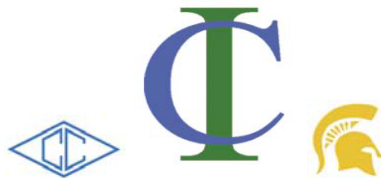
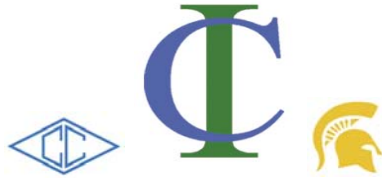


# Quality System Manual

Canfield Industries, Inc.



# QUALITY SYSTEM MANUAL



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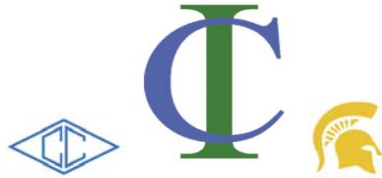
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SUBJECT: TABLE OF CONTENTS AND REVISION STATUS

ISO REF. *	QSM SECTION	SUBJECT	REV.	REVISION DATE
4.2.3	CI-0000-LA000-0001	Table of Contents and Revision Status	04	12/07/2004
5.3	CI-0000-LB000-0001	Quality Policy	02	06/01/2004
4.2.2.a	CI-0000-LC000-0001	Scope Statement	01	12/07/2004
4.2.2.b 4.2.2.c	CI-0000-LD000-0001	Quality Management System Structure	00	04/22/2003
5.3	CI-0000-LE000-0001	Quality Objectives	00	05/24/04
6.3, 6.4	CI-0000-LS000-0001	Safety & Security Policy	00	08/09/04
4	CI-0000-L4000-0001	Quality Management System	00	03/26/2003
5	CI-0000-L5000-0001	Management Responsibility	01	09/13/2004
6	CI-0000-L6000-0001	Resource Management	00	03/26/2003
7	CI-0000-L7000-0001	Product Realization	00	03/26/2003
8	CI-0000-L8000-0001	Measurement, Analysis and Improvement	00	03/26/2003



SUBJECT: QUALITY POLICY

# Canfield Industries Quality Policy

Canfield Industries  
is committed  
to the following:

## Quality

*Total Customer Satisfaction  
Through Unmatched  
Quality, Products, Service, and Integrity.*

## Continual Improvement

*Canfield companies  
strive to meet or exceed all **Quality Objectives** through  
[continuous improvement](#)  
which are confirmed through internal and external audits.  
The Canfield quality system is reviewed annually  
to ensure direction and compliance.*

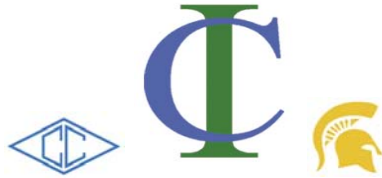
A handwritten signature in black ink, appearing to read 'J. Rasmussen'.

**06/01/2004**

**JOHN RASMUSSEN – PRESIDENT**

**DATE**

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SUBJECT: SCOPE STATEMENT

**Scope Statement  
for  
Canfield Industries, Inc.**

**Provider of interconnection devices, solenoid valves,  
electronics and other products.**

Located at:

**8510 Foxwood Court  
Youngstown, Ohio 44514**

The scope of the quality management system includes all processes necessary to establish, implement, and maintain compliance to the requirements of ANSI/ISO/ASQ Q9001-2000, *Quality Management System Requirements*, as well as statutory and regulatory requirements. The scope is applicable to the design, production, and associated activities that produce products sold around the world under the brand names:

**Canfield Connector** - Product lines include connectors, sensors, timers, proportional controllers, specialty electronics and accessories.

**Spartan Scientific** - Products include solenoid valves and air accessories.

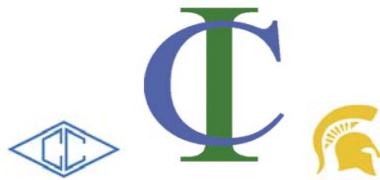
For the reasons stated, requirements for clauses/sub-clauses identified below are excluded from the scope of the Canfield Industries, Inc. Quality Management System (Reference QAM 7.0, *Product Realization*).

***Exclusions:***

**Sub-clause 7.5, Service Provision**

The functionality of the products we supply to our customers does not depend on contractual or implied post-delivery activities such as regular maintenance and servicing, therefore there are no internal or customer requirements for service provision.

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SUBJECT: QUALITY MANAGEMENT SYSTEM STRUCTURE

## QUALITY MANAGEMENT SYSTEM STRUCTURE (Refer to Figure 1)

The structure and organization of the Quality Management System (hereafter, QMS) documentation guides the implementation and maintenance of the QMS. They support effective operation of our QMS processes by enabling communication of intent, consistency of action, process performance feedback, and change information to continually improve processes.

### QUALITY SYSTEM MANUAL (QSM)

These documents contain our quality policy, organizational structure, QMS scope and application, QMS structure, and QMS requirements that address the American National Standard ANSI/ISO/ASQ Q9001-2000, *Quality Management System Requirements*. This standard is interchangeable with International Standard ISO 9001:2000, *Quality Management System – Requirements*.

### QUALITY SYSTEM PROCEDURES (QSP's)

These documents supplement the QSM and describe internal processes, applications, responsibilities, methods, sequences and interactions implemented to satisfy the requirements stated in the QSM. Information content typically addresses the "Who, What, When, Where, and Why".

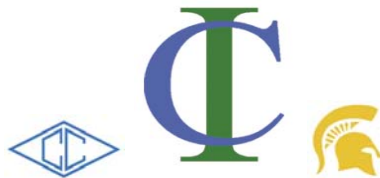
### STANDARD OPERATING PROCEDURES (SOP's)

These documents supplement the relevant QSPs when the complexity of the task or methods used requires additional detail. These documents describe "How" key tasks affecting quality are performed by groups or individuals. Where applicable, Standard Operating Procedures define (or reference) criteria and methods for ensuring that operation, control, monitoring and measurement of processes and product are effective. Standard Operating Procedures are designed to impart consistency and uniformity to activities across shifts and over time.

