AERO SUPPLY USA

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QUALITY MANAGEMENT SYSTEM
QUALITY MANUAL

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COO, Robert Ramirez

Prepared and Maintained in accordance with the AS 9120:2009 International Standard and with references to ISO 9001:2008.

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INTRODUCTION

Aero Supply USA, (ASU) has developed and implemented a Quality Management System to document the company's business practices, better satisfy the requirements and expectations of its customers and improve the overall management of the company.
This manual is divided in eight sections that correlate to the Quality Management System sections of the ISO 9001:2008 format and AS 9120:2009. Each section begins with a policy statement expressing ASU obligation to implement the basic requirements of the referenced Quality Management System section. Each policy statement is followed by specific information pertaining to the procedures that describe the methods used to implement the necessary requirements.

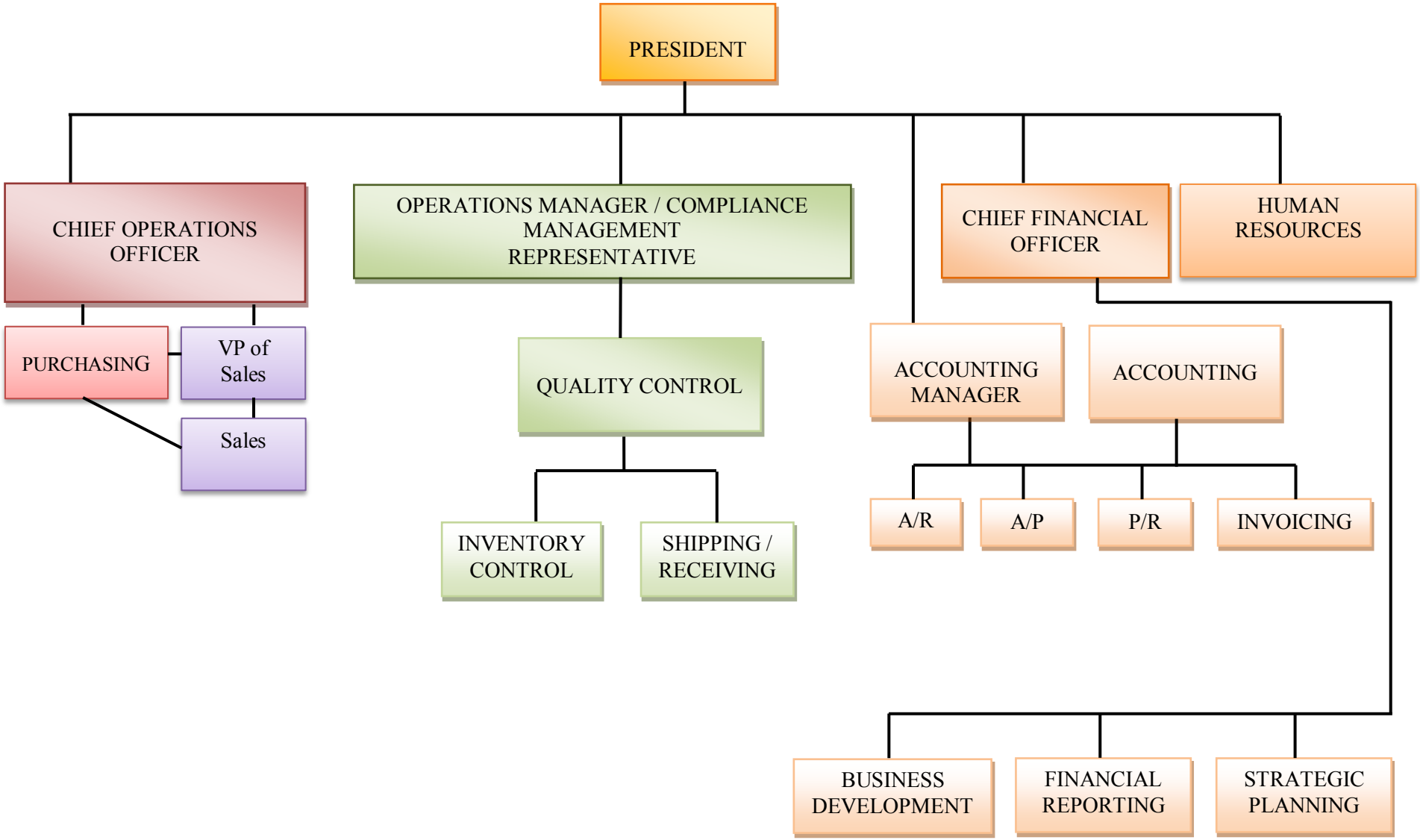
This manual describes the Quality Management System, delineates authorities, inter relationships and responsibilities of the personnel responsible for performing within the system. The manual also provides procedures or references for all activities comprising the Quality Management System to ensure compliance to the necessary requirements of the standard.

