

Quality Management System Manual
Of
Morgan Bros. of Everett Inc.
– dba –
Morgan Aero Products

To meet the requirements of:

AS9100 Rev. B
&
ISO9001:2000

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3.0 POLICIES AND APPROVALS

3.1 SCOPE

Morgan Brothers of Everett, Inc. dba Morgan Aero Products is the parent company of Morgan Aero Products. All reference in this manual and any other quality documents under this standard will refer to Morgan Aero Products.

The Quality Assurance Program (herein identified as the Quality Management System) provides a single standard, applicable to all contracts and purchase orders and meets the requirements of ISO 9001:2000 and SAE AS9100 Rev. B. This QMS establishes the procedures used by Morgan Aero Products for the implementation and maintenance of an effective, efficient and economical QMS to promote enhanced customer satisfaction through compliance to contractual and regulatory requirements. This manual requires that all procedures and/or services meet all requirements established by the customer, in the individual contract or purchase order, as a minimum. It assures that Quality Assurance requirements are determined and satisfied throughout all phases of contract performance, and provides for early detection and correction of deficiencies, trends or conditions that could result in unsatisfactory quality.

3.1.1 Design and Development

At this time Morgan Aero Products has no Design department or budget for one. Morgan Aero Products does not accept purchase orders with a design requirement. In the future if this becomes a requirement or is necessary for business expansion we have written preliminary instructions that may be considered. At this time however Morgan Aero Products takes exception and excludes section 7.3 of AS9100-B from our scope of operation.

3.2 Mission Statement

To pioneer leadership, quality and service by pursuing on-going process improvement utilizing the collective knowledge and creativity of our team members to maximize our competitive edge and company profitability.

3.3 Quality Policy

For over thirty-five years Morgan Aero Products has been committed to providing its Aerospace customers with the highest quality in products and services. The objective in implementation and enforcement of this quality document is to ensure that our customers are supplied with a precision product, part or process that shall meet or exceed their specifications and requirements, and that our quality standards remain among the highest in the industry.

This Quality Assurance Manual describes commitment to quality and the process used to honor that commitment.

The procedures are contained in the QPM, Quality Procedures Manual and are periodically reviewed for full compliance with the QMS. It is through this QMS that quality is maintained.

Morgan Aero Products is in the on-going transition of continuous quality improvement. We are continually working toward methods of preventing defects through the use methods, such as, statistical techniques, error proofing and visual aids, rather than developing systems to detect defects.

3.4 Approvals

This policy is communicated and implemented at all company levels.

(Signature on file)

Virgil Morgan
President

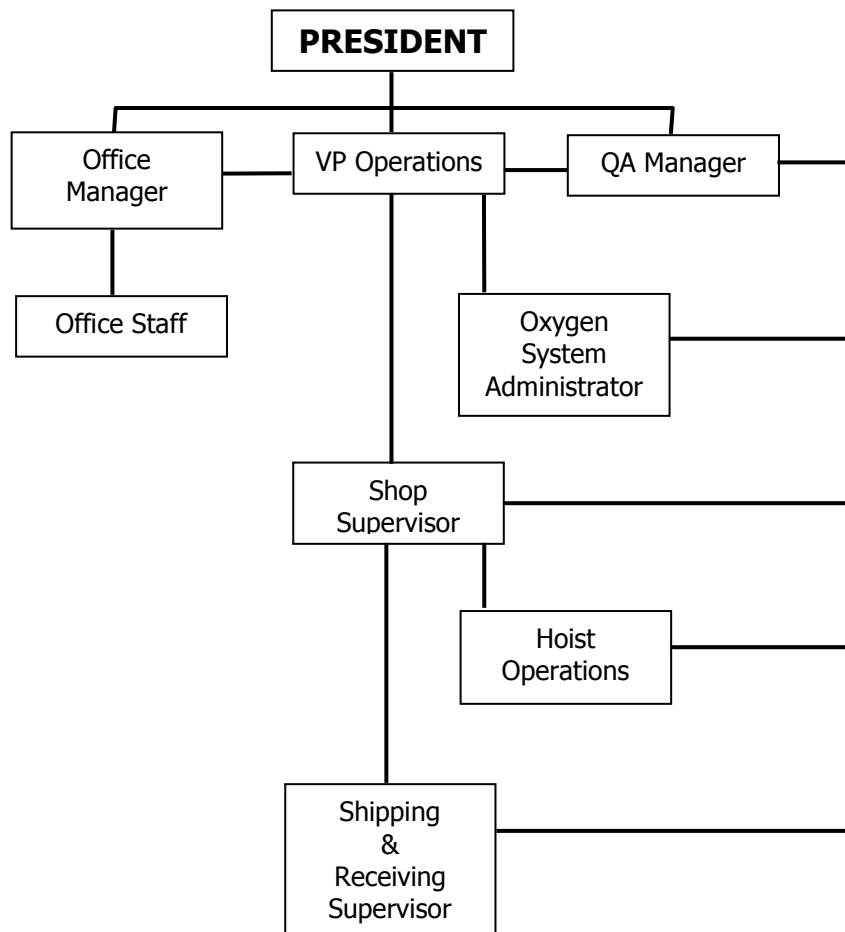
(Signature on file)

