by the management review of the quality system (refer to Quality Manual Section 5.6 and Standard Operating Procedure 5.6, Management Review).
4. Management Responsibility
- 4.1 Quality management system processes are regularly reviewed by top management to identify any possible failures or breakdowns, as well as opportunities for improvement. Actions necessary to address actual or potential problems and to improve the quality system are implemented through management projects for achieving quality objectives and through corrective and preventive actions.
- 4.2 Quality Manual Section 8.5 and Standard Operating Procedure 8.5.2, Customer Feedback and Complaints, and 8.5.3, Corrective and Preventive Actions, define how the quality management system itself ensures its own compliance and continual improvement.
5. Outsourced processes
- 5.1 When processes that affect product conformity are outsourced, special controls are implemented to ensure that these processes meet specified requirements. Such controls may include, as appropriate:
- Evaluation and pre-qualification of suppliers;
 - Assessment of supplier realization processes and quality system;
 - Monitoring of supplier quality performance;
 - Requirements for process control, inspection, testing or other records demonstrating product conformity.
- Quality Manual Section 7.4 and Standard Operating Procedure 3.01.02 Purchasing define such purchasing control system.
- 5.2 Ensuring control over outsourced processes does not absolve Seconn Fabrication of the responsibility of conformity to all customer requirements.

PRODUCT REALIZATION PROCESSES (PRP) SHEETS

SALES, ESTIMATING & ORDER PROCESSING	
Purpose	To determine customer requirements, RFQs, prepare bids and quotations, submit tenders, and take orders from, or enter into contracts with, customers.
Owner	Sales and Customer Service
Process Inputs	<ul style="list-style-type: none"> ▪ Statements of product requirements and customer requirements received from customers (requests for quotations, inquiries, orders, etc.) ▪ Legal, statutory and regulatory requirements ▪ Product information and information regarding lead times, engineering capabilities, production capabilities and capacities, etc. ▪ Customer profiles and previous orders
Supporting Processes	<ul style="list-style-type: none"> ▪ Contract Review – SOP 7.2, WI 3.01.04, Quoting Checklist ▪ Determining customer requirements – SOP 7.2 ▪ Evaluating capability and capacity to meet requirements – SOP 7.2 ▪ Preparing RFQ's, quotations, bids and tenders – SOP 7.2, WI 3.01.01 ▪ Entering orders (or signing contracts) – SOP 7.2, 3.01.06 ▪ Receiving, entering and processing change orders – SOP 7.2, WI 3.01.04 and 3.01.06 Control of Documents – SOP 4.2.3, 4.2.3.2
Process Outputs	<ul style="list-style-type: none"> ▪ Order confirmations ▪ Product traveler ▪ Change orders (production) ▪ Sales records
PROGRAMMING & ROUTE REVIEW	
Purpose	To develop efficient, capable and stable manufacturing processes.
Owners	Programming/Route Review
Process Inputs	<ul style="list-style-type: none"> ▪ Product record (specifications, drawings, mathematically based data, material and parts lists, etc.) ▪ Customer requirements ▪ Foreman's report (JobBOSS) ▪ Product travelers
Supporting-Processes	<ul style="list-style-type: none"> ▪ Control of Documents – SOP 4.2.3,4.2.3.2 ▪ Purchasing – WI 3.01.02
Process Outputs	<ul style="list-style-type: none"> ▪ Product travelers, product drawing, flat blank drawings, laser and/or punch programs, etc.) ▪ Product travelers.

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PURCHASING & RECEIVING	
Purpose	To select qualified vendors and to purchase from them materials, components, and services necessary for the manufacture and delivery of the product (for full scope of application refer to WI 3.01.02, Purchasing).
Owners	Purchasing
Process Inputs	<ul style="list-style-type: none"> ▪ Purchasing requisitions, to include product description and identification, specification, quantity, required date, etc. ▪ Quality requirements (quality system, product testing requirements, etc.) ▪ Legal, statutory and regulatory requirements ▪ Other requirements (packaging, marking, delivery, certifications, etc.)
Supporting Processes	<ul style="list-style-type: none"> ▪ Evaluating and selecting suppliers and subcontractors – WI 3.01.02 ▪ Maintaining a list of approved suppliers – WI 3.01.02 ▪ Preparing, reviewing and issuing purchasing documents – WI 3.01.02 ▪ Receiving purchased products – WI 3.01.05 ▪ Inspecting or otherwise verifying conformity of purchased products – WI 3.01.22 ▪ Applying, maintaining and recording purchased product identification and traceability ▪ Monitoring quality performance of suppliers – WI 3.01.02 ▪ Communicating with suppliers regarding their quality performance (performance reports, notifications, requests for corrective actions, etc.) – WI 3.01.02
Process Outputs	<ul style="list-style-type: none"> ▪ Approved supplier list ▪ Purchase orders ▪ Purchased products ▪ Purchased product verification records ▪ Identification of purchased product and its status ▪ Records of supplier quality performance history ▪ Records of communication with suppliers (notifications, SCARs, etc.)
PRODUCTION	
Purpose	To manufacture products conforming to requirements.
Owners	Director of Manufacturing and Team Leaders
Process Inputs	<ul style="list-style-type: none"> ▪ Operator instructions, product travelers. ▪ Specifications, drawings, equipment, tooling, parameters, etc. ▪ Purchased products (materials, components, etc.)
Supporting Processes	<ul style="list-style-type: none"> ▪ Training process operators (on-the-job) – SOP 6.2.2 ▪ Carrying out manufacturing processes – SOP 7.5 ▪ Maintaining and recording product identification and traceability – SOP 7.5 ▪ Handling, moving, storing and preserving materials and products – SOP 7.5 ▪ Managing and operating storage areas and warehouses SOP 7.5 ▪ Maintaining production equipment and tooling – SOP 7.5