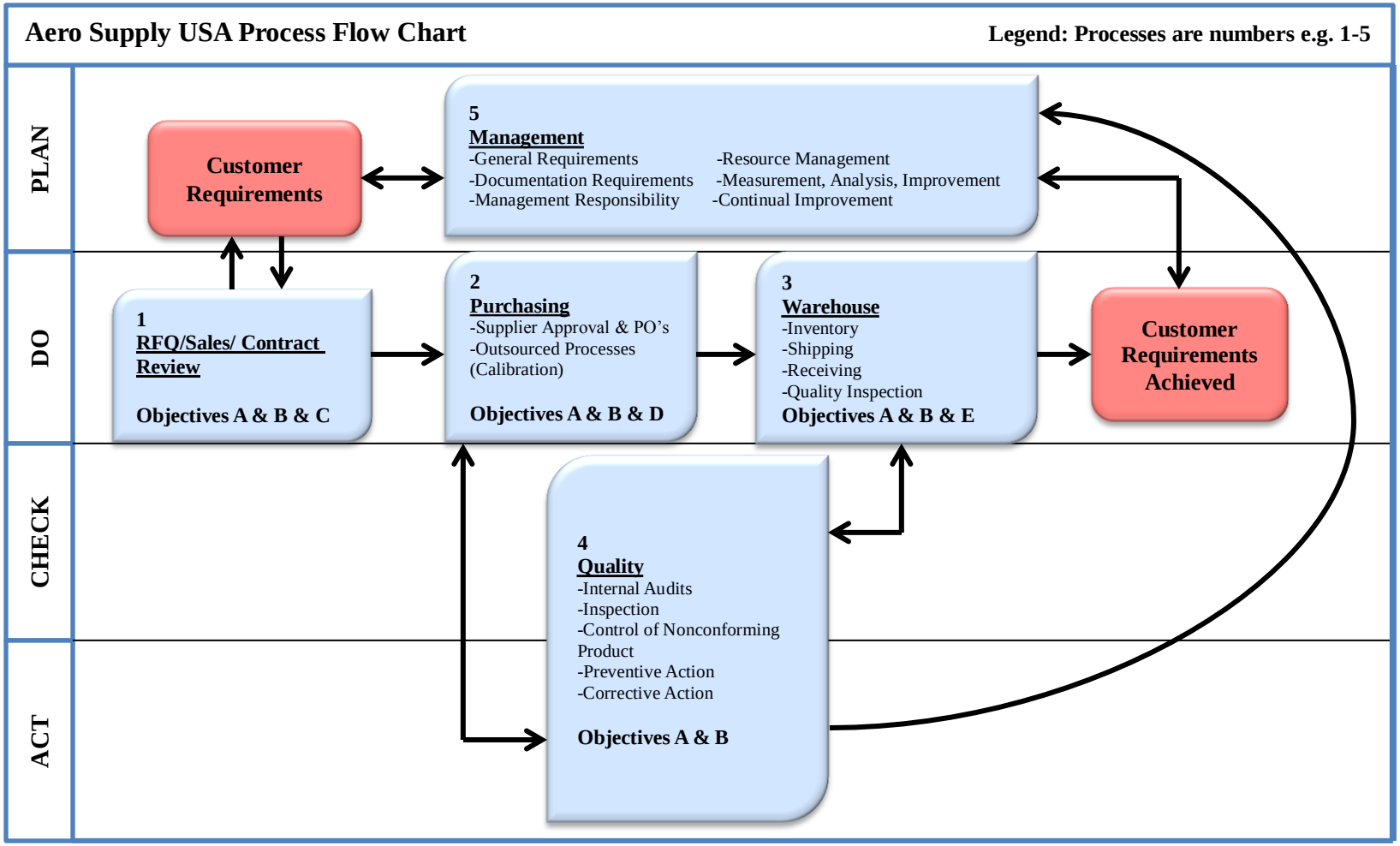
This manual is used internally to guide the company's employees through the various requirements of the AS 9120:2009 International Standard that must be met and maintained in order to ensure customer satisfaction, continuous improvement and provide the necessary instructions that create an empowered work force.

This manual is used externally to introduce our Quality Management System to our customers and other external organizations or individuals. The manual is used to familiarize them with the controls that have been developed and implemented and to assure them that the integrity of the Quality Management System is maintained and focused on customer satisfaction and continuous improvement.

Michelle Ramirez
President/Owner

ORGANIZATIONAL CHART





Objective A – On Time Delivery – Customer : Goal 85%
Objective B – Company Performance : Goal 90%

Quality Manual Distribution

This Quality Manual is kept on the server and available to the following:

COO: Robert Ramirez
President: Michelle Ramirez
Operations Manager/Compliance/MR: Harmony Keltner
ALL STAFF

Section 1. Scope

ASU is a Woman Owned Disadvantaged Small Business full service Distributor of Commercial and Private Aircraft Spare Parts and Electronic Components that has documented and implemented a Quality Management System based on Compliance with AS 9120:2009

Testing as well as calibration, Tape & Reel, up screening, Consulting, Programming and Internal Auditing are outsourced processes; the controls for which are defined within the supplier approval process.

