QUALITY MANAGEMENT SYSTEM MANUAL

QMS-01

AS 9100 Rev. D [ISO 9001: 2015]

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QUALITY SYSTEM MANUAL

Quality Manual

This Manual has been reviewed and been approved for use by

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Q01 Document Control

Distribution list

The status of the quality manual and/or description of changes are provided in the revision status page of this manual.

This manual is issued and controlled by the Quality Manager.

A controlled digital copy is kept on the network. No other copies are to be made internally.

All matters or inquiries relating to its contents or usage are to be referred to that individual.

It is the responsibility of the SI Leadership Team to:

- Ensure that this manual is read by and available to the relevant personnel under their control.

Copies issued to outside sources are not tracked and are considered “Uncontrolled” for reference only

Uncontrolled copies of this manual will be identified with the word "uncontrolled" in bold letters across the bottom of the page.

Q02 Document Amendments

All copies of this **Quality Management Systems Manual (QMSM)** must be kept under strict control to prevent the system from becoming unreliable. The following controls will ensure that the system remains current and valid.

1. Each page in the manual will carry its own number.
2. The Quality Manager will be responsible for all revisions and additions being recorded.
3. Changes can be suggested by any Employee but must receive signed approval before being entered into the QMSM.
4. All changes must be recorded on the Amendments Table below and appropriate pages in each QMSM changed. Significant changes will be shaded to make them easy to identify. (Where existing text is reworded or reorganized in the document, these changes will not be shaded.)

Amendments Table

See APPENDIX – Attachment 1

Q03 Company Profile and Organization Chart

Company Profile

STEWART Industries, a minority firm Headquartered in Battle Creek, Michigan. STEWART helps manufacturing companies to improve product quality, line balance issues, off-line processes, and support the overall effectiveness to their current customer base. Incorporated in May of the year 2000, we serve Michigan and the Central/Northern and Southern United States. We are ISO 9001:2008 certified and SDB Government Certified.

We take pride in the performance of our associates and the consistency of our processes. Our goal is to put our values to work for you – improving your processes by providing cost-effective inspection and sub assembly work.

The STEWART Vision:

To be a preferred supplier of sub-assembled products, to contribute to our community and environment while creating a superior value for our customers, our associates and our stakeholders.

The STEWART Philosophy – Our Foundation:

We believe the success of our business is directly proportionate to the depth of our pride, the development of our associates, and the quality and consistency of our processes. To realize/ achieve our vision we must effectively incorporate these elements into all aspects of our organization.

The STEWART Organization / Job Descriptions

Full Organization Chart and Job Descriptions are held under separate cover and may be viewed upon written request.

QUALITY POLICY

Our 500.12 Quality Policy articulates our commitment to our customers and focuses on what is important to us as an organization and it prescribes the method by which we accomplish this:.

Our quality policy, Vision, and Company Philosophy acts as the compass for providing the framework to establish our quality objectives to measure our performance regarding customer satisfaction.

We ensure that our quality policy is communicated and understood at all levels of the organization and discuss its suitability during management review meetings. Our Quality Policy is as follows:

We are committed to provide products and services that exceed our customers' expectations by the continuous improvement of our Quality Management System.

QUALITY OBJECTIVE

The Stewart Industries Leadership Team and process owners establish objectives that are measurable and consistent with our quality policy. They are documented on the 104.3 SI Scorecard and communicated throughout the organization

Section A – Introduction

This manual describes Stewart Industries Quality Management System, as well as defines the authorities, interrelationships, and responsibilities of the personnel responsible for implementation and maintenance of the QMS. The manual also provides procedures or references for all activities comprising the QMS, to ensure compliance with all requirements of the AS9100 D standard.

Internally, this manual is used to guide Stewart Industries employees through the various requirements of the AS 9100 D standard, which must be met and maintained to ensure customer satisfaction and continuous improvement.