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PRODUCTION (continued)	
Process Outputs	<ul style="list-style-type: none"> ▪ Finished products ▪ Finished product identification, configuration and traceability records ▪ Production records
INSPECTION, TEST & METROLOGY	
Purpose	To verify the conformity of in-process and final product.
Owners	Quality
Process Inputs	<ul style="list-style-type: none"> ▪ First Piece Inspection – WI 3.01.43 ▪ Final Inspection - WI 3.01.30
Supporting Processes	<ul style="list-style-type: none"> ▪ Identifying and controlling nonconforming product – SOP 8.3 ▪ Applying and maintaining inspection status identification – WI 3.01.33
Process Outputs	<ul style="list-style-type: none"> ▪ Releasing product ▪ Final inspection ▪ Identification of nonconforming product ▪ Identification of product status (Pass/Fail) ▪ Product release records (Travelers)
SHIPPING	
Purpose	To package and dispatch finished products and deliver them to customers.
Owners	Shipping
Process Inputs	<ul style="list-style-type: none"> ▪ Shipping orders ▪ Outside service purchase orders ▪ Finished product release records (authorization) ▪ Packaging requirements and specifications ▪ Shipment labeling and marking requirements
Sub-Processes	<ul style="list-style-type: none"> ▪ Packaging products – WI 3.01.35 ▪ Labeling and marking shipments – WI 3.01.34 ▪ Preparing shipping documents – WI 3.01.34 ▪ Dispatching shipments (loading, fastening, protecting, and/or transferring custody to shippers) – WI 3.01.34 ▪ Notifying customers of dispatched shipments – WI 3.01.34 ▪ Maintaining on-time delivery performance records – WI 3.01.34
Process Outputs	<ul style="list-style-type: none"> ▪ Products delivered to customers on time and in good condition ▪ Shipping records ▪ On-time delivery data

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Scope of the Quality Management System

Seconn Fabrication is a precision sheet metal fabricator offering the marketplace engineering, prototyping, custom manufacturing, powder coating and assembly.

Excluded, from the scope of our Quality Management System:

❖ Clause 7.3, Design & Development

Justification: Seconn Fabrication does not currently design products for our customers

❖ Clause 7.5, Service Provisions

Justification: Seconn Fabrication does not currently provide after-market servicing of any kind

❖ Clause 7.5.1 (f)

Justification: Seconn Fabrication does not perform post-delivery activities

❖ Clause 7.5.2, Validation of processes for production and service provision

Justification: Seconn Fabrication does not have any processes where deficiencies become apparent only after the product is in use.

Excluded as not applicable:

❖ *Clause 7.5.2, “Special Processes”, as Seconn Fabrication has, to date, performed no such processes.*

❖ *The use of computer hardware or software for inspection does not apply to Seconn Fabrication at this time, and no controls for same have been evaluated/implemented.*

SECONN FABRICATION

QUALITY POLICY

Seconn Fabrication's Quality Policy is to exceed our customer's expectations through Continuous Improvement, Quality Objectives, Employee Empowerment and Management commitment.