1.1 General

This Quality Manual outlines the policies, procedures and requirements of the Quality Management System. The system is structured to comply with the conditions set forth in the International Standard SAE AS 9120:2009

The Quality Management System strives to consistently provide product and/or services that meet customer and applicable regulatory requirements. It also aims to enhance customer satisfaction through the effective application of the system, including processes for continual improvement of the system and the assurance of conformity to customer and applicable regulatory requirements. The term ‘product’ applies only to the product intended for, or required, by the customer.

1.2 Application

The Quality Management System is based on SAE AS 9120:2009 which is for use by organizations that procure parts, materials and assemblies and sells these products to a customer(s) in the Aerospace Industry.

It has been determined that the following requirements are not applicable to the operations at this site and are documented as exclusions.

Section 2: Normative Reference

2.0 Quality Management System References

The following documents were used as reference during the preparation of the Quality Management System:

- American National Standard ANSI/AS 9000/ASQ Q9000-2000, Quality Management Systems - Vocabulary.
- American National Standard ANSI/AS 9001/ASQ Q9001-2000 Quality Management Systems - Requirements.
- American National Standard ANSI/AS 9004/ASQ Q9004-2000 Quality Management Systems - Guidelines for Performance Improvements.
- International Standard of Organization ISO 9001:2008- Quality Management Systems Requirements
- Society of Automotive Engineers SAE AS 9120:2009- Quality Management Systems – Aerospace Requirements for Aviation, Space, and Defense Distributors.

4.1 General Requirements

ASU has established, documented and implemented a Quality Management System based on the requirements in AS 9120:2009. The system is maintained and continually improved through the use of the Quality Policy, Quality Objectives, Audit Results, Analysis of Data, Corrective and Preventative Action(s) and Management Review.

To develop and implement the Quality Management System, ASU has;

- Identified the processes necessary for the Quality Management System and their application,
- Determined the sequence and interaction of these processes,
- Determined criteria and methods necessary to ensure that the operation and control of the processes are effective,
- Ensured the availability of resources and information necessary to support the operation and monitoring of these processes,
- Established systems to monitor, measure and analyze these processes,
- Implemented actions necessary to achieve planned results and continual improvement of these processes.

4.2 Documentation Requirements

4.2.1 General

Quality Management System documentation includes:

- A documented Quality Policy,
- This Quality Manual,
- Documented Procedures,
- Documents identified as necessary for the effective planning, operation and control of our processes,
- Quality Records,
- Records required by regulatory authorities.

ASU ensures that all relevant personnel are aware of and have access to Quality Management System documentation and are aware of relevant procedures.

Access is also provided to customers and or regulatory authorities.

4.2.2 Quality Manual

The manual has been prepared to describe our ASU Quality Management System. The scope and permissible exclusions are described in section one of this manual. Each section of the manual references documented Quality Management System procedures relating to the requirements outlined in that section. The relationship between the AS 9120:2009 International Standard and documented procedures has been indicated by use of a numbering system that correlates to the AS 9120:2009 International Standard.

4.2.3 Control of Documents

Quality Management System documents are controlled by the MR and the documented procedure **(4.2.3 Control of Documents).** The MR's responsibilities include:

- Approving documents for accuracy before issue,
- Reviewing, updating and re-approving documents as necessary,
- Ensuring identification of changes and current revision status of documents,
- Ensuring that current versions of applicable documents are available at points of use and remain legible and readily identifiable,
- Ensuring that documents of external origin are identified and controlled,
- Preventing unintended use of obsolete documents and to apply identification to them if retained for any purpose,
- Obtaining customer/regulatory standard agency approvals, manufacturing data, born date, country of origin, certification of compliance, airworthiness data, when required by contract or regulatory requirements.
- Coordinating document changes with customers and/or regulatory authorities in accordance with contract or regulatory requirements.

4.2.4 Control of Records

A documented procedure has been established **(4.2.4 Control of Quality Records)** to define controls required for the identification, storage, protection, retrieval, retention time and disposition of records. The following documents:

- Manufacturer, distributor, repair station test and inspection reports,
- Original certificates of conformity (manufacturer, sub-tier distributor) and copies of airworthiness certificates,
- Lot or batch traceable records,
- Non-conforming concession and corrective action records,
- Environmental or shelf life condition records will be maintained in a filing system to ensure this information is readily available and identifiable for each customer and purchase. The integrity and back-up procedures for our electronically stored system are appropriately validated and without possibility of change by software are traceable to the original documentation.