### RECORD DOCUMENTS

Records are a special kind of document. These documents state results achieved or provide evidence of activities performed. Quality records are maintained to demonstrate conformance to specified requirements and the effective operation of the QMS.

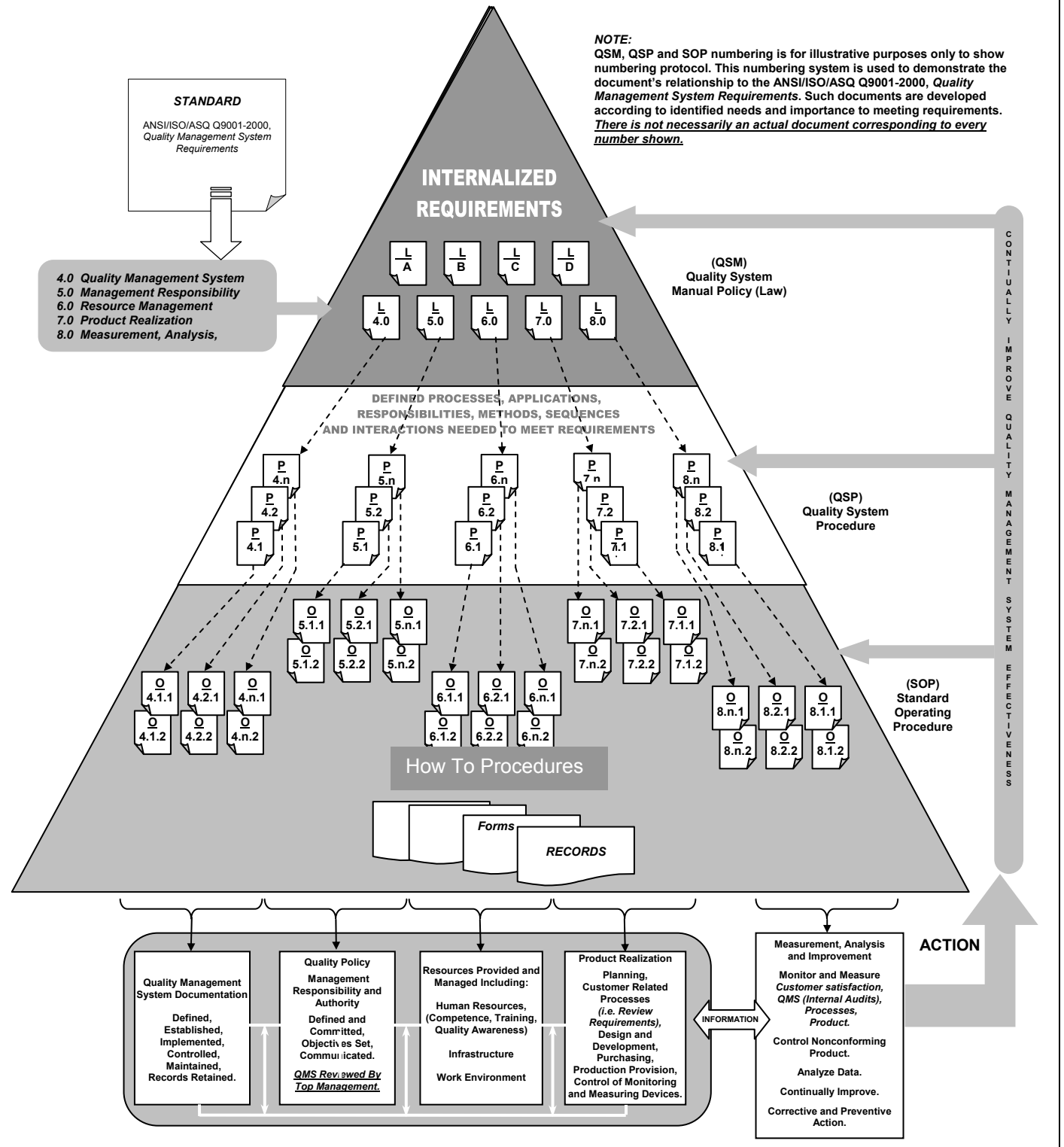
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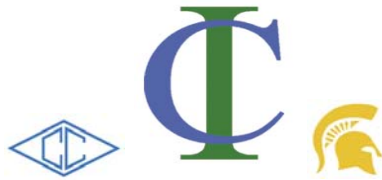
SUBJECT: QUALITY MANAGEMENT SYSTEM STRUCTURE

**FIGURE 1**



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SUBJECT: QUALITY OBJECTIVES

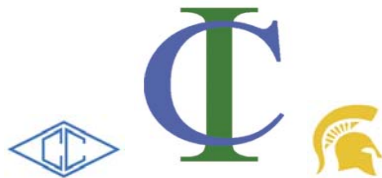
# **CANFIELD INDUSTRIES**

## **QUALITY OBJECTIVES**

**CANFIELD INDUSTRIES  
IS COMMITTED  
TO THE FOLLOWING  
POLICY, PERFORMANCE, PRODUCT, AND QMS OBJECTIVES:**

- Customer Satisfaction
- On-Time Delivery
- Sales & Profit Growth
- High Quality Products
- Superior Supplier Performance

# QUALITY SYSTEM MANUAL



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SUBJECT: **SAFETY & SECURITY POLICY**

## Safety & Security Policy

### Statement of Company Safety & Security Policy

1. It is the Company's policy to ensure, so far as it is reasonably practicable, the health, welfare and safety at work of all of its staff and visitors in accordance with relevant statutory requirements.
2. Within the general policy stated in (1), it is the company's policy in particular:
  - a) to provide and maintain plant and systems of work that are, so far as is reasonably practicable, safe and without risk to health;
  - b) to make arrangements for ensuring, so far as is reasonably practicable, safety and absence of risk to health in connection with the use, handling, storage and transport of articles and substances;
  - c) to provide such information, instruction, training and supervision as is necessary to ensure as far as is reasonably practicable, the health and safety at work of staff and visitors.
  - d) So far as is reasonably practicable as regards any place of work under the company's control, to maintain it in a safe condition and without risks to health and to provide and maintain means of access to and egress from it that are safe and without such risks;
  - e) To provide and maintain a working environment for staff and visitors that is so far as is reasonably practicable, safe, without risks to health and adequate as regards facilities and arrangements for their welfare at work;
  - f) To provide such protective clothing and equipment as is necessary to ensure as far as is reasonably practicable, the health and safety at work of its staff and visitors;
  - g) To require staff to set a high standard of safety by personal example
3. In pursuance of this policy the Company has established a security committee to advise the President on all matters relating to safety and security in the workplace and to oversee the implementation of the Company's safety and security policy.
4. The company has appointed a Human Resources Manager and departmental managers to undertake personnel screening and security.
5. The physical structure/security of the company was overseen by an architect and built according to Building Code in effect at time of occupancy.
6. Access security is monitored by an independent, off-site, monitoring company. All unauthorized incidents are reported on an Incident Report and filed in the Human Resources Office.
7. Computer/Network security is defined in the Company Network Use Policy / Procedure as well as other extensive security system allowances that have been set up by company president and IT Manager.