Externally, this manual is used to introduce our Quality Management System to our customers, as well as other external organizations or individuals. It also serves to familiarize them with the controls that have been implemented here at SI, and to assure them that the integrity of our QMS is maintained, thus demonstrating that the company is focused on customer satisfaction and continuous improvement.

Executive Management is ultimately responsible for assessing the significance of variations in our processes and making balanced judgments. In arriving at such decisions, the quality and personal integrity of our personnel are of fundamental importance. In this context, every effort is made to ensure that each person in the company understands that quality assurance is important to their future, and that they know how they can assist in the achievement of quality adequate to our customers' expectations.

Stewart Industries has developed and implemented a Quality Management System to align with AS9100 D and to document our best business practices, better satisfy the requirements and expectations of its customers, and improve the overall management of the company.

To fully understand the organization and its context, SI has evaluated the external and internal issues that are relevant to and affect our ability to achieve the intended results of this quality management system.

Our Quality Management System meets the requirements of the international standard AS 9100 D. The system addresses all elements of AS9100 D which affect any portion of our business model. We have incorporated a process approach which provides for consistent and predictable results more effectively and efficiently when activities are understood and managed as interrelated processes.

This process approach provides for the management of the quality system and its processes through the application of a **"Plan-Do-Check-Act"** methodology and a focus on "Risk-Based-Thinking" leading to the prevention of undesirable outcomes.

Stewart Industries applies all applicable requirements of AS 9100 D as determined by scope of the QMS.

As developed with procedure P-400 defining our Organizational context, the scope of our QMS is below:

Manufacture of assembled and sub-assembled product with provision of inspection services.

The Leadership Team of Stewart Industries has reviewed the requirements of AS9100 Rev. "D" clause 8.3 Design & development and determined that it is not applicable to our business model. Removing this clause from our scope does not affect our organization's ability to provide products that meet the requirements of our customers.

Section B – References

Normative reference

AS9100 REV. D Quality management systems – Requirements for aviation, space, and defense organizations.

ISO 9000:2015 Quality management systems – Fundamentals and vocabulary.

ISO 9001:2015 Quality management systems – Requirements

Q04 Terms and definitions

Applicable definitions are included in documented procedures and instructions at par 3.0 to enhance the understanding of the process.

In addition to the terms and definitions listed in ISO 9000:2015, the following are specific to Aviation, Space, and Defense (ASD) quality management system:

Counterfeit part

An unauthorized copy, imitation, substitute, or modified part such as material, part, component, which is knowingly misrepresented as a specified genuine part of an original or authorized manufacturer.

NOTE: Examples of a counterfeit part can include, but are not limited to, the false identification of marking or labelling, grade, serial number, date code, documentation, or performance characteristics.

Critical Items

Those items such as functions, parts, software, characteristics, processes having significant effect on the provision and use of the products and services; including safety, performance, form, fit, function, producibility, service life, etc.; that require specific actions to ensure they are adequately managed.

Key Characteristic

An attribute or feature whose variation has a significant effect on product fit, form, function, performance, service life, or producibility, that requires specific actions for the purpose of controlling variation.

Product Safety

The state in which a product can perform to its designed or intended purpose without causing unacceptable risk of harm to persons or damage to property.

Special Requirements

Those requirements identified by the customer, or determined by the organization, which have high risks of not being met, thus requiring their inclusion in the operational risk management process.

Section 3 of the standard (AS9100 “D”) provides more information and with relevant examples.

Q05 Quality Management System

4. Context of the organization

4.1 Understanding the Organization and its Context

We have determined the relevant external and internal issues that affect our ability to achieve the intended outcomes of our management system. We have considered the full business environment, the key drivers and trends having impact on the objectives of the organization and the relationship and values of external stakeholders. Details of the context of our organization are given below:

See Appendix Attachment 2 “Issues, which can affect Interested Parties”

4.2 Understanding the Needs and Expectations of Interested Parties

We have identified and documented the interested parties in general terms, and their requirements. We have determined and documented any applicable and statutory and regulatory quality management system requirements, and we have addressed these requirements in our quality management system.