QUALITY OBJECTIVES

95% On-Time

20% Reduction in Quantity of RMA's

10% Improvement in Customer Service Rating

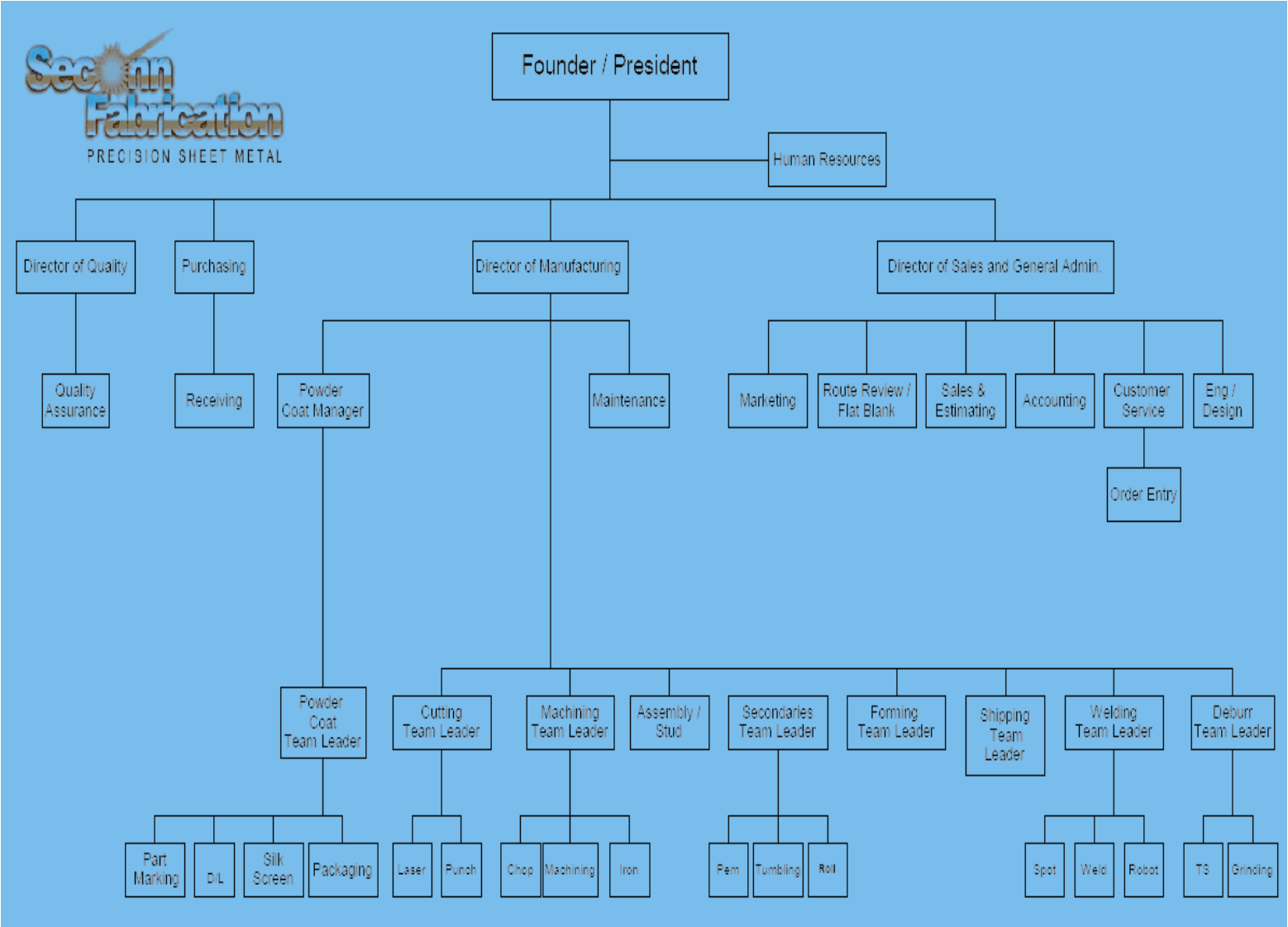
ROBERT J. MARELLI, JR.

PRESIDENT

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Organizational Chart



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Quality Management System

4.1 General Requirements: The organization, Seconn Fabrication, has established, documented, implemented and currently maintains a quality management system. We continually improve its effectiveness with the requirements of ISO 9001. This quality manual covers the determination of criteria and methods needed to:

- a) ensure that the operation and control of the quality management system are effective
- b) assure the availability of resources and information necessary to support the operation of the processes
- c) measure, monitor, where applicable, and analyze these processes
- d) implement actions necessary to achieve planned results and continual improvement of these processes.

Seconn occasionally outsources some manufacturing processes such as welding, forming and cutting. The Purchasing process controls these activities and is supported by receiving and receiving inspection activities.

4.2 Document requirements

4.2.1 General: Seconn Fabrication's Quality Management System documentation includes

- a) documented statements of a quality policy and quality objectives,
- b) a Quality Manual,
- c) documented procedures and records by ISO 9001,
- d) documents, including records, needed by the organization to be necessary to ensure the effective planning, operation, and control of its processes.