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SUBJECT: QUALITY MANAGEMENT SYSTEM

## 1.0 SCOPE

This section describes the documented quality management system established, implemented and maintained at Canfield Industries to ensure the operation and continual improvement of an effective quality management system.

## 2.0 REQUIREMENTS

2.1 Canfield Industries establishes, documents, implements and maintains a quality management system (hereafter, QMS) and continually improves its effectiveness in accordance with International Standard ANSI/ISO/ASQ Q9001-2000, *Quality Management System Requirements*.

2.2 Canfield Industries:

2.2.1 Identifies the processes needed for the QMS and their application throughout the company,

2.2.2 Determines the sequence and interaction of these processes,

2.2.3 Determines criteria and methods needed to ensure that both the operation and control of these processes are effective,

2.2.4 Ensures the availability of resources and information necessary to support the operation and monitoring of these processes,

2.2.5 Monitors, measures and analyzes these processes, and

2.2.6 Implements actions necessary to achieve planned results and continual improvement of these processes.

2.3 Canfield Industries, in accordance with the requirements of ANSI/ISO/ASQ Q9001-2000, manages these identified processes.

2.4 Canfield Industries ensures control over outsourced processes that affect product conformity with requirements. Control of such outsourced processes is identified within the QMS.

**NOTE:** Processes needed for the QMS as referenced above include, as appropriate, processes for management activities, provision of resources, product realization and measurement.

2.5 The QMS documentation includes:

2.5.1 Documented statements of a quality policy and quality objectives,

2.5.2 A quality manual,

2.5.3 Documented procedures required by ANSI/ISO/ASQ Q9001-2000,

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SUBJECT: QUALITY MANAGEMENT SYSTEM

2.0     REQUIREMENTS (CONT.)

2.5.4     Documents needed by Canfield Industries to ensure the effective planning, operation and control of its processes (refer to CI-0000-LD000-0001, *Quality Management System Structure*), and

2.5.5     Records required by ANSI/ISO/ASQ Q9001-2000.

**NOTE:** When the term "documented procedure" appears within our Quality System Manual, this means that the procedure is established, documented, implemented and maintained.

2.6     Canfield Industries has established and maintains this Quality System Manual that includes:

2.6.1     The scope of our QMS, including details of and justification for any exclusions,

2.6.2     The documented procedures established for our QMS, or reference to them, and

2.6.3     A description of the interaction among the processes of our QMS.

2.7     Documents required by our QMS are controlled. Records are a special type of document and are controlled.

2.8     Documented procedures are established to define the controls needed to:

2.8.1     Approve documents for adequacy prior to issue,

2.8.2     Review and update as necessary and re-approve documents,

2.8.3     Ensure that changes and the current revision status of documents are identified,

2.8.4     Ensure that relevant versions of applicable documents are available at points of use,

2.8.5     Ensure that documents remain legible and readily identifiable,

2.8.6     Ensure that documents of external origin are identified and their distribution controlled, and

2.8.7     Prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

2.9     The structure of the documentation utilized in our QMS is identified in CI-0000-LD000-0001, *Quality Management System Structure*.

2.10     Records are established and maintained to provide evidence of conformity to requirements and of the effective operation of our QMS. Records remain legible, readily identifiable and retrievable. Documented procedures are established to define the controls needed for the identification, storage, protection, retrieval, retention time and disposition of records.

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**SUBJECT: MANAGEMENT RESPONSIBILITIES**

**1.0 SCOPE**

Canfield Industries recognizes that leadership, commitment and the active involvement of top management are essential for developing and maintaining an effective Quality Management System (hereafter QMS) to achieve benefits for the customer, the company and other interested parties.

This section describes the management structure and their responsibilities pertaining to general functions deployed to carry out the commitment to develop, implement and continuously improve our QMS. Additional detail pertaining to responsibilities and methods utilized to manage QMS processes in accordance with International Standard ANSI/ISO/ASQ Q9001-2000, *Quality Management System Requirements* are provided in Quality System Procedures (QSPs) and associated sub-tier documents.

**NOTE:** Top Management at Canfield Industries consists of the President and the Vice President.

**2.0 REQUIREMENTS**

2.1 Management provides evidence of its commitment to the development and implementation of our QMS and continually improving its effectiveness by:

- 2.1.1 Communicating to our employees, the importance of meeting customer, statutory and regulatory requirements,
- 2.1.2 Establishing the quality policy,
- 2.1.3 Ensuring that quality objectives are established,
- 2.1.4 Conducting management reviews, and
- 2.1.5 Ensuring the availability of resources.

2.2 Management ensures that customer requirements are determined and are met with the aim of enhancing our customers' satisfaction.

2.3 Management ensures that the quality policy:

- 2.3.1 Is appropriate to the purpose of our company,
- 2.3.2 Includes a commitment to comply with requirements and continually improve the effectiveness of the QMS,
- 2.3.3 Provides a framework for establishing and reviewing quality objectives,
- 2.3.4 Is communicated to and understood by our employees, and
- 2.3.5 Is reviewed for continuing suitability.

2.4 Management ensures that quality objectives, including those needed to meet requirements for product, are established at relevant functions and levels within our company. The quality objectives are measurable and consistent with the quality policy.