See Appendix Attachment 3 “Interested Parties (Stakeholders)

4.3 Determining the Scope of the Quality Management System

We have determined **and documented** the boundaries and applicability of our management system and have considered the issues identified in Clause 4.1 and 4.2 (above) as well as those that relate to our product and service when establishing **and documenting** the scope.

4.4 Quality Management System and its processes (QMS)

We have established and implemented, and will maintain and continually improve our quality management system, including the processes and their interactions needed to meet the requirements of the international standard.

In order to deliver the requirements, we have identified **and documented**:

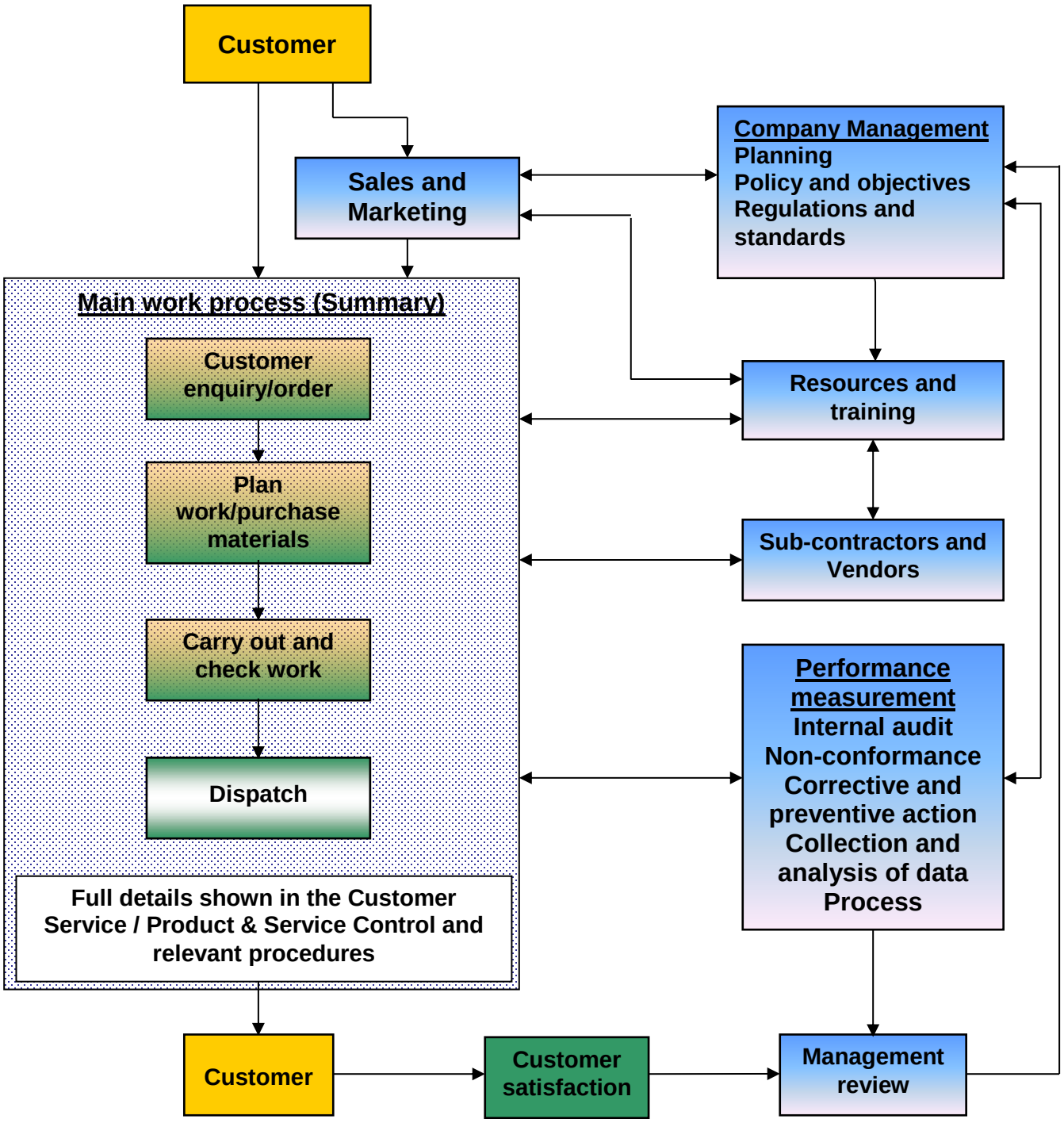
- the processes needed for the implementation, operation and maintenance of the management system along with opportunities for its improvement and their application throughout the organization;
- the inputs required and outputs expected from these processes;
- the sequence and interaction of these processes;