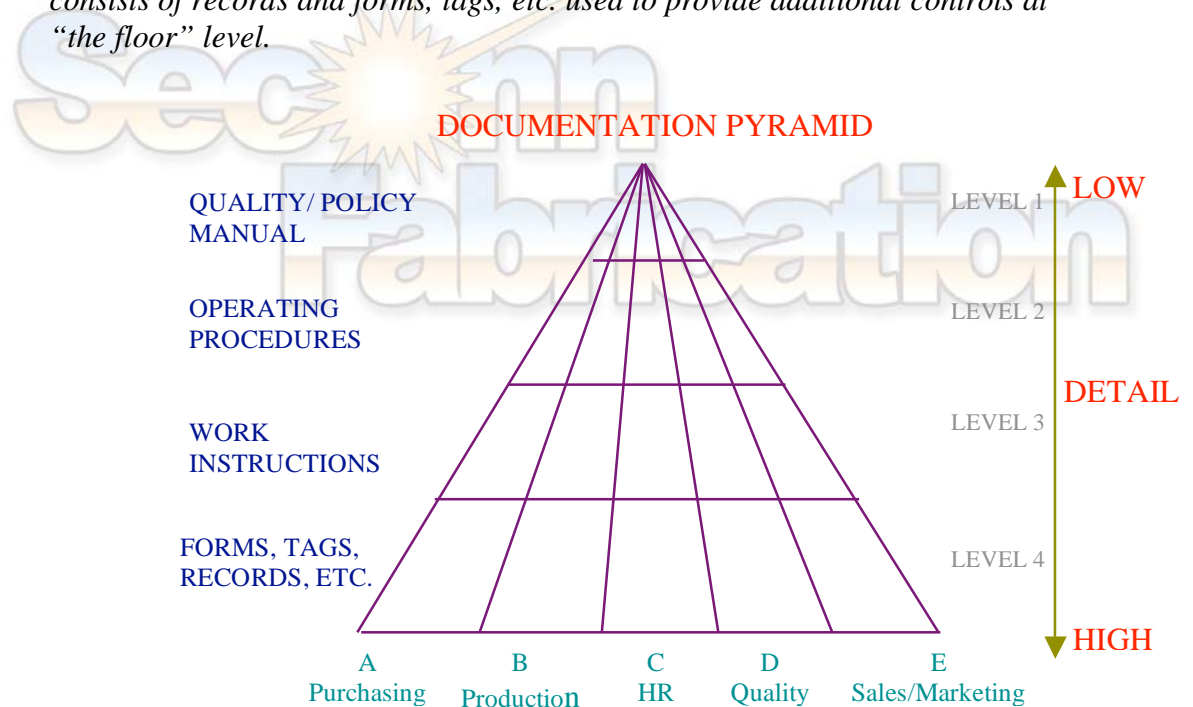
STRUCTURE OF QMS DOCUMENTATION

Seconn Fabrication's Quality Management System uses a four level documentation system, structured as follows:

- **Level One** *The Quality Manual*
- **Level Two** *Standard Operating Procedures*
- **Level Three** *Work Instructions*
- **Level Four** *Forms, tags, records, etc.*

The Documentation Pyramid below underscores how level-one documentation, (our Quality Manual), outlines the Scope of our QMS and its relationship with the ISO Standard. This Level of documentation contains less detail as to day-to-day operations than our Level-two documentation (Standard Operating Procedures), which defines responsibility and authority but is less detailed than Level-three documents (Work Instructions), that describe specific, proprietary information relating to our business activities. Level-four documentation consists of records and forms, tags, etc. used to provide additional controls at "the floor" level.

FOUR-LEVEL DOCUMENTATION SYSTEM



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THE QUALITY MANUAL

4.2.2 Quality Manual: This manual is issued to describe Seconn's Quality Management System and related processes employed in all operation. This manual and the systems and processes it describes serve to:

- ensure conformance to customer requirements
- implement Seconn's Quality Policy and Quality Objectives
- address the intent and requirements of ISO 9001

This manual includes references to all supporting procedures (SOPs and WIs) where they exist. Seconn's QMS includes those procedures required by the ISO Standard as well as additional documentation deemed appropriate by the management of Seconn Fabrication.

Quality is maintained at various levels through the use of controls such as Corrective Action/Preventive Action Requests that are written once a problem or potential problem has been identified (See SOP 8.5.3 for details); internal audits that are planned and conducted regularly (and with emphasis on problem areas – see SOP 8.2.2. for details). Inspection and process verification points appropriate to the product (See SOP 7.5 for production controls including inspection). The appropriate analysis of QMS data and periodic review by Management of key QMS processes.

The structure of this manual reflects the process approach inherent in the ISO 9001 Standard (see page 2 of this document for details).

Our organizational structure is reflected in an "Org Chart" on Page 10 of this document.

The structure of the QMS documentation is described and illustrated on Page 13 of this document.

DOCUMENT CONTROL

4.2.3 Control of documents: Seconn Fabrication has a documented procedure (see SOP 4.2.3) for the control needed

- a) to approve documents prior to issue,
- b) to review and update as necessary and re-approve documents,
- c) to ensure changes and the current revisions status of documents are identified,
- d) to ensure relevant versions of applicable documents are available at the points of use,
- e) to ensure that documents remain legible and are readily available,
- f) to ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the quality management system are identified and their distribution controlled, and
- g) to prevent the unintended use of obsolete documents and to apply suitable identification to them if they are retained for any purpose.

4.2.4 Control of records: Seconn Fabrication has a documented procedure (SOP 4.2.4) that describes how records are controlled in our organization.

This procedure describes how records are maintained so as to preserve their integrity.

Seconn uses a Master List of Records that describes the record, where it is stored and for how long. The Master List describes Seconn's own requirements for records retention – additional requirements by customers will supersede Seconn's specified retention times.

The Master List of Records also indicates how the records are deleted/destroyed once their retention period is up.