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SUBJECT: MANAGEMENT RESPONSIBILITIES

2.0     REQUIREMENTS (CONT.)

2.5     Management ensures that:

2.5.1    The planning of the QMS is performed to meet the requirements defined in CI-0000-L4000-0001, as well as our quality objectives, and;

2.5.2    The integrity of our QMS is maintained when changes to the system are planned and implemented.

2.6     Management ensures that responsibilities and authorities are defined and communicated within our company. The top level management responsibilities and authorities are structured as described in this section. The organization chart (Figure 1) illustrates the reporting structure.

2.7     The following activities are within the general scope of authority and responsibility for the position identified. Responsibility for implementation of the activities may be further delegated to personnel within the company and/or subcontracted. Responsibilities and authorities executed by other personnel or organizations are described as appropriate in Quality System Procedures (QSPs) and/or other applicable sub-tier QMS documents.

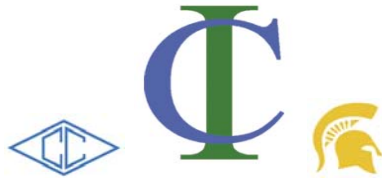
2.7.1    **President** has overall responsibility and authority for:

- A. Establishing the Quality Policy and ensuring that quality objectives are established that are consistent with maintaining a customer focus while achieving the organization's purpose,
- B. Provision of resources and infrastructure essential to the implementation of strategy and the achievement of the organization's quality and business objectives,
- C. Defining the organizational structure and functional responsibilities within that structure,
- D. Ensuring that effective processes are established within the organization for communicating the quality policy, requirements, objectives, responsibilities and accomplishments,
- E. Appointing a Management Representative,
- F. Assessing the effectiveness of the QMS through the Management Review process.

2.7.2    **Vice President** reports to the President and has the responsibility and authority to direct and coordinate activities of the business organization, and aids the president in formulating and administering organization policies including:

- A. Participating in formulating and administering company and QMS policies and developing long-range goals and objectives,
- B. The overall direction, coordination, and evaluation of the Customer Service and Marketing Departments, and CC Production.
- C. Supervising directly all employees in Outside Sales and Product Development Departments including interviewing, hiring, and training employees; planning, assigning, and directing work; appraising performance; rewarding and disciplining employees; addressing complaints and resolving problems.

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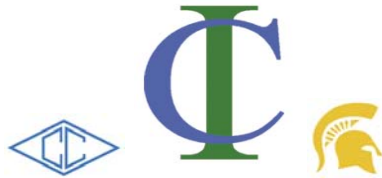
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SUBJECT: MANAGEMENT RESPONSIBILITIES

## 2.0 REQUIREMENTS (CONT.)

- 2.7.3 **Sales Manager** reports to the Vice President and has the responsibility and authority for sales to business and industrial establishments or individuals at sales office or customer's place of business including:
- A. Designing and recommending sales and marketing programs and setting short and long-term sales strategies,
  - B. Compiling lists of prospective customers for use as sales leads, based on information from newspapers, referrals, business directories, industry ads, trade shows, Internet Web sites, and other sources.
- 2.7.4 **Quality Manager** reports to the President and has the responsibility and authority to plan, coordinate, and direct QMS programs designed to ensure continuous production of products consistent with established standards including:
- A. Developing and analyzing statistical data and product specifications to determine present standards and establish proposed quality and reliability expectancy of finished product,
  - B. Formulates and maintains QMS and quality control objectives and coordinates objectives with production procedures in cooperation with other plant managers to maximize product reliability and minimize costs, and
  - C. As the appointed QMS Management Representative, irrespective of other responsibilities, for:
    1. Ensuring the processes needed for the QMS are established, implemented and maintained,
    2. Reporting to top management on the performance of the QMS and any need for improvement,
    3. Ensuring the promotion of awareness of customer requirements throughout the organization.
- 2.7.5 **Scheduling Manager** reports to the President and has the responsibility and authority to direct and coordinate activities of Scheduling and Production Departments to plan for and realize optimum efficiency, economy of operations, and maximize profits including:
- A. Directing and planning production of sub-assemblies, batches and resources necessary to keep company on-time percentages within acceptable limits set by Company President,
  - B. Analyzing data in order to plan proper batching levels based upon empirical information gathered from Sales, Customer Service, and the company manufacturing software system.
- 2.7.6 **Human Resource Manager** reports to the President and has the responsibility and authority to plan and administer policies relating to all phases of human resources activity including:
- A. Identifying regulatory and statutory requirements and government reporting regulations affecting human resources functions and ensuring policies, procedures, and reporting are in compliance,
  - B. Recruiting, interviewing, testing, and assisting in the selection of employees to fill vacant positions,
  - C. Planning and conducting new employee orientation to foster positive attitude toward company/QMS goals,

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SUBJECT: MANAGEMENT RESPONSIBILITIES

## 2.0 REQUIREMENTS (CONT.)

- D. Keeping records of benefit plans participation, such as insurance and pension plan, personnel transactions such as hires, promotions, transfers, performance reviews, and terminations, and employee statistics for government reporting,
- E. Coordinating management training in interviewing, hiring, terminations, promotions, performance review, safety, and sexual harassment,
- F. Administering performance review program to ensure effectiveness, compliance, and equity within organization,
- G. Preparing budget information for the planning of human resources.

2.7.7 **IT Manager** reports to the President and has the responsibility and authority to provide network support to operational computer networks and control over access to QMS documentation including:

- A. Installing new software releases, system upgrades, maintains existing hardware,
- B. Evaluating and installing patches and resolution of software related problems,
- C. Performing system backups and recovery,
- D. Maintaining data files and monitors system configuration to ensure the integrity of data used in the analysis of company/QMS operations and performance.

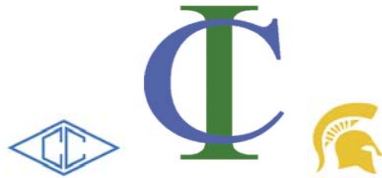
2.7.8 **Materials Manager** reports to the President and has the responsibility and authority to direct and coordinate resource management activities of personnel engaged in purchasing raw materials, equipment, machinery, and supplies necessary to maintain the infrastructure and work environment including:

- A. Supervising and coordinating procedures for verifying and keeping records on incoming and outgoing shipments, inventorying of said items and preparing items for shipment,
- B. Reviewing and approving information in purchase orders and change notices,
- C. Reviewing purchase order claims and contracts for conformance to company policy,
- D. Reviewing shipping notices, bills of lading, invoices, orders, and other records to determine shipping priorities, work assignments, and shipping methods required to meet shipping and receiving schedules,
- E. Inspecting loading operations to ensure compliance with customer shipping specifications.