- criteria and methods needed to ensure that both the operation and control of these processes are effective;
- the availability of resources and information necessary to support the operation and monitoring of these processes;
- the risks and opportunities within the management system and how to plan to address them;
- the monitoring, measuring and analyzing of these processes, and implement actions necessary to achieve planned results and continual improvement.
- **The assignment of the responsibilities and authorities for these processes.**

Appropriate documented information is maintained to support these processes and is retained as records to demonstrate that all processes are effective and working as planned**.**

Note: The key production processes and their interactions are documented. A procedure or process diagram has been created for each key process showing process name and content, inputs, outputs, resources, controls, targets relating to outputs, effectiveness indicators and how they are measured. This will facilitate generation of PEARs (Process Effectiveness Assessment Reports) during external audits.

QMS Process Diagram



5. Leadership

5.1 Leadership and Commitment

5.1.1 General

Our Top management demonstrates leadership and commitment with respect to our QMS by taking accountability of the effectiveness of the QMS; by establishing a quality policy and quality objectives that are compatible with the direction of the organization; that both policy and objectives are communicated, understood and applied within the organization; ensuring integration of QMS requirements into the organization's business processes and by promoting awareness of a process approach and risk based thinking.

In addition, our Leadership Team provides the resources necessary for the QMS; sustained implementation and to ensure the importance of effective quality management and of conforming to QMS requirements; ensuring that the QMS achieves intended results; engaging with, directing and supporting persons to contribute to the effectiveness of the QMS; promote improvement and support other members of the Leadership Team to demonstrate their leadership as it applies to their area of responsibility. Management provides the resources to communicate these common goals to all levels of associates.

5.1.2 Customer Focus

As an organization, Stewart Industries strives to meet our clients' expectations; our Leadership Team demonstrates their leadership and commitment by ensuring that clients' requirements and applicable regulatory and statutory requirements are met; that risks and opportunities that could affect our products and services have been addressed; that our focus is on consistently providing client satisfaction.

We measure and report monthly on product and service conformity and on-time delivery performance. If planned results are not met, or will not be achieved we take action as deemed appropriate by the SI Leadership Team and AS Steering Committee.

5.2 Policy

Our Top Management have developed a quality policy that is in line with the requirements of the standard. The Policy is available as documented information, is communicated throughout the organization and is also available to interested parties, as appropriate.

5.3 Organizational Roles, Responsibilities and Authorities

Our Top management will ensure that the responsibilities and authorities for relevant roles are assigned and communicated throughout the organization. The organization has identified, documented and communicated the roles, responsibilities and authorities of those involved in the management system and their interrelationships within the organization.

Top management has appointed a specific member of management, identified as the management representative, who has the responsibility and authority for oversight of the following requirements.

- **ensuring that the quality management system conforms to the requirements of the AS9100D International Standard**
- **ensuring that the processes are delivering their intended outputs**
- **reporting on the performance of the quality management system and on opportunities for improvement, to top management**
- **ensuring the promotion of customer focus throughout the organization**
- **ensuring that the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.**

The management representative has the organizational freedom and unrestricted access to top management to resolve quality management issues.

The appointed Management Representative is: Quality Manager or Designee

NOTE: The responsibility of a management representative can include liaison with external parties on matters relating to the quality management system.