Section 5

Management Responsibility

QUALITY POLICY & OBJECTIVES

5.1 Management commitment: The management at Seconn Fabrication has committed to the development and implementation of the Quality Management System, as well as to the continual improvement of its effectiveness by

- a) communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements,
- b) having clearly defined quality objectives,
- c) adhering to quality policy,
- d) conducting management reviews on, at least twice a year
- e) providing all the required resources necessary to maintain the Quality Management System.

5.2 Customer focus: Seconn Fabrication ensures that the customer requirements are determined and met with the aim of enhancing customer satisfaction.

5.3 Quality policy: Executive management at Seconn Fabrication shall ensure that its quality policy:

- a) is appropriate to the purpose of the organization,
- b) includes a commitment to comply with requirements and continually improve the effectiveness of the Quality Management System,
- c) provides a framework for establishing and reviewing quality objectives,
- d) is communicated and understood within the organization, and
- e) is reviewed for continuing suitability.

5.4 Quality objectives: Executive management must ensure that quality objectives, including those needed to meet requirements for

product, are established at relevant functions and levels within the organization. The quality objectives shall be measurable and consistent with the quality policy.

5.4.2 Quality planning: Executive management shall ensure that

- a) the planning of the Quality Management System is carried out in order to meet the requirements given in 4.1 as well as quality objectives, and
- b) the integrity of the Quality Management System is maintained when changes to it are planned and implemented.

5.5 Responsibility, authority and communication

5.5.1 Responsibility and authority: Management shall ensure that responsibilities and authority are defined and communicated to all employees with an organizational chart and clearly defined job descriptions.

5.5.2 Management representative: The Director of Quality has been appointed as (ISO) Management Representative, and, irrespective of her other duties, will have the responsibility for

- a) ensuring that the process as needed for the Quality Management System are established, implemented, and maintained,
- b) reporting to top management on the performance of the Quality Management System and any needed improvement and
- c) ensuring the promotion of awareness of customer requirements throughout the organization.

5.5.3 Internal communication: Seconn Fabrication's upper management has meetings as required to discuss policy, procedures and requirements related to the customer and Seconn's own objectives.

Production meetings are held, as deemed appropriate, to further flow-down customer and management requirements.

Postings at conspicuous locations throughout the plant will also serve to communicate pertinent information.

5.6 Management Review

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MANAGEMENT REVIEW

5.6.1 General: Top management at Seconn reviews the organizations Quality Management System at least twice a year to ensure the system's continuing suitability, adequacy and effectiveness.

This review includes assessing opportunities for improvements and the need for changes that may be deemed necessary to the Quality Management System (including quality policy and quality objective changes).

Seconn Fabrication maintains minutes of these reviews, as per 4.2.4 and our Records/Retention Log.

5.6.2 Review Input: The input to management review includes information on:

- a) results of audits,
- b) customer feedback,
- c) process performance and product conformity,
- d) status of preventive and corrective actions,
- e) follow-up actions from previous management reviews,
- f) changes that could effect the Quality Management System,
- g) recommendations for improvement
- h) Other Business (Examples; Training, Supplier Performance)

5.6.3 Review output: The output from the management review shall include any decisions and actions related to

- a) improvements of the effectiveness of the Quality Management System and its processes,
- b) improvements of product related to customer requirements or expectations,
- c) resource needs (to include both physical and human resources)

Resource Management

6.1 Provision of resources: Seconn Fabrication determines and provides resources needed

- a) to implement and maintain the Quality Management System and continually improve its effectiveness, and
- b) to enhance customer satisfaction by meeting customer requirements.

6.2 Human resources

6.2.1 General: All Seconn Fabrication employees performing work affecting conformity to product requirements are competent on the basis of appropriate education, training, skills and experience. There are Job Descriptions that outline skills/experience required for particular functions and training records that indicate areas of competencies for all involved in the product realization process.

6.2.2 Competence, awareness and training: Seconn Fabrication has a documented procedure (SOP 6.2.2) that describes how Seconn

- a) determines the necessary competence for personnel performing work affecting conformity to product requirements,
- b) where applicable, provides training or takes other actions to achieve the necessary competence,
- c) evaluates the effectiveness of the actions taken,
- d) ensures 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
- e) maintains appropriate records of education, training, skills and experience.

COMPETENCE, AWARENESS AND TRAINING

6.3 Infrastructure: Seconn Fabrication determines, provides, and maintains the infrastructure needed to achieve product conformity. This infrastructure includes, as needed:

- a) buildings, workplace and associated utilities
- b) process equipment (both hardware and software)
- c) supporting services, such as transport, communication, or information systems.

These above mentioned elements of infrastructure will be considered during management review meetings, and where changes are deemed necessary they will be discussed and plans generated.

The supervisor of the department where changes to infrastructure are to be implemented will evaluate the impact of these changes on product integrity to ensure that acceptable product can still be produced, before they are placed into production.

Management will plan any process changes with an eye toward preventing any subsequent adverse affects on Quality Management System processes.

6.4 Work environment: Seconn Fabrication determines and manages the work environment needed to achieve conformity to product requirements.