Roger Bell
Vice President of Operations

(Signature on file)

Jon Olsen
Quality Assurance Manager

3.5 Organization Chart



3.6 Distribution

This and all Quality Management System manuals are the property of Morgan Aero Products and are not to be reprinted, used or distributed without approval of the Morgan Aero Products Quality Manager. Manuals for the Morgan Aero Quality Management System are available to all our customers, regulatory and governmental agencies upon request.

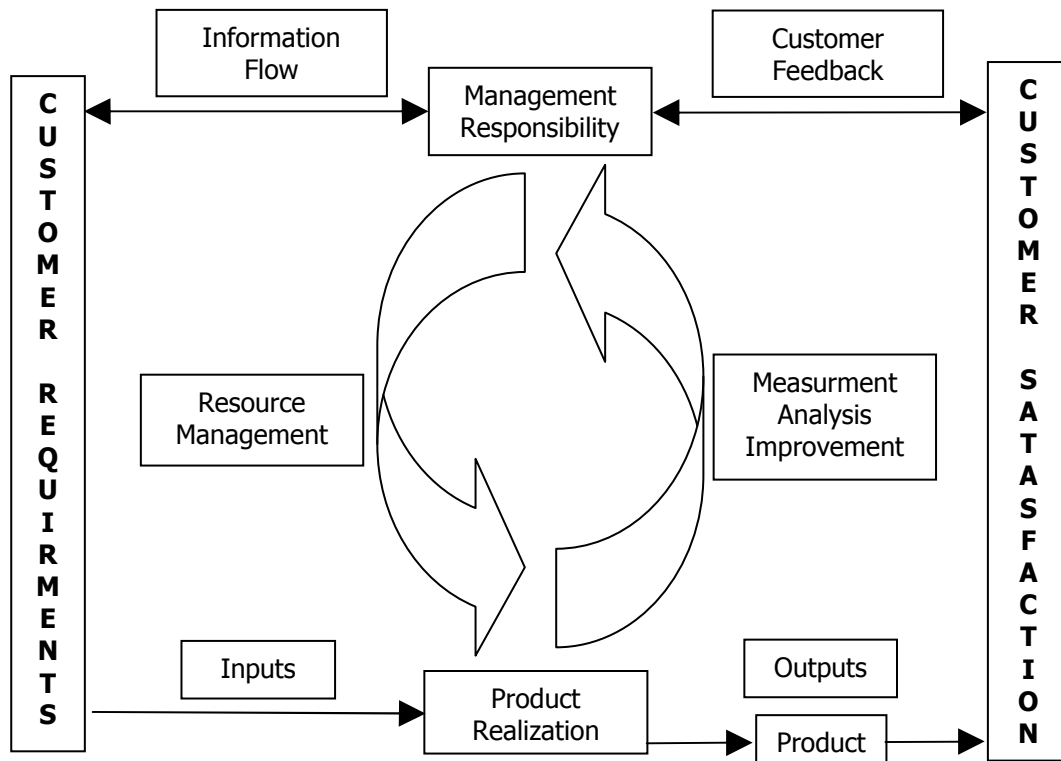
All printed copies of the Morgan Aero Products Quality Management System are considered to be uncontrolled

Morgan Aero Products customers, regulatory and governmental representatives will be notified in writing of all changes to the inspection system, when required by contractual obligation. Changes recommended by regulatory, governmental or customers may be included in the Morgan Aero Products Quality Management System.