2.7.9 **SS & CC Chief Engineers** report to the President and have the responsibility and authority to direct, coordinate, and exercise functional authority for planning, organization, control, integration, and completion of engineering projects within assigned areas including:

- A. Assigning project personnel to specific phases or aspects of project such as technical studies, product design, preparation of specifications and technical plans, and product testing,
- B. Reviewing product design for compliance with engineering principles, company standards, and customer contract requirements, and related specifications,
- C. Coordinating activities concerned with technical developments, scheduling, and resolving engineering design and test problems,
- D. Directing integration of technical activities and products,
- E. Evaluating and approving design changes, specifications, and drawing releases,
- F. Responsible for the accuracy and completeness of the Bill Of Material (BOM) filing system.

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SUBJECT: MANAGEMENT RESPONSIBILITIES

## 2.0 REQUIREMENTS (CONT.)

- G. Controlling expenditures within limitations of project budget,
- H. Preparing interim and completion project reports.

2.7.10 **CC Production Managers** report to the Vice-President and has the responsibility and authority to ensure the effective and efficient operation of all production aspect in the assigned areas including:

- A. Managing all resources needed to effect the production of product that meets specified requirements.
- B. Oversees general maintenance of plant and equipment.

2.7.11 **SS Production Managers** report to the Materials Manager and has the responsibility and authority to ensure the effective and efficient operation of all production aspect in the assigned areas including:

- A. Managing all resources needed to effect the production of product that meets specified requirements.
- B. Oversees general maintenance of plant and equipment.

2.8 Management ensures that appropriate communication processes are established within our company and that communication takes place regarding the effectiveness of our QMS.

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

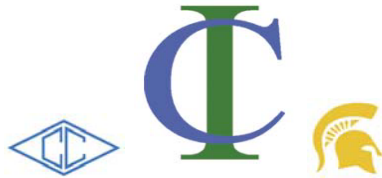
2.10 Inputs to management reviews include information pertaining to:

- 2.10.1 Results of audits,
- 2.10.2 Customer feedback,
- 2.10.3 Process performance and product conformity,
- 2.10.4 Status of preventive and corrective actions,
- 2.10.5 Follow-up actions from previous management reviews,
- 2.10.6 Changes that could affect our QMS, and
- 2.10.7 Recommendations for improvement.

2.11 Outputs from our management reviews include any decisions and actions related to:

- 2.11.1 Improvement of the effectiveness of our QMS and its processes,
- 2.11.2 Improvement of product related to our customer's requirements, and
- 2.11.3 Resource needs.

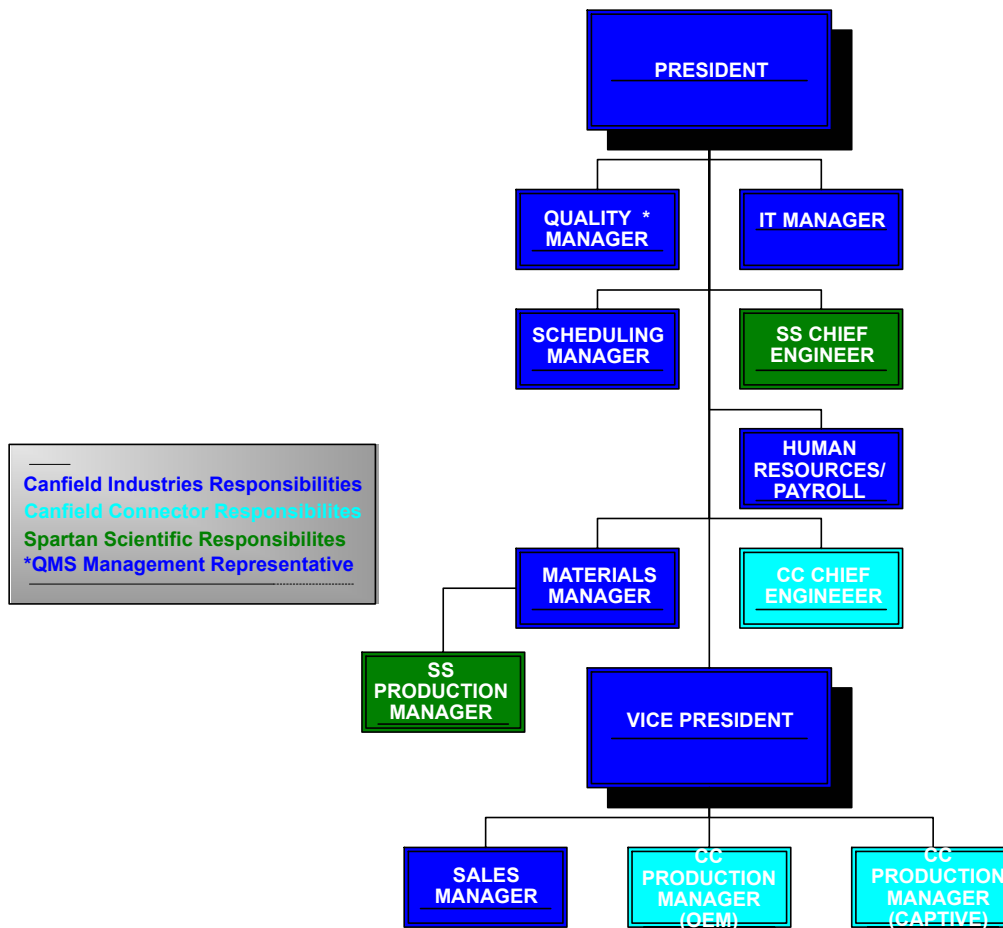
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SUBJECT: MANAGEMENT RESPONSIBILITIES

### FIGURE 1 ORGANIZATION CHART



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SUBJECT: RESOURCE MANAGEMENT

1.0 SCOPE

This section describes the requirements for the provision of resources needed to implement and maintain our quality management system at Canfield Industries.