6. Planning

6.1 Actions to Address Risks and Opportunities

We have considered the issues detailed in clause 4.1 and 4.2 of this document and have determined the risks and opportunities that need to be addressed to assure the QMS can achieve its intended outcomes; that we prevent or reduce undesired effects and achieve continual improvement.

We have put a plan in place to address these risks and opportunities and a plan to integrate and implement these actions in the QMS and evaluate their effectiveness. We have produced a risk assessment register to show what has been achieved.

See Attachment 4 - Risked Based Thinking

6.2 Quality Objectives and planning to achieve them

We have established quality objectives at various levels throughout the organization in line with the requirements of AS 9100 D (ISO 9001:2015 Clauses 6.2.1 and 6.2.2.

6.3 Planning of Changes

If we make changes to our QMS they would be carried out in a planned and systematic manner. We will consider the purpose of any change, their potential consequences, the integrity of the QMS, the availability of resources and the allocation or reallocation of responsibilities and authorities.

7. Support

7.1 Resources

7.1.1 General

We have determined and provided the resources needed for the establishment, implementation, maintenance and continual improvement of our QMS. We have considered the capabilities of our existing resources and what we need to obtain from external providers.

7.1.2 People

Those resources include people who have the necessary skills and competencies to effectively operate our QMS and to meet and exceed our clients' expectations. Also, see Clause 7.2.

7.1.3 Infrastructure

We have provided the infrastructure determined necessary for the provision of our processes and conformity of our products and services.

7.1.4 Environment for the Operation of Processes

We have provided the environment determined necessary for the provision of our processes and conformity of our products and services.

7.1.5 Monitoring and Measuring Resources

We have determined that we need to use measuring and monitoring resources for evidence of conformity for our products and services and have created specific documented information detailing how we have approached this requirement.

7.1.6 Organizational Knowledge

We have determined the knowledge necessary to operate our processes when achieving conformity of our products and services. We have systems in place to address any changes to our needs and possible trends that come up from time to time. The knowledge is in the form of documented information and is available to those who require it.

7.2 Competence

We have determined the competence of people doing work under our control that affects performance to ensure that these people are competent based on appropriate education, training or experience and where applicable, take actions to acquire the necessary competence and evaluate the effectiveness of the actions taken.

We review necessary competences whenever responsibilities or scope of work change, and at nominally annual intervals.

7.3 Awareness

We have ensured that people doing work under our control are aware of our policies; our quality objectives relevant to them; their contribution to the effectiveness of the system and the implications of not conforming to the QMS requirements.

Additionally, we ensure that they are aware of

- **relevant quality management system documented information and changes thereto**
- **their contribution to product or service conformity**
- **their contribution to product safety**
- **the importance of ethical behavior**

7.4 Communication

We have determined the need for internal and external communications relevant to the system including on what, when, with whom, how and who would communicate.

We communicate internal and external feedback relevant to the quality management system.

7.5 Documented Information

We have written policies and procedures as appropriate to meet the requirements of our QMS and the AS 9100 D (ISO 9001:2015 standard). Details of how we produce and control our documented information are detailed in 500.1 Control of Documents.

8. Operation

8.1 Operational Planning and Control

We have planned, implemented and controlled processes needed to meet requirements for the provision of our products and services, and to implement the actions determined in clause **6.1** of this document by determining the requirements of our products and services; establishing criteria for those processes and for the acceptance of our products and services. We have also determined the resources needed to achieve conformity of our products and services and by implementing control of the processes in accordance with the detailed criteria.

We keep documented information to the extent necessary to have confidence that the processes have been carried out as planned and that demonstrate the conformity of our products and services.

We shall control planned changes and review the consequences of unintended changes, taking action to mitigate any adverse effects as necessary. We shall ensure that outsourced processes are also controlled.

8.2 Requirements for Products and Services

8.2.1 Customer Communication

We communicate with clients where necessary in relation to information related to our products and services, inquiries, contracts or order handling including changes, customer property, obtaining their feedback, including complaints and specific contingency actions where appropriate.