All revisions are recorded on the Revision pages of this quality system manual.

4.0 QUALITY MANAGEMENT SYSTEM (QMS)

4.0.1 Morgan Aero Products Process Based QMS Flow.



CONTINUAL IMPROVEMENT OF THE MORGAN AERO

4.1 General Requirements

Morgan Aero Products has established, implemented and maintains a quality management system. The Morgan Aero Products QMS is continually monitored to improve its effectiveness in accordance with the current revisions of international standard AS9100 Rev. B.

In order to ensure standards compliance Morgan Aero Products has:

- a) Identified the processes needed for the quality management system and their application throughout the organization.
- b) Determined the sequence and interaction of these processes.
- c) Determined criteria and methods needed to ensure that both the operation and control of these processes are effective.
- d) Ensured the availability of resources and information necessary to support the operation and monitoring of these processes.
- e) Monitored, measured and analyzed all processes.
- f) Implemented actions necessary to achieve planned results and continual improvement of these processes.

All processes are managed in accordance with the requirements of SAE AS9100 Rev. B.

Any outsourced process or material that affects product conformity with this QMS is monitored to ensure control over the process or material.

Conformity of out sourced processes or material is identified within this QMS.

4.2 Documentation Requirements

4.2.1 General

Morgan Aero Products documentation includes, but is not limited to, the following:

- a) A quality policy and quality objectives.
- b) A quality manual.
- c) Documented procedures in accordance with AS9100 Rev. B.
- d) All required documents for the effective planning, operation and control of Morgan Aero Products processes.
- e) All records and reports required by standards and regulatory agencies and authorities.
- f) Work instructions

All persons requiring access to the Morgan Aero Products QMS including, but not limited to, employees, customers, regulatory agencies and management will be given un-restricted access to the QMS. All employees are made aware of relevant procedures required by the QMS.

4.2.2 Quality Manual

Morgan Aero Products has established and maintains a quality manual that includes:

- a) The scope of the QMS including details of and justification for any exclusion.
- b) Documented procedures to accomplish the requirements of customers, regulatory agencies AS9100 Rev. B and this QMS.
- c) A flow down system showing the interaction of the Morgan Aero QMS, Morgan Aero Products Procedure Manual (PM) and the requirements of AS 9100 Rev. B.

4.2.3 Control of Documents

All documentation required by this QMS are controlled. Records are controlled as required by 4.2.4 and documented procedures have been established to define the controls needed to:

- a) Approve documents for adequacy prior to issue.
- b) Review and update as necessary and to re-approve documentation.
- c) Ensure changes and the current revision status of documents are identified.
- d) Ensure relevant versions of applicable documents are available at points of use.
- e) Ensure identification and legibility of documents.
- f) Ensure documents of external origin are identified as such and distribution is controlled.
- g) Prevent accidental use of obsolete documents and apply suitable identification to obsolete documents if they are retained.
- h) Coordinate document changes with customers or regulatory authorities in accordance with contract or regulatory requirements.
- i) Revisions made to Morgan Aero Products Quality Policy Manual will require review and approval by the company president, Quality Assurance Manager and when required approval by customer or governmental agency prior to release.

4.2.4 Control of Records

All records required by the Morgan Aero Products QMS are maintained to provide evidence of conformity to requirements and of the effective operation of the QMS. Records are handled per written document control procedures to ensure proper identification, storage, protection, retrieval, retention time, disposition of records and to ensure they remain legible, readily identifiable and retrievable. Records created by and/or retained by suppliers will also apply. Records shall be available for review by customers and regulatory authorities in accordance with contract or regulatory requirements

4.3 Configuration Management

Morgan Aero Products has established, documented and maintains a configuration management process appropriate to our products and processes.

5.0 MANAGEMENT RESPONSIBILITY

5.1 Management Commitment

Top management has provided evidence of its commitment to the development and implementation of the QMS and improving the QMS effectiveness by:

- a) Communicating to all areas of Morgan Aero Products the importance of meeting customer as well as statutory and regulatory requirements.
- b) Establishing the quality policy.
- c) Ensuring that quality objectives are established.
- d) Conducting in person or by appointment management reviews.
- e) Ensuring the availability of resources.

5.2 Customer Focus

The top management of Morgan Aero Products ensures that customer requirements are determined and are met with the aim of enhancing customer satisfaction, sections 7.2.1 & 8.2.1.

5.3 Quality Policy

The top management of Morgan Aero Products ensures that the QMS:

- a) Is appropriate to the purpose of the organization.
- b) Includes a commitment to comply with requirements and continually improve the effectiveness of the quality management system.
- c) Provides a framework for establishing and reviewing quality objectives.
- d) Is communicated and understood by all employees within the organization.
- e) Is reviewed for continuing suitability.

5.4 Planning

5.4.1 Quality Objectives:

Morgan Aero Products is committed to meeting the requirements of our customers by:

1. Reducing product rejection rate to zero.
2. Maintaining a 99% or better final inspection acceptance rate
3. Maintain an on-time delivery rate greater than 99%.
4. Reduce warranty claims to zero.

The upper management of Morgan Aero Products has ensured that the planning of the QMS is carried out to meet the general requirements of AS9100-B. And, the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

5.4.2 Quality Management System Planning

The upper management of Morgan Aero Products has ensured that the planning of the quality management system is carried out in order to meet the requirements given in section 4.1 as well as the quality objectives. And, that the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and Authority

The top management of Morgan Aero Products ensures that the responsibilities and authorities are defined and communicated within the organization.

5.5.2 Management Representative

The top management of Morgan Aero Products has appointed the Quality Assurance Manager as a management liaison who, in addition to any other duties, has the responsibility and authority to/and:

- a) Ensure that processes needed for the quality management system are established, implemented and maintained.
- b) Report to top management on the performance of the quality management system and any need for improvement.
- c) Ensure the promotion of awareness of customer requirements throughout the organization.
- d) The organizational freedom to resolve all matters pertaining to quality.
- e) Will act as liaison with external parties on any matters relating to the QMS.

5.5.3 Internal Communication

Top management ensures that appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the quality management system. Methods of communicating the effectiveness of the QMS include:

- 1) Department and management meetings.
- 2) Management review.
- 3) Circulation of Management review meeting minutes.
- 4) Internal audit meetings.
- 5) Other daily business communications.
- 6) Regular employee meetings.

5.6 Management Review

5.6.1 General

Top management reviews the QMS at scheduled management review meetings. The review assesses the continuing QMS suitability, adequacy and effectiveness. The review also identifies opportunities for improvement and needed changes in the QMS. Records are maintained for each management review meeting.

5.6.2 Review Input

The Management Review input information includes, but is not limited to:

- a) Audit results.
- b) Customer feedback.
- c) Process performance and product conformity.
- d) Status of preventive actions and any outstanding corrective actions.
- e) The status of any follow-up actions from previous management reviews.
- f) Any changes that could impact the QMS.
- g) Any recommendations for improvement.

5.6.3 Review Output

During Management Review meetings appropriate actions will be taken in regards to the following issues:

- a) Improvements to the effectiveness of the QMS and its processes.
- b) Improvements to product relating to customer requirements.
- c) Resource needs.

6.0 RESOURCE MANAGEMENT

6.1 Provision of Resources

Morgan Aero Products has determined and provided the resources needed to:

- a) Implement and maintain the quality management system and continually improve its effectiveness.
- b) Enhance customer satisfaction by meeting customer requirements.

6.2 Human Resources

6.2.1 General

To ensure competence of Morgan Aero Products personnel job descriptions have been prepared that identify the required qualifications for each position that affects product quality. Qualifications may include formal education, acquired skills and experience.