2.0 REQUIREMENTS

2.1 Canfield Industries determines and provides the resources needed to:

- 2.1.1 Implement and maintain the quality management system and continually improve its effectiveness, and;
- 2.1.2 Enhance customer satisfaction by meeting customer requirements.

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

2.3 Canfield Industries:

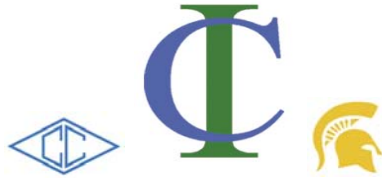
- 2.3.1 Determines the necessary competence for personnel performing work affecting product quality,
- 2.3.2 Provides training or takes other actions to satisfy these needs,
- 2.3.3 Evaluates the effectiveness of the actions taken,
- 2.3.4 Ensures that our personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of our quality objectives, and;
- 2.3.5 Maintains appropriate records of education, training, skills and experience in accordance with QSM 4.0, *Quality Management System*.

2.4 Canfield Industries determines, provides and maintains the infrastructure needed to achieve conformity to product requirements. Infrastructure includes, as applicable:

- 2.4.1 Buildings, workspace and associated utilities;
- 2.4.2 Process equipment, both hardware and software, and;
- 2.4.3 Supporting services, such as transportation or communication.

2.5 Canfield Industries determines and manages the work environment needed to achieve conformity to product requirements.

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SUBJECT: PRODUCT REALIZATION

## 1.0 SCOPE

This section describes the requirements for product realization at Canfield Industries and includes:

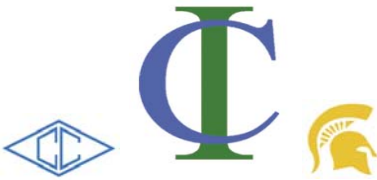
- 2.0 Requirements – Planning of Product Realization
- 3.0 Requirements – Customer-related Processes
- 4.0 Requirements – Design and Development
- 5.0 Requirements – Purchasing
- 6.0 Requirements – Production and Service Provision
- 7.0 Requirements – Control of Monitoring and Measuring Devices

## 2.0 REQUIREMENTS - PLANNING OF PRODUCT REALIZATION

- 2.1 Canfield Industries plans and develops the processes needed for product realization. The planning of product realization is consistent with the requirements of the other processes of the Quality Management System (hereafter QMS).
- 2.2 In planning product realization, we have determined the following, as appropriate:
  - 2.2.1 Quality objectives and requirements for the product.
  - 2.2.2 The need to establish processes, documents and provide resources specific to the product.
  - 2.2.3 Required verification, validation, monitoring, inspection and test activities specific to the product and the criteria for product acceptance.
  - 2.2.4 Records needed to provide evidence that the realization processes and resulting product meet requirements.
- 2.3 The output of this planning is in a form suitable for our methods of operations.

## 3.0 REQUIREMENTS – CUSTOMER-RELATED PROCESSES

- 3.1 Canfield Industries determines the requirements related to the product as:
  - 3.1.1 Specified by our customers, including those for delivery and post-delivery activities when applicable.
  - 3.1.2 Necessary for specified or intended use, even when not stated by our customers but where known by our experience.
  - 3.1.3 Specified by statutory and/or regulatory requirements related to the product, and.
  - 3.1.4 Any internal requirements determined by our organization.

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3.2 We review these requirements related to the product. This review is conducted prior to our commitment to supply a product to the customer whether received in the form of a contract or order (written or verbal), or before acceptance of changes to contracts or orders and ensures that:

3.0 REQUIREMENTS – CUSTOMER-RELATED PROCESSES (CONT.)

3.2.1 Product requirements are defined.

3.2.2 Contract or order requirements differing from those previously expressed are resolved, and.

3.2.3 Canfield Industries has the ability to meet the defined requirements.

3.3 Records of the results of these reviews and actions arising from the reviews are maintained in accordance with CI-0000-L4000-0001, *Quality Management System*.

3.4 Where our customer provides no documented statement of product requirements, we confirm the customer's requirements before acceptance.

3.5 Where product requirements are changed, Canfield Industries ensures that relevant documents are amended and that relevant personnel are made aware of the changed requirements.

3.6 Canfield Industries determines and implements effective arrangements for communicating with customers in relation to:

3.6.1 Product information.

3.6.2 Inquiries, contracts or order handling, including amendments, and.

3.6.3 Customer feedback, including customer complaints.

4.0 REQUIREMENTS – DESIGN AND DEVELOPMENT

4.1 Canfield Industries' activities result in product that meets specific design requirements. In the design and development of customer specific products, we transform customer needs, expectations, and performance requirements into specified design characteristics or design specifications.

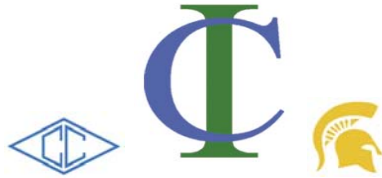
4.2 Inherent to the design and development process, Canfield Industries:

4.2.2 Determines during the design and development planning process:

- A. The stages of the design and development process.
- B. Appropriate reviews, verification and validation activities relative to each identified stage of the design and development process.
- C. Responsibilities and authorities for design and development activities.

4.2.3 Ensures effective communication and clear assignment of responsibility through active management of the interfaces between the various groups involved in the design and development process.

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4.2.4 Updates as necessary the planning output as the design and development process progresses.

## 4.0 REQUIREMENTS – DESIGN AND DEVELOPMENT (CONT.)

4.2.5 Plans and controls the design and development of product parameters. We work with our customers and provide the benefit of our experience and feedback with respect to general applications for our product offerings. Our activities result in finished product that either:

- A. Meets customer-specified requirements pertaining to desired product characteristics and, where applicable, processing and testing requirements or,
- B. Meets internally-specified requirements pertaining to product characteristics and, where applicable, defined processing and testing parameters necessary to produce catalogue product offerings with specific design features.