The conditions under which work is performed will be reviewed and evaluated during management review. The following actions will be considered:

- a) Development of creative work methods and involvement of Seconn Fabrication employees
- b) workplace organization (ergonomics)
- c) environmental factors
- d) any inputs from “the floor”, and any other requirements needed for efficient operations.

Product Realization

7.1 Planning of product realization: Seconn Fabrication plans and develops the processes needed for product realization. Planning of product realization shall be consistent with the requirements of the other processes of the Quality Management System.

While planning product realization Seconn Fabrication determines the following, as appropriate:

- a) quality objectives and requirements for the product;
- b) the need to establish processes, documents, and to provide resources specific to the product;
- c) required verification, validation, monitoring, measurement, inspection and test activities specific to the product (and the criteria for product acceptance);
- d) records needed to provide evidence that realization processes (and resulting product) meet customer requirements.

The output of this planning shall be in a form suitable for our own methods of operation.

7.2 Customer-related processes

7.2.1 Determination of requirements related to the product:

Seconn Fabrication has a documented procedure (SOP 7.2) that outlines how we determine

- a) requirements specified by the customer, including the requirement for delivery and post delivery activities,
- b) requirements not stated by the customer but necessary for specified or intended use, where known,
- c) statutory or regulatory requirements applicable to the product, and
- d) any additional requirements considered necessary by the organization.

CONTRACT REVIEW

7.2.2 Review of requirements related to the product: Seconn Fabrication reviews the requirements related to the product prior to accepting the customer's order (See SOP 7.2, for details). This review ensures that

- a) product requirements are defined,
- b) contract or order requirements differing from those previously expressed are resolved prior to accepting the contract, and
- c) Seconn Fabrication has the ability to meet the requirements as defined.

Records of reviews are maintained as per 4.2.4, Control of Records.

Where an amendment to an order is requested, the sales department will make such an amendment, where practicable.

7.2.3 Customer communication: Seconn Fabrication, through the President (or his designee, including Customer Service, Quality, etc.), maintains open contact with the customers to discuss the following where required:

- a) product information,
- b) inquiries, contract/order handling, including amendments, and
- c) customer feedback, including customer complaints.

See SOP 8.5.2 for additional details.

7.3 *Seconn Fabrication does not design product, but rather manufactures product per customer specifications. Therefore, Clause 7.3 is excluded from the Scope of our QMS. (See Page 9 for declaration of Scope/Exclusions).*

PURCHASING

7.4 Purchasing

7.4.1 Purchasing process: Seconn has a documented procedure (WI 3.01.02) that outlines how we ensure that purchased product conforms to specified purchased requirements, and that includes details of information flow and supplier controls (The type and extent of controls applied to the supplier and the purchased product is dependent upon the effect the purchased product has on subsequent product realization or the final product).

Seconn Fabrication evaluates and selects suppliers on their ability to supply product in accordance with our requirements. Criteria for selection, evaluation and reevaluation has been established (See WI 3.01.02, for details). Records of the results of evaluations and any necessary actions arising from the evaluation are maintained (as per SOP 4.2.4 and our Records/Retention Log).

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

- a) requirements for approval, product processes, procedures, and equipment,
- b) requirements for the qualification of personnel, and
- c) Quality Management System requirements.

Seconn's SOP 7.4 details purchasing information flow.

The organization ensures the adequacy of specified purchase requirements prior to communication with the supplier.

7.4.3 Verification of Purchased Product: Seconn Fabrication establishes and implements the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements. (See WI 3.01.05 and 3.01.22, for Receiving Inspection).

When a customer or Seconn Fabrication intends to perform verification at the suppliers premise the verification arrangements and the method of product release will be stated in the purchase order.

**PRODUCTION
PROVISION**

7.5 Production

7.5.1 Control of production: Seconn Fabrication carries out production under controlled conditions (See SOP 7.5), which include, as applicable

- a) the availability of information that describes the characteristics of the product,
- b) the availability of instructions as necessary,
- c) the use of suitable equipment,
- d) the availability and use of monitoring and measuring equipment,
- e) the implementation of monitoring and measurement, and
- f) the implementation of product release, delivery, and post delivery activities.

Seconn Fabrication does not perform after market service, and “Service Provision” has been excluded from the Scope of our QMS (See Page 6 of this document for declaration of Scope/Exclusions).

7.5.2 Validation of processes for production: Seconn Fabrication does not perform any processes that can be classified as “Special” (see Page 6 of this document for declaration of Scope/Exclusions).

7.5.3 Identification and traceability: Seconn Fabrication identifies product on the accompanying travelers. Inventories of material are identified by type of metal when it is not obvious by observation. Finished products are identified by part and/or customer number (See SOP 7.5).

Where traceability is required by contract, Seconn Fabrication controls and records the unique identification of the product and maintains records.

7.5.4 Customer property: Seconn Fabrication identifies, verifies, protects and safeguards customer property provided for use or incorporation into the product. Seconn Fabrication will report any customer supplied material that is lost, damaged or otherwise found to be unsuitable for use to the customer via fax and/or email, and maintain a record of all such correspondences (See SOP 7.5).