8.2.2 Determination of Requirements Related to Products and Services

When determining the requirements for our products and services offered to potential clients we have ensured that applicable regulatory and statutory requirements have been defined and that we can meet those requirements and that we can substantiate any claim made for our products and services.

We determine any Special Requirements of the products and services

We identify operational risks (e.g. new technology, ability and capacity to provide, short delivery time frame)

8.2.3 Review of Requirements Related to Products and Services

We review our Clients' requirements including those for delivery and post-delivery activities; as well any statutory and regulatory requirement applicable to the product and service being provided. We also review those requirements not stated by the client, when known, plus any contract or order requirements that are different from the original request.

Requirements review is coordinated with applicable functions within the company (including sales, quality assurance, manufacture etc.)

We conduct this review prior to our commitment to supply our products and services; we always provide a documented confirmation of the order, even if the client has not.

If it is determined that some requirements cannot be met or can only partially be met, we negotiate a mutually acceptable requirement with the customer.

Where requirements change, we ensure that all relevant documentation is amended and that personnel are made aware prior to delivery.

8.2.4 Changes to requirements for products and services

We will ensure that when changes are made to our products and services relevant persons are made aware and relevant documentation is amended to reflect those changes made.

8.3 Design and Development of Products and Services

We have looked at the requirements of this clause in the standard and have determined that they are not applicable to the scope of our management system.

8.4 Control of Externally Provided Processes, Products and Services

We have produced a procedure (P-840) which details how our organization handles the control of externally provided products and services.

8.5 Production and Service Provision

8.5.1 Control of Production and Service Provision

We have implemented controlled conditions for the production and service provision, including delivery and post-delivery activities in line with the requirements of Clause 8.5.1 of the AS9100 D quality management system standard.

8.5.2 Identification and Traceability

Where necessary we have introduced a system to uniquely identify our products and services for the purposes of traceability. We identify the status of our processed outputs with respect to monitoring and measurement requirements throughout the provision of our products and services. We retain documented information appropriate to maintaining identification and traceability.

8.5.3 Property belonging to Customers or External Providers

We exercise due care and attention when dealing with property belonging to external providers (including clients). We report any defect, damage or loss to the external provider as soon as it has been identified by our personnel.

8.5.4 Preservation

We ensure the preservation of our products and services to the extent necessary to maintain

their conformity throughout the production process.

8.5.5 Post-delivery Activities

We ensure that where applicable we meet the requirements for post-delivery activities associated with our products and services to the extent that we have considered the risks associated with the products and services, the nature of use and lifetime of the products and services, customer feedback and statutory and regulatory requirements.

8.5.6 Control of Changes

We review and control changes necessary for the production and service provision to ensure continued conformity of our products and services. We keep documented records of any such changes.

8.6 Release of Products and Services

We have implemented arrangements at appropriate stages of production or service provision to verify that product and service requirements have been met; evidence of such acceptance is maintained in the form of an AIAG format Part Submission Warrant, signed by our customer's designated representative.

Products and services will not be released to our clients until the verification arrangements have been met; exceptions can only be made with the authorization of the client themselves. Appropriate records of who authorized the release are maintained electronically.

8.7 Control of Nonconforming Outputs

We have produced a procedure (500.2) which details how our organization would deal with the control of nonconforming process outputs, products and services.

9. Evaluation

9.1 Monitoring, measurement, analysis and evaluation

9.1.1 General

We have determined what needs to be monitored and measured; the methods for monitoring, measurement, analysis and evaluation, as applicable, to ensure valid results; when the monitoring and measuring shall be performed and when the results from monitoring and measurement shall be analyzed and evaluated.

We retain documented information on the results of such monitoring and measurement to enable us to evaluate the effectiveness of our QMS.

9.1.2 Customer Satisfaction

We have determined the methods for obtaining information regarding our clients' perception of our organization in terms of meeting or exceeding their requirements in the provision of our products and services. The information gathered is reviewed as part of the Management Review process.

9.1.3 Analysis and Evaluation

We analyze and evaluate data gathered as part of our monitoring and measuring activities and the results are used as part of our Management Review process.