4.2.6 Determines and maintains records of design and development inputs relating to product requirements specific to function, performance, statutory/regulatory compliance, previous similar design information, and other essential or critical design and development requirements.

4.2.7 Reviews the design and development inputs for adequacy and assures completeness of the requirements eliminating any ambiguities or conflicts.

4.2.8 Provides design and development outputs in a form that enables verification against the design and development input criteria. Output results are approved, prior to product release, which:

- A. Meet input requirements.
- B. Provides appropriate and adequate information for purchasing and production activities.
- C. Specifies or references product acceptance criteria.
- D. Identifies product characteristics essential for product safety and proper use.

4.2.9 Performs systematic reviews at appropriate planned stages in the design and development process by representatives of functions concerned with the particular stage of the process under review. The reviews are conducted to:

- A. Determine conformance with requirements and acceptance of each planned stage in the design and development process.
- B. Identify problems and propose actions necessary for resolution.

4.2.10 Provides for verification at appropriate planned stages in the design and development process ensuring that outputs meet the input requirements.

4.2.11 Institutes validation at appropriate planned stages in the design and development process to ensure that the resulting product is capable of meeting the specified application requirements or intended use where known. To the extent practicable, validation is completed prior to delivery or implementation of the product and validation records including any necessary actions are maintained.

4.2.12 Demonstrates control over changes in design or development.

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SUBJECT: PRODUCT REALIZATION

- A. Changes in design and development are identified and recorded. Changes are reviewed, verified, and validated as appropriate and are approved before implementation.
- B. Review of changes gives consideration to and evaluation of the effect of the changes on constituent parts and product already delivered.

4.0 REQUIREMENTS – DESIGN AND DEVELOPMENT (CONT.)

4.2.13 Maintains records associated with all aspects of the design and development process.

5.0 REQUIREMENTS – PURCHASING

5.1 Canfield Industries ensures that purchased product conforms to specified purchase requirements. The type and extent of control applied to the supplier and the purchased product is dependent upon the effect of the purchased product on subsequent product realization or the final product.

5.2 Canfield Industries evaluates and selects suppliers based on their ability to supply product in accordance with our requirements. Criteria for selection, evaluation and re-evaluation are established. Records of the results of evaluations and any necessary actions arising from the evaluation are maintained.

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

5.3.1 Requirements for approval of product, procedures, processes and equipment;

5.3.2 Requirements for qualification of personnel, and;

5.3.3 Quality management system requirements.

5.4 Canfield Industries ensures the adequacy of specified purchase requirements prior to their communication to the supplier.

5.5 We establish and implement the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements.

5.6 If or when Canfield Industries or our customer intends to perform verification at the supplier's premises, we state the intended verification arrangements and method of product release in the purchasing information.

6.0 REQUIREMENTS – PRODUCTION AND SERVICE PROVISION

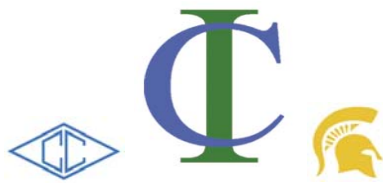
6.1 Canfield Industries plans and conducts production under controlled conditions. We do not, however, provide servicing (i.e. post deliverable maintenance) to our customers as part of our product. Controlled conditions include, as applicable the:

6.1.1 Availability of information that describes the characteristics of the product;

6.1.2 Availability of standard operating procedures, as necessary,

6.1.3 Use of suitable equipment;

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SUBJECT: PRODUCT REALIZATION

- 6.1.4 Availability and use of monitoring and measuring devices;
- 6.1.5 Implementation of monitoring and measurement, and;
- 6.1.6 Implementation of release and delivery activities.

## 6.0 REQUIREMENTS – PRODUCTION AND SERVICE PROVISION (CONT.)

- 6.2 We validate any processes for production where the resulting output cannot be verified by subsequent monitoring or measurement. This includes any processes where deficiencies become apparent only after the product is in use.
  - 6.2.1 Validation actions demonstrate the ability of these processes to achieve planned results.
- 6.3 Canfield Industries establishes arrangements for these processes including, as applicable:
  - 6.3.1 Defined criteria for review and approval of the processes;
  - 6.3.2 Approval of equipment and qualification of personnel;
  - 6.3.3 Use of specific methods and procedures;
  - 6.3.4 Requirements for records, and;
  - 6.3.5 Revalidation.
- 6.4 Canfield Industries identifies product throughout product realization, as appropriate.
- 6.5 We identify the product status with respect to monitoring and measurement requirements.
- 6.6 Canfield Industries controls and records unique identification of the product where traceability is a requirement.
- 6.7 Canfield Industries exercises care with customer property while it is under our control or being used by us. We identify, verify, protect and safeguard our customer's property provided for use or incorporation into our product. If any customer property is lost, damaged or otherwise found to be unsuitable for use, the condition is reported to the customer and records are maintained.
- 6.8 We preserve the conformity of product during internal processing and delivery to the intended destination. This preservation includes identification, handling, packaging, storage and protection. Preservation also applies to the constituent parts of a product, where applicable.

## 7.0 REQUIREMENTS – CONTROL OF MONITORING AND MEASURING DEVICES

- 7.1 Canfield Industries determines the monitoring and measurement to be conducted and the monitoring and measuring devices needed to provide evidence of conformity of product to determined requirements.

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7.2 We establish processes to ensure that monitoring and measurement can be, and is conducted in a manner that is consistent with the monitoring and measurement requirements.

7.3 Where necessary to ensure valid results, measuring equipment is:

7.3.1 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 or verification is recorded;

7.0 REQUIREMENTS – CONTROL OF MONITORING AND MEASURING DEVICES (CONT.)

7.3.2 Adjusted or re-adjusted as necessary;

7.3.3 Identified to allow the calibration status to be determined;

7.3.4 Safeguarded from adjustments that would invalidate the measurement result;

7.3.5 Protected from damage and deterioration during handling, maintenance and storage.

7.4 When measuring equipment is found not to conform to requirements, we assess and record the validity of the previous measuring results. We take appropriate action pertaining to the equipment and any product affected. Records of the results of calibration and verification are maintained.