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CALIBRATION

7.5.5 Preservation of product: Seconn Fabrication preserves the conformity of the product during internal processing and delivery to the intended destination in order to maintain conformity to requirements. This preservation contains identification, handling, packaging, storage, and protection. Preservation shall apply to the constituent parts of a product (See SOP 7.5, for additional details).

7.6 Control of monitoring and measuring equipment: Seconn has a documented procedure (SOP 7.6) that details how Seconn determines the monitoring and measurements to be taken and the monitoring and measuring equipment needed to provide evidence of conformity of product to determine requirements.

Seconn Fabrication ensures that gauges and test equipment are calibrated or checked prior to use.

Seconn Fabrication has established processes to ensure that monitoring and measurement can be carried out (and are carried out) in a manner that is consistent with the monitoring and measurement requirements.

When necessary to ensure valid results, measuring equipment is

- a) calibrated or verified at specified intervals or prior to use, against measurement standards traceable to international or national measurement standards (Where no such standard exist, the basis used for calibration or verification shall be recorded);
- b) adjusted or re-adjusted as necessary;
- c) identified to enable the calibration status be determined;
- d) safeguarded from adjustments that would invalidate the measurement results;
- e) protected from damage and deterioration during handling, maintenance and storage.

Seconn Fabrication assesses and records the validity of the previous measuring results when the equipment is found not to conform to requirements.

The use of computer hardware or software for inspection does not apply to Seconn Fabrication at this time, and no controls for same have been evaluated/implemented.

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Measurement, Analysis and Improvement

8.1 General: The organization shall plan and implement the monitoring, measurement, analysis and improvement process needed

- a) to demonstrate conformity of the product,
- b) to ensure conformity of the Quality Management System, and
- c) to continually improve the effectiveness of the Quality Management System.

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

8.2 Monitoring and measurement

8.2.1 Measurement and monitoring of customer satisfaction: Seconn Fabrication uses a Customer Survey in determining the level of customer satisfaction or dissatisfaction. Customer feedback, complaints and returns are also evaluated as a measure of customer satisfaction.

8.2.2 Internal Audits: This program takes into consideration the importance of the processes and areas to be audited, as well as the results of the previous audits. The scope, frequency and the method are defined in the required documented procedure, along with the responsibility and requirements for planning and conducting the audit, reporting results and maintaining records. (See SOP 8.2.2)

INTERNAL AUDITS

Auditors remain independent of the areas being audited, where practicable. The management of the area being audited shall ensure that necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and causes. A follow-up to the audit is performed to ensure that a solution to the nonconformity has been effectively implemented.

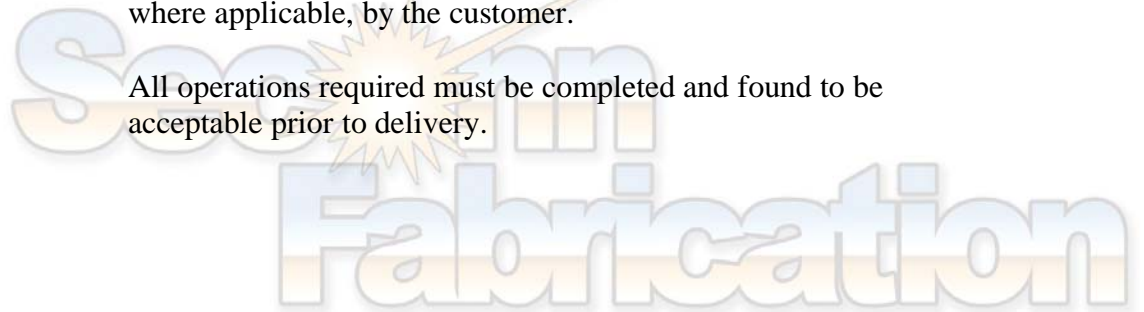
8.2.3 Monitoring and measurement of processes: Secon Fabrication applies applicable methods for monitoring and where applicable, measurement of the management system processes to demonstrate the ability of the process to achieve planned results. These may include statistical tools such as process capability analysis, sampling, descriptive statistics, and trend analysis. When a planned result is not achieved, appropriate corrective action is taken.

8.2.4 Monitoring and Measurement of product: Secon Fabrication monitors and measures the characteristics of the product to verify that product requirements have been met. These will be carried out at various phases of the operation in accordance with planned arrangements.

Evidence of conformity with the acceptance criteria is maintained.

The release of product and delivery to the customer does not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.

All operations required must be completed and found to be acceptable prior to delivery.



**CONTROL
OF
NONCONFORMING
MATERIAL**

8.3 Control of nonconforming product: Seconn Fabrication ensures that product that does not conform to product requirements is identified and controlled to prevent unintended use or delivery. The controls and related responsibility and authorities for dealing with nonconformities are defined in a document procedure (See SOP 8.3).