Records of product origin, conformity and shipment are maintained for a minimum of ten (10) years or as required by contract and or customer's requirements.

Records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements.

4.2.4 Control of Records (Continued)

Where records are stored electronically, the integrity of the system and back-up procedures is appropriately validated and, without possibility of change by software, is traceable to the original documentation.

All servers are scheduled for automated backup nightly to external hard drives located in the server room. This is controlled by IT personnel. (See Backup Procedure DP-113)

5.1 Management Commitment

The President has provided the vision and strategic direction for the growth of our Quality Management System and established the Quality Objectives and Quality Policy.
To continue to show commitment to the continued improvement of the Quality Management System, the President:

- Communicates the importance of meeting customer, statutory and regulatory requirements,
- Establishes Quality Objectives and Quality Policy,
- Conducts at minimum, annual management reviews,
- Ensures the availability of resources.
- Reviews on time delivery performance
- Reviews product conformity

5.2 Customer Focus

ASU strives to identify current and future customer needs to meet and exceed customer requirements and expectations.
The President ensures that customer requirements are understood and met by requiring compliance with documented customer communication procedures. Customer requirements are determined, converted into internal requirements and communicated to relevant personnel in our organization.

5.3 Quality Policy

The principle objective of our Quality Management System is to focus our organization on the customer, in particular on customer satisfaction. The key to achieving high customer satisfaction is a good understanding of customer requirements and a capability to consistently fulfill these requirements
At ASU we are proud of our reputation and our people, and are committed to staying current on all aspects of the component process as it evolves to help lower customer overall manufacturing costs. Our goal is to continually improve our services to meet and exceed our client's expectations in this fast changing business environment.

5.4 Planning

5.4.1 Quality Objectives

Quality objectives are established to support our organization's efforts in achieving our Quality Policy and are reviewed at minimum annually for suitability. Objectives have been established, documented, are measurable, and are reviewed against performance goals at each Management Review.

5.4.2 Quality Management System Planning

The Quality Management System has been planned and implemented to meet Quality Objectives and requirements in 4.1 of the AS 9120:2009. International Standard. Quality planning takes place as changes that affect the QMS are planned and implemented.

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and Authority

The President ensures that the responsibilities and authorities are defined and communicated to all functions and personnel.

5.5.2 Management Representative

The President has appointed the Operations Manager/Compliance as the Management Representative, (MR), who has the following responsibilities and authority:

- Ensure that processes needed for the Quality Management System are established and implemented,
- Report to the President on the performance of the Quality Management System and note the needs and opportunity for improvements.
- Promote awareness of customer requirements throughout the company.
- Act as liaison with external parties such as customers or auditors on matters relating to the Quality Management System,
- Resolve matters pertaining to Quality issues,
- Organizational Freedom to resolve matters pertaining to Quality & unrestricted access to Top Management.

5.5.3 Internal Communication

Processes are established for communication within the company. Methods of communicating the effectiveness of the Quality Management System include, bringing issues to the attention of the President as they appear.

5.6 Management review

5.6.1 General

Management Reviews of the Quality Management System are conducted at minimum annually. The review assesses the continuing Quality Management Review suitability, adequacy and effectiveness, identifying opportunities for improvement and necessary changes. Records of each review are maintained.

5.6.2 Review Input

Assessment of the Quality Management System is based on a review of the following:

- Results of all audit findings,
- Customer complaints and other feedback,
- Process performance and product conformity,
- Status of preventive and corrective actions,
- Follow-up actions from previous Management reviews, including action items,
- Planned Changes that could affect the Quality Management System,
- Recommendations for improvement

- Analysis of on time delivery performance
- Analysis of Product Conformity(RMA's)

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5.6.3 Review Output

The output and action items from the Management Review shall include decisions and actions related to:

- Improvement of the effectiveness of the Quality Management System and its processes,
- Improvement of product related to customer, contract, purchase order, and the ISO 9001:2008 and AS 9120: 2009 requirements,
- Resource needs.

6.1 Provision of resources

ASU determines and provides the resources needed to implement, maintain and continually improve our Quality Management System and to enhance customer satisfaction by meeting or exceeding customer requirements.

6.2 Human Resources

6.2.1 General

All personnel performing work affecting product quality are competent on the basis of appropriate education, training, skills and experience.

6.2.2 Competence, Awareness and Training

Qualifications are reviewed upon hire, at yearly reviews, when an employee changes positions or requirements for a position change. The MR and or CM will maintain records of employee qualifications. If differences between the employee's qualifications and job requirements are determined, training or other action(s) is taken to provide the employee with the necessary competence for the position. Results are evaluated to determine their effectiveness. Training and evaluation are conducted according to the Training Procedure (**DP-102**).

All employees are trained in the relevance and importance and impact of their actions on the achievement of Quality Objectives.