9.2 Internal Audit

We conduct internal audits at planned intervals to provide information on whether our QMS conforms to our requirements, to the requirements of AS 9100 D (and ISO 9001:2015 Quality Management System standard) and is effectively implemented and maintained; it also takes into consideration the importance of the processes concerned. We have implemented a procedure (P-920) that covers in detail the process surrounding the internal audit process.

9.3 Management Review

Our Top management reviews the organization's QMS at planned intervals, at least once every 12 months, to ensure its continuing suitability, adequacy and effectiveness. Each review will take into consideration the status of actions from any previous meetings and any changes in internal or external issues relevant to our QMS and performance information, including trends and indicators as detailed in AS9100 D Clause 9.3.1 and 9.3.2.

Information relating to each of these meetings is recorded using document 104.5 Management Review Minutes and Agenda.

10 Improvements

10.1 General

We have determined and shall select such opportunities to improve and put in place any actions necessary to meet our clients' requirements and enhance their satisfaction. This will include improving our services; correcting, preventing or reducing undesired effects; improving the performance and effectiveness of our QMS.

10.2 Nonconformity and Corrective Action

When nonconformity occurs, we shall react to the nonconformity and take action to control and correct it to deal with the consequences. We will evaluate the need for action to eliminate the causes of the nonconformity, in order that it does not recur or occur elsewhere in the organization. We will implement the actions required and review the effectiveness of any corrective action taken, update risks and opportunities determined during planning (if necessary) and make changes to the QMS, where necessary.

We record all nonconformities, actions taken and the results of any corrective action using the appropriate documentation.

10.3 Continual Improvement

We shall continually improve the suitability, adequacy and effectiveness of our QMS. We consider the results of analysis and evaluation, as well as the outputs from management review to determine if there are needs or opportunities that could be addressed as part of our continual improvement.

NOTE: Examples of continual improvement opportunities can include lessons learned, problem resolutions, and the benchmarking of best practices.

We monitor the implementation of improvement activities and evaluate the effectiveness of the results.

Appendix

Attachment "1" AMENDMENTS TABLE

Doc. No.	Page No.	Issue	Date		Description of change	Authorization

Attachment 2 "Issues, which can affect Interested Parties"

Type	Internal or External	Issues
Technological	I/E	Currently sufficient technological resources are available to address any issue
Employees	I	➢ Competent staff available ➢ Low turnaround
Competition	E	Status of the competition
Society & Culture	E	No negative impact on the society
Supply Chain	E	Quality issues pertaining to service or products