7.5 The ability of computer software, when used in the monitoring and measurement of specified requirements, to satisfy the specified application is confirmed. This confirmation is performed before initial use and reconfirmed, as necessary, thereafter.

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SUBJECT: MEASUREMENT, ANALYSIS AND IMPROVEMENT

1.0 SCOPE

This section describes the requirements for planning and implementing the monitoring, measurement, analysis and improvement processes of the QMS at Canfield Industries including:

- 2.0 Requirements – General
- 3.0 Requirements – Monitoring and Measurement
- 4.0 Requirements – Control of Nonconforming Product
- 5.0 Requirements – Analysis of Data
- 6.0 Requirements - Improvement

2.0 REQUIREMENTS - GENERAL

2.1 Canfield Industries plans and implements the monitoring, measurement, analysis and improvement processes needed to:

- 2.1.1 Demonstrate conformity of the product;
- 2.1.2 Ensure conformity of the quality management system (hereafter, QMS), and;
- 2.1.3 Continually improve the effectiveness of the QMS.

2.2 Canfield Industries determines applicable methods of monitoring, measurement, analysis and improvement, including statistical techniques, and the extent of their use.

3.0 REQUIREMENTS – MONITORING AND MEASUREMENT

3.1 As one of the measurements of the performance of our QMS, Canfield Industries monitors information relating to customer perception to determine whether we have met customer requirements. We define the methods for obtaining and using this information.

3.2 Canfield Industries conducts internal audits at planned intervals to determine whether the QMS:

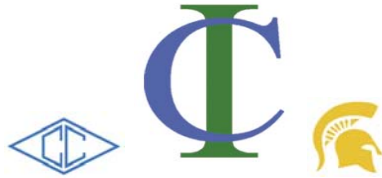
- 3.2.1 Conforms to the planned arrangements, to the requirements of the ISO ANSI/ISO/ASQ Q9001-2000 and to the QMS requirements established by Canfield Industries, and;
- 3.2.2 Is effectively implemented and maintained.

3.3 Canfield Industries' internal audit program considers 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 the objectivity and impartiality of the audit process. Auditors do not audit their own work.

3.4 Documented procedures define the responsibilities and requirements for planning and conducting audits, for reporting results and for maintaining records.

3.5 Management responsible for the audited areas ensures actions are taken without undue delay to eliminate detected nonconformities and their causes. Follow-up activities include the verification of the actions taken and reporting of verification results.

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SUBJECT: MEASUREMENT, ANALYSIS AND IMPROVEMENT

## 3.0 REQUIREMENTS – MONITORING AND MEASUREMENT (CONT.)

- 3.6 Canfield Industries applies suitable methods for monitoring, and, where applicable, measurement of the QMS processes. These methods demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective action are taken, as appropriate, to ensure product conformity.
- 3.7 Canfield Industries monitors and measures the characteristics of our product to verify that its requirements have been met. This is conducted at appropriate stages of product realization in accordance with planned arrangements.
- 3.8 Evidence of conformity with the acceptance criteria is maintained. Records indicate the person(s) authorizing release of product.
- 3.9 Product release is not permitted until planned arrangements have been satisfactorily completed, unless a proper company authority approves this and, where applicable, by the customer.

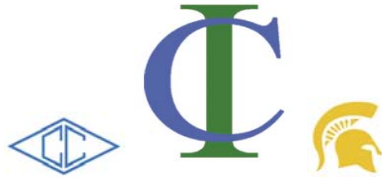
## 4.0 REQUIREMENTS – CONTROL OF NONCONFORMING PRODUCT

- 4.1 Canfield Industries ensures that product which does not conform to their 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 documented procedures.
- 4.2 We handle nonconforming product by one or more of the following ways:
  - 4.2.1 Taking action to eliminate the detected nonconformity,
  - 4.2.2 Authorizing its use, release or acceptance under concession by a proper company authority and, where applicable, by the customer,
  - 4.2.3 Taking action to preclude its original intended use or application.
- 4.3 Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, are maintained.
- 4.4 When nonconforming product is reworked it is re-verified to demonstrate conformity to the requirements.
- 4.5 When nonconforming product is detected after delivery or use has started, Canfield Industries takes appropriate action regarding the effects, or potential effects, of the nonconformity.

## 5.0 REQUIREMENTS – ANALYSIS OF DATA

- 5.1 Canfield Industries determines, collects and analyzes appropriate data to demonstrate the suitability and effectiveness of our QMS and to evaluate where continual improvement of the effectiveness of our QMS can occur. This includes data generated as a result of monitoring and measurement and from other relevant sources.
- 5.2 The analysis of data provides information relating to:

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SUBJECT: MEASUREMENT, ANALYSIS AND IMPROVEMENT

## 5.0 REQUIREMENTS – ANALYSIS OF DATA (CONT.)

- 5.2.1 Customer satisfaction,
- 5.2.2 Conformity to product requirements,
- 5.2.3 Characteristics and trends of processes and products including opportunities for preventive action, and
- 5.2.4 Suppliers.

## 6.0 REQUIREMENTS – IMPROVEMENT

- 6.1 Canfield Industries continually improves the effectiveness of the QMS through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.
- 6.2 We take action to eliminate the cause of nonconformities in order to prevent recurrence. Corrective actions are appropriate to the effects of the nonconformities encountered.
- 6.3 Documented procedures define requirements for:
  - 6.3.1 Reviewing nonconformities (including customer complaints),
  - 6.3.2 Determining the causes of nonconformities,
  - 6.3.3 Evaluating requirements for action to ensure that nonconformities do not recur,
  - 6.3.4 Determining and implementing action needed,
  - 6.3.5 Records of the results of action taken, and
  - 6.3.6 Reviewing corrective action taken.
- 6.4 Canfield Industries determines action to eliminate the causes of potential nonconformities in order to prevent their occurrence. Preventive actions are appropriate to the effects of the potential problems.
- 6.5 Documented procedures define requirements for:
  - 6.5.1 Determining potential nonconformities and their causes,
  - 6.5.2 Evaluating the need for action to prevent occurrence of nonconformities,
  - 6.5.3 Determining and implementing action needed,
  - 6.5.4 Records of results of action taken, and
  - 6.5.5 Reviewing preventive action taken.