6.3 Infrastructure

ASU determines, provides and maintains the infrastructure necessary to achieve conformity to product requirements. The infrastructure includes buildings, workspace, utilities, equipment and supporting services. New infrastructure requirements necessary to continue product conformity will be provided as they arise.

Storage facilities have adequate space and are appropriate to prevent damage or mishandling and are secure from unauthorized access. An area for rejected, unserviceable and suspected unapproved parts is provided.

6.4 Work Environment

A work environment suitable for achieving product conformance is maintained. Working conditions, including room temperature, ventilation and lighting, are adequate so as not to impair workers' physical efficiency or quality of the work.

7.1 Product Realization

7.1 Planning of Product Realization

Product realization at Aero Supply USA is defined as purchasing Aerospace Hardware, Rotables, Electronics and supplies, warehousing it, and then creating and delivering a Customer Order which meets the customer's requirements. Product realization is a planned process at ASU. Evidence of this planning are the procedures, records, and measurements currently in place. Product realization records are maintained in the Pentagon 2000 system and kept on file via the shared drive on the server. When further planning is needed, the Compliance Manager will set a policy which regulates product realization. All new policies will be reviewed with Departmental managers prior to permanent implementation. Department managers will plan for product realization within the scope of their position. The planning will include as appropriate:

A. **Quality objectives** for the process to ensure effectiveness of the process. Quality Objectives will be measureable.
B. The **requirements** for the product. This includes the individual components and the customer order.
C. The need for a **process**. Processes will be developed to support product realization where necessary. These processes will be documented as needed to ensure consistent product realization.
D. The need for **resources** specific to the product. This includes the order and parts.
E. The need for **Inspection** specific to the product. This includes the order and parts.
F. The need for **Records**. Such as records of order processing and inspection.

7.1.1 Configuration Management

Configuration management consists of unique Part Number assigned to product by both the manufacturer and ASU. If a part materially changes, the manufacturer will sell the product to ASU with another unique part number assigned by the manufacturer. Manufacturer part numbers are verified with the Customer. Customer assigned part numbers are verified and assigned at time of the order for recording in Pentagon 2000 and on documents to the customer. Customer part numbers are not part of Configuration Management. See procedure **(ASU WI S1 Sales Department Pentagon Procedures) (ASU WI P2 Pentagon Purchasing Department Pentagon Procedure)** for part number entry.

7.1.2 Control of Work Transfers

Testing as well as calibration, Tape & Reel, up screening, Consulting, Programming and Internal Auditing are outsourced processes; the controls for which are defined within the supplier approval process **(ASU WI P1)** and the procurement procedure **(DP-104).**

7.2 Customer-Related Processes

7.2.1 Determination of requirements related to the product

ASU determines customer requirements before acceptance of an order.
Customer requirements include those:

- Requested by the customer for delivery,
- Not stated by the customer but necessary for specified or known and intended use,
- Statutory and regulatory related to the product.

Customer requirements are determined by the Purchase Order/Contract.

7.2.2 Review of Requirements Related to the Product

ASU has a process in place for the review of requirements related to the product (**DP-111**). The review is conducted before an order is accepted and ensures that:

- Product requirements are defined,
- Requirements differing from those previously expressed are resolved,
- ASU has the ability to meet defined requirements,
- Risks (new technology, short delivery time scale, requirements for new supplier, etc.) have been evaluated and identified,
- Records of review results and action(s) arising from review are maintained,
- Where no customer statement of requirement is provided, requirements are confirmed before acceptance,
- ASU communicates any product requirement changes to relevant personnel and amends related documents.

7.2.3 Customer Communication

ASU has implemented an effective process for communicating with customers in relation to:

- Product information
- Inquiries, contracts and order handling, including amendment.
- Customer complaints and other feedback. (**DP-112 Customer Complaints-Unfavorable Surveys**)

7.3 Design and Development

This section is not applicable and is excluded

7.4 Purchasing

7.4.1 Purchasing Process

A Documented Procedure (**DP-104**) has been developed and is followed to ensure that products conform to specified purchase requirements. The type and extent of control applied to a supplier and purchases, is dependent on the product's effect on subsequent product realization. Suppliers are evaluated and selected based on ability to supply the product in accordance with ASU requirements.

The Company:

- Maintains a register of approved suppliers that includes the scope of the approval and uses only suppliers that appear on the list,
- Periodically reviews supplier performance. Records of the reviews are used to establish the level of control to be implemented,
- Defines necessary action(s) to be taken when suppliers do not meet requirements,
- Prevents the purchase of counterfeit/suspect unapproved products.

ASU buys product from reputable organizations, which are on our approved supplier listing, have a proven track record, and can present a compliant certification of conformance with the product. Our software system and receiving inspection will monitor this process.