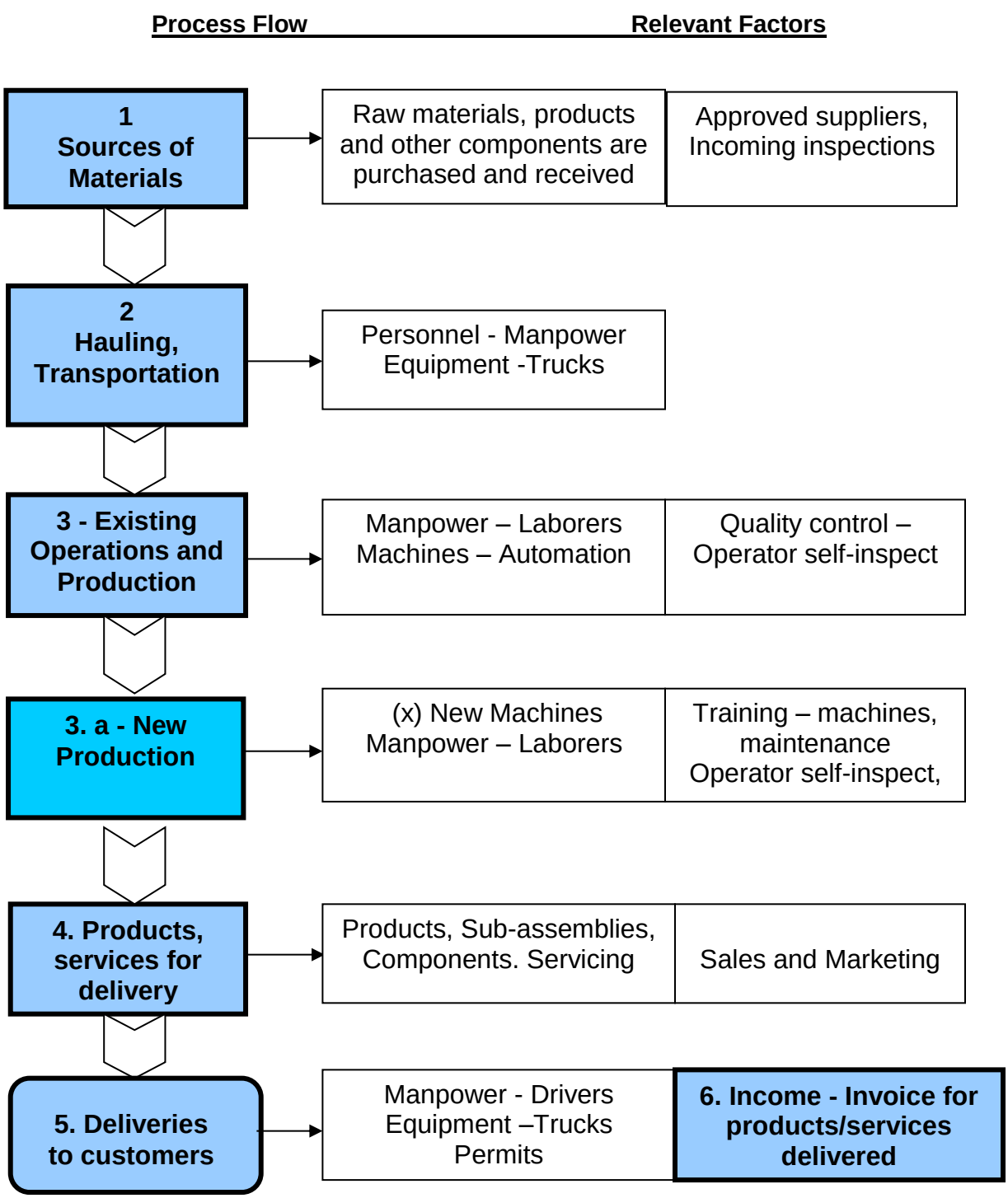
Attachment 3 "Interested Parties (Stakeholders)"

Interested Party	Internal or Extern	Reason for Interest
Clients	E	Using Service and looking for Safety, Compliance to standard, Quality, Service, Performance, Delivery,
QA/QC	I/E	Service Quality Assurance & Quality Control
Auditors	I/E	Compliance/Conformance to standards, policies & procedures
Management / Employees	I	Meeting Clients' expectations, efficiency & effectiveness of the processes
External Providers	E	Provide supporting service or material
Regulators/ Statutory	E	Dictate regulatory/statutory requirements which affect the management system
Society	E	Good Neighbors, Green
Competition	E	Competing with the organization

Attachment 4 "Risk Based Thinking (includes opportunities)

Risk	Owner	Mitigation
Rejection due to external providers' quality	Operations Manager	Performance monitoring & past performances
Delay due to external provider's inconsistency	Operations Manager	Re-confirmations and other proactive approaches including progress reporting
Undue delay/cost overrun in jobs completion	Operations Manager	Monitoring performance
Slippages in predefined throughput	Operations Manager	Monitoring performance
Variation in service quality	Quality Manager	Monitoring service quality
IT or other system failures	IT	Implementing IT Infrastructure Plan
Cash Flow Management	CFO	No current issue

For example, the **FD-810-001** Process Flow Diagram represents each step in the manufacturing process and includes other relevant factors associated with the steps.



Section D Document information

A list of all internal QMS Documents is listed in the Master Control Log 104.1.