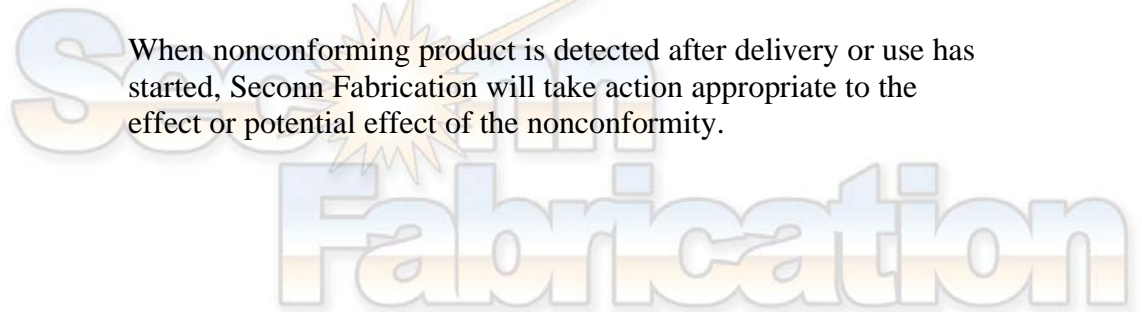
Where applicable, Seconn Fabrication handles nonconforming product by one or more of the following ways:

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

Records of the nature of the nonconformities and any subsequent action 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, Seconn Fabrication will take action appropriate to the effect or potential effect of the nonconformity.



8.41 Analysis of data: Seconn Fabrication determines, collects and analyzes appropriate data 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 uses data generated as a result of monitoring and measurement and from any other relevant resources. Seconn Fabrication Inc. collects data relating to a) inspection and testing, b) corrective & preventive actions, c) customer feedback, d) process monitoring, and e) internal audit results.

The analysis of data shall provide information relating to

- a) customer satisfaction,
- b) conformity to product requirements,
- c) characteristics and trends of processes and products including opportunities for preventive action, and
- d) suppliers.

8.5 Improvement

8.5.1 Continual improvement: Seconn Fabrication continually improves the effectiveness of the Quality Management System through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

**CORRECTIVE
ACTION**

I

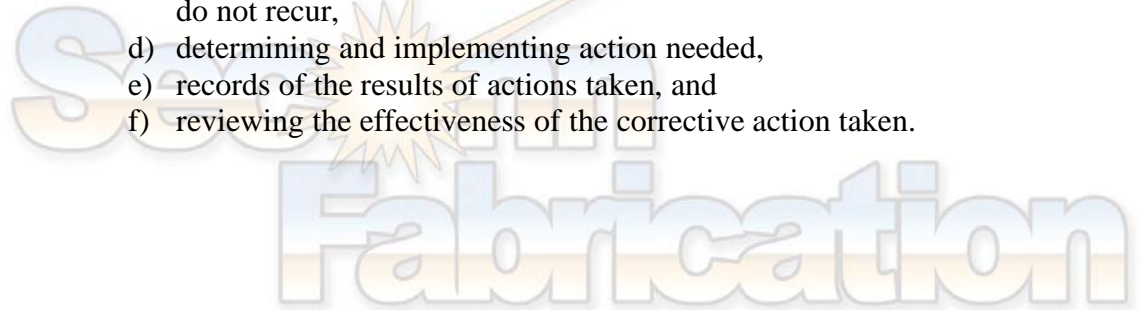
8.5.2 Corrective action: Seconn has a documented procedure (SOP 8.5.3) that outlines how action is taken to eliminate the cause of nonconformities in order to prevent recurrence.

Seconn takes action, appropriate to the effects of the nonconformities encountered, through the use of a Corrective Action Request (CAR), a methodology where the nonconformity is identified, the root-cause is investigated, and an action is taken to prevent the recurrence of that nonconformity.

Subsequently, the action taken is reviewed and, if determined to be effective, the Corrective Action Request (CAR) is closed out.

SOP 8.5.3, Corrective Action, details requirements for

- a) reviewing nonconformities (including customer complaints),
- b) determining the cause of the nonconformities,
- c) evaluating the need for action to ensure that nonconformities do not recur,
- d) determining and implementing action needed,
- e) records of the results of actions taken, and
- f) reviewing the effectiveness of the corrective action taken.



8.5.3 Preventive action: Seconn has a documented procedure (SOP 8.5.3) that outlines how action is taken to eliminate the potential causes of nonconformities in order to prevent their occurrence.

Seconn takes action, appropriate to the effects of the potential nonconformities detected, through the use of a Preventive Action Request (PAR), a methodology where the potential nonconformity is identified (sometimes through the evaluation of corrective action taken elsewhere), a potential root-cause is identified, and an action to prevent the occurrence of that nonconformity is undertaken.

Subsequently, the action taken is reviewed and, if determined to be effective, the Preventive Action Request (PAR) is closed out.

Our documented procedure (SOP 8.5.3) details requirements for

- a) determining potential nonconformities and their causes,
- b) evaluating the need for action to prevent occurrence of nonconformities,
- c) determining and implementing action needed,
- d) records of results of action taken (See 4.2.4), and preventive actions taken.
- e) reviewing the effectiveness of the preventive actions taken