7.4.2 Purchasing information

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

- Requirements for approval of product, processes and equipment,
- Requirements for qualification of personnel,
- Quality Management System requirements as outlined in Procurement Procedure (**DP-104**),

- The name/product description or other positive identification and applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data (e.g. revision level),
- Requirements for design, test, inspection, verification, use of statistical techniques for product acceptance and related instructions for acceptance by the organization.
- Requirements for supplier notification of any changes in product and/or process definition, including notification of nonconforming product, change in suppliers, change of manufacturing facility location and where required , obtain organization approval,
- Flow down to the supply chain the applicable requirements including customer requirements.
- Requirements for record retention,
- Right of access by Aero Supply USA, their customer and/or regulatory authorities to all facilities involved in the order and to applicable records,
- Requirements for Certificate of conformity, test reports and/or airworthiness approval from the approved manufacturer or repair station.

Purchasing documents are reviewed to ensure accuracy of requirements before orders are placed with the supplier.

7.4.3 Verification of Purchased Product

The Procurement Procedure (**DP-104**) describes the process used to verify that purchased product meets specified purchase requirements. Purchased product is not used or processed until verified as conforming to specified requirements unless it is released under positive recall procedure. If test reports are used to verify purchased product, the data must meet applicable specifications. Raw material test reports are periodically validated. Verification activities may include but not limited to:

- Obtaining objective evidence of product quality and verifying authenticity of accompanying documentation (e. g. certificate of conformity from manufacturer, airworthiness certificate, test reports statistical records and process control),
- Review of required documentation,
- Inspection of products on receipt.

When verification activities are delegated to the supplier, requirements are defined and a register of delegations is maintained.

If Aero Supply USA or our customer will perform the verification at the supplier's facility, verification arrangements and method of product release are documented in the purchasing information. Where specified by contact the customer or their representative is given the right to verify at suppliers facility or ASU premises that product conforms to the specified requirements. Customer verification is not used as evidence of effective control of quality by the supplier and does not absolve the responsibility to provide acceptable product or preclude subsequent rejection by the customer.

7.5 Production and Service Provision

7.5.1 Control of production and service provision

ASU plans and carries out production and service provision under controlled conditions, which include as applicable:

- Availability of information that describes characteristics of the product,
- Availability of work instructions,
- Use of suitable equipment,
- Availability and use of monitoring and measuring devices,
- Implementation of monitoring and measurement,

- Implementation of release, delivery and post-delivery activities.
- Accountability for all product (e.g., parts quantities, split orders, nonconforming product),
- Evidence that all operations have been completed as planned, or as otherwise documented and authorized,
- Provision for the prevention, detection and removal of foreign objects,
- Monitoring and control of utilities and supplies (e.g., water, compressed air, electricity, chemical products) to the extent they affect conformity to product requirements, and
- Criteria for workmanship, specified in the clearest practical way (e.g., written standards, representative samples, illustrations).

7.5.3 Identification and traceability

ASU identifies product by suitable means throughout Product Realization electronically through our software system, Pentagon 2000. Product status with respect to monitoring and measuring requirements is identified. When aerospace media are used (e.g., stamps, electronic signatures or passwords). Aero Supply USA has established and documented controls for the media.

Aero Supply USA software system, Pentagon 2000, provides full traceability from requirement to delivery of product, including RMA's. Identification of the product as outlined in section **4.2.4 Control of Quality Records** is established and maintained electronically in Pentagon. ASU maintains identification and traceability by suitable means (e.g. labels, bar codes, or other) from receipt; during splitting, storage packaging and preservation operations; and until delivery (including subcontracted handling and/or packing operations)

7.5.4 Customer property

ASU exercises care with customer property if applicable, which can include intellectual, while under its control or being used. Property is identified, verified, protected and safeguarded. Any customer property lost, damaged or otherwise found to be unsuitable for use is reported to the customer and records maintained. ASU does not have any customer property at this time but if we acquire property then the customer property rules apply.

7.5.5 Preservation of product

ASU preserves the conformity of product during internal processing and delivery to the intended destination. Preservation includes 100% Visual identification, handling, packaging, storage and protection, and applies to constituent parts of the product. Preservation also includes where applicable in accordance with product specifications and/or applicable regulations, provisions for:

- Cleanliness,
- Proper packaging,
- Prevention, detection and removal of foreign objects,
- Special handling for sensitive products,
- Marking and labeling including safety warnings,
- Shelf life control and stock rotation,
- Special handling for hazardous materials,
- Climate control environment (e.g. temperature, humidity)

Care is taken to ensure serviceable parts are physically segregated from unserviceable parts. If any irregularities of the product are identified a non-conformance will be written, and the product will be returned to the supplier on a RMA, reference **Procedure 8.3 Control of Nonconforming Product.**

7.6 Control of monitoring and measuring equipment

Measurements to be undertaken and measuring and monitoring equipment needed to provide evidence of conformity are determined**.** Processes to ensure that monitoring and measuring can be carried out and in a manner that is consistent with monitoring and measuring requirements are established and implemented, reference **Procedure 7.6 Control of M&M Equipment.** Where necessary to assure valid results, measuring devices are:

- **a)** Calibrated or verified at specified regular intervals or prior to use, against measurement standards to international or national standards; where no such standard exist, the basis used for calibration is recorded,
- **b)** Adjusted or re-adjusted as necessary,
- **c)** Identified to enable the calibration status to be determined,
- **d)** Safeguarded from adjustments that would invalidate the calibration,
- **e)** Protected from damage and/or deterioration during handling and storage.
- **f)** Appropriate action is taken on equipment found not to conform to requirements and any product affected records of all calibration and verification activities are maintained per clause / **4.2.4 Control of Quality Records**

When used in the monitoring and measurement of specified requirements, the ability of computer software to satisfy the intended application, shall be confirmed. This shall be taken prior to initial use and reconfirmed as necessary. This includes its verification and configuration management to maintain its suitability for use

ASU has determined based on historical performance that the scales need only be calibrated every 2 years.

8.1 General

ASU has planned and implemented measurement, analysis and improvement processes as necessary to:

- Demonstrate conformity of the product,
- Ensure conformity of and continually improve the effectiveness of the Quality Management System.

8.2 Monitoring and Measurement

8.2.1 Customer satisfaction

Information is monitored relating to customer perception, as to whether Aero Supply USA have fulfilled customer requirements. Information to be monitored and used for the evaluation of customer satisfaction shall include but is not limited to: product conformity, on time delivery performance, customer complaints, and corrective action requests.

ASU has developed and implemented plans for customer satisfaction improvement that addresses deficiencies identified by these evaluations, and assess the effectiveness of the results.

8.2.2 Internal audit

The CM and/or MR shall have a complete Internal Audit performed annually per **Procedure 8.2.2 Internal Audit**. The Internal Audit shall be performed by a qualified Consultant with certificate of

successful completion of AS9120:2009 Lead Auditor training or equivalent and is AS9120:2009 knowledgeable.
The Internal Audit will be performed annually to determine whether our Management System:

- Conforms to the International Standard ISO 9001:2008 & AS 9120:2009
- Is effectively implemented and maintained.
- Has identified, reviewed and documented the Quality Management System processes and assured they are compliant.
- Assures all of the processes are effective, in practice, and providing continual improvement with value added benefits to ASU.
- Assures planned arrangements include customer contractual requirements.

The CM and/or MR and the Lead Auditor shall take into consideration the status and importance of the processes and functions to be audited, and also review the results of previous audits, and Customer Concerns.
Audits shall be conducted ensuring objectivity and impartiality of the process and that actions are taken without undue delay to eliminate detected nonconformities and there causes.
Follow-up activities include verification of actions taken and reporting results.
Internal Audits shall meet all International, Contract and/or regulatory requirements.

8.2.3 Monitoring and measurement of processes
The CM and/or MR monitor the Quality Management System, to demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, appropriate correction and corrective action is taken, to ensure product conformity. In the event of product / process nonconformity:

- Appropriate action is taken to correct nonconforming process,
- Evaluation of whether the process nonconformity has resulted in product nonconformity,
- Determination if the process nonconformity is limited to a specific case or whether it could have affected other processes or products, and
- Identification and control of nonconforming product in accordance with **8.3 Control of Nonconforming Product.**

8.2.4 Monitoring and measurement of product
Product characteristics are monitored at appropriate stages of the product realization process, to verify that requirements are fulfilled. When inspections are performed to verify product status and sampling inspection is used as a means of verification, they are statistically valid and appropriate for use and preclude the acceptance of lots whose samples have known nonconformities. When required, they are submitted for customer approval. Critical Items are controlled and monitored.

Evidence of conformity with acceptance criteria is maintained and records indicate the Person(s) authorizing release of the product. Product release and/or service delivery does not proceed until all planned arrangements have been satisfactorily completed, unless approved by a relevant authority, and where applicable, the customer.

Inspection requirements for product and/or service acceptance are documented, are part of production documentation and include Criteria for acceptance and/or rejection.

8.2.5 Evidence of conformance – Certificate of Conformity
When required, the customer is provided with evidence of product conformity to its technical specifications. This may include manufacturer's conformance documents, original airworthiness certificate, test analysis and/or test results. When splitting product, copies of original documents are annotated with the following: amount delivered relative to amount received, purchase order number,

customer and supplier names. When there is a formal agreement with the customer, ASU may create and deliver a Certificate of conformity that references the original manufacturer's conformance documents that are retained and traceable by ASU.

8.3 Control of Nonconforming Product

Product which does not conform to requirements is identified and controlled to prevent its unintended use or delivery. Controls, related responsibilities and authorities for dealing with nonconforming product are defined in **Procedure 8.3 Control of Nonconforming Product.** Responsibility for review and authority for disposition of nonconforming product and the process for approving personnel making these decisions is also defined in this procedure.