6.2.2 Competence, Awareness and Training

Morgan Aero Products has:

- a) Determined the necessary competence for personnel performing work that affects product quality.
- b) Provided training or taken other actions to satisfy those needs.
- c) Evaluated the effectiveness of the actions.
- d) Has assured that all personnel are aware of the relevance and importance of individual activities and how each person contributes to the achievement of quality objectives.
- e) Morgan Aero Products maintains appropriate records of personnel education, training, acquired skills and experience.
- f) Due to existing on the job training and job experience all current Morgan Aero Products employees are to be considered as having met all job training requirements. Persons hired after the date of certification to AS9100-B will need to meet all training requirements and guidelines as pertains to their job responsibilities.

6.3 Infrastructure

Morgan Aero Products has determined and will provide and maintain the infrastructure needed to achieve conformity to product requirements and includes:

- a) Buildings, workspace and associated utilities.
- b) Process equipment including both hardware and software.
- c) Any requires supporting services, to include but not limited to shipping, receiving and customer communications.

6.4 Work Environment

Morgan Aero Products has determined and manages the work environment needed to achieve product conformity requirements. These include, but are not limited to, temperature, humidity and cleanliness.

7.0 PRODUCT REALIZATION

7.1 Planning of Product Realization

Morgan Aero Products plans and develops processes needed for product realization in accordance with section 4.1. The planning of product realization is consistent with requirements of the QMS. During the product realization process Morgan Aero Products considers, as appropriate, the following:

- a) The quality objectives and requirements for the product.
- b) The need to establish processes, documents, and provide resources specific to the product.
- c) Required verification, validation, monitoring, inspection and test activities specific to the product and the criteria for product acceptance.
- d) The records needed to provide evidence that the realization process and resulting product meet requirements according to section 4.2.4
- e) Resources necessary to support the operation and maintenance of the product.

The results of product realization include documented quality plans, processes, procedures and design and manufacturing outputs. Documents specifying the processes of the QMS, product realization processes and the resources to be applied to a specific product, project or contract, when appropriate, will become part of the quality plan. Requirements of 7.3 may also apply in the development of product realization processes.

7.2 Customer Related Processes

7.2.1 Determination of Requirements Related to Products

Morgan Aero Products determines the following:

- a) All requirements specified by the customer, including delivery and any post delivery requirements.
- b) Any requirements not stated by the customer but necessary for specified or intended use when such requirements are known.

- c) Any statutory or regulatory requirements related to the product.
- d) Any additional requirements determined by Morgan Aero Products to be required or appropriate.

7.2.2 Review of Requirements Related to Products

Morgan Aero Products reviews the requirements related to the product. The review process is conducted prior to Morgan Aero Product's commitment to process, supply or manufacture or contract acceptance and purchase order changes. Records of the results of the review are maintained. When there are no customer documented statements of requirement the customer requirements are confirmed prior to complete review and acceptance. When previously accepted requirements change Morgan Aero Products ensures that all relevant documents are amended and involved personnel are notified.

Morgan Aero Products also ensures that:

- a) All requirements are defined in writing.
- b) There are also no contract, design or purchase order requirements that differ from any previous definition.
- c) Morgan Aero Products has the ability to meet the defined requirements.
- d) Risks such as new technology, short flows and material procurement have been evaluated.

Records of the results of the review and any actions arising from the review shall be maintained. When no documented statement of requirement is received no work or further evaluation will be done until a written statement of work or document reference for work is received. When product requirement or processes are changed Management or Supervisory personnel will ensure that all relevant personnel are aware of the change requirements.

7.2.3 Customer Communication

Morgan Aero Products determines and has implemented an effective process for communicating with customers in relation to:

- a) Product information
- b) Enquiries, contracts, order handling and amendments.
- c) Customer feedback, including customer complaints.

7.3 Purchasing

7.3.1 Purchasing Process

Morgan Aero Products controls purchasing activities to ensure purchased product conforms to specified purchase requirements. The type and extent of purchase control is dependent upon the effect of the purchased product on subsequent product realization or the final product. Morgan Aero Products has responsibility for all purchased product, including customer designated sources. Morgan Aero Products evaluates and selects suppliers based on their ability to supply product in accordance with requirements. Morgan Aero Products has established criteria for selection, evaluation and re-evaluation for suppliers. Morgan Aero Products retains and maintains the results of supplier evaluations and any necessary actions arising from the