The term 'nonconforming product' includes product returned from a customer and suspected unapproved parts.

Nonconforming product is dealt with by one or more of the following:

- Taking action to eliminate the detected nonconformity,
- Authorizing its use, release or acceptance under concession by a relevant authority or, when applicable, the customer,
- Taking action to preclude its original intended use or application
- Taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started, including timely reporting.
- Taking Action to contain the nonconformity effect on other processes or products

Dispositions are limited to:

- Scrap,
- Rejection for return to supplier,
- Rejection for revalidation by manufacturer,
- Submittal to design authority and customer for 'use as is' disposition.
- Quarantine product suspected counterfeit.

As a Stocklist distributor, ASU has no authority to rework or repair product.

Product dispositional for scrap is conspicuously and permanently marked as such or positively controlled until physically rendered unusable. It is ensured, with the manufacturer where necessary, that similar supplies are not similarly affected and the customer is informed of any nonconformities affecting product already delivered. Records of the nature of nonconformities and subsequent action(s) taken, including Concessions obtained, are maintained (**per 4.2.4 Control of Quality Records**)

When non-conforming product is corrected it is subject to re-verification to demonstrate conformity requirements. When non-conforming product is detected after delivery or use has started, action(s) are taken, appropriate to the effects, or potential effects, of the Non Conformity. In addition to contract or regulatory authority reporting requirements, we also ensure timely reporting of delivered non-conforming product that may affect reliability or safety. Notification includes a clear description of the Non Conformity and parts affected, Customer and or organization part numbers, quantity, and date(s) delivered. Parties requiring notification of non-conforming product may include suppliers, internal organizations, customers, distributors, and any regulatory authorities.

8.4 Analysis of Data

The MR and President determine, collect and analyze data to demonstrate the suitability and effectiveness of the Quality Management System and to evaluate where continued improvement can be made. Appropriate data includes data generated as a result of monitoring 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(s),
- Suppliers.

8.5 Improvement

8.5.1 Continual improvement

The effectiveness of our Quality Management System is continually improved through the Quality Policy, Quality Objectives, audit results, analysis of data, corrective action, preventative action, and Management Review.

ASU monitors the implementation of improvement activities and evaluates the effectiveness of the results. Continual improvement activities can result from lessons learned, problem resolutions, and the benchmarking of best practices.

8.5.2 Corrective Action

ASU complete organization shall take actions to eliminate the cause of non-conformities, to correct them and prevent there recurrence. A documented procedure has been established, (**Procedure 8.5 Improvement-Corrective-Preventive Action)**, to define the requirements for the corrective actions, which include:

- Review nonconformities (including customer complaints),
- Determine the causes of nonconformities,
- Evaluate the need for action(s) to ensure nonconformities do not recur,
- Determine and implement action(s) needed,
- Record results of action(s) taken (**per 4.2.4 Control of Quality Records**),
- Review the effectiveness of action(s) taken,
- Flow down of the corrective action(s) to supplier and/or manufacturer
- Specific action(s) where timely and/or corrective actions are not achieved.
- Determine if additional nonconforming product exists based on the causes of the nonconformities and taking further action when required.

8.5.3 Preventative action

ASU complete organization shall determine the action to eliminate the causes of potential non conformities in order to prevent their occurrence and or approach to the effects of the potential problems. A documented procedure (**Procedure 8.5 Improvement-Corrective-Preventive Action)** is established to define requirements for:

- Determining potential nonconformities and their causes,
- Evaluating the need for action(s) to prevent nonconformance occurrence,
- Determining and implementing necessary action(s),
- Recording results (**per 4.2.4**) and reviews of action(s) taken,
- Reviewing Preventative action taken for effectiveness.

MANUAL REVISIONS

Revision Date	Rev#	Section	Details	Approved by:
01-16-13	1	ALL	Creation of QMS	H Keltner/MR

05-30-13	2	8.2.4.1	Merged with 8.2.4	H Keltner/MR
05-30-13	2	7.1	Better defined the section	H Keltner/MR
05-30-13	2	7.1.1	Added 7.1.1 Configuration Management	H Keltner/MR
06-24-13	3	7.2.2	Corrected Contract Approval Process from DP-103 to DP-111	H Keltner/MR
03-04-14	4	Page 1 and 2	Change of address and QCM to CM	H Keltner/MR
03-04-14	4	7.5.5 & 7.6, 8.2.4 Revision Table Cover & Pg. 1	Reference to procedures "Critical Items" Removed Change Request Title Change for MR	H Keltner/MR
03-02-15	5	Organizational Chart	Updated to reflect changes	H Keltner/MR
04-28-16	6	ASU007	TO INCLUDE KPI METRIX	H KELTNER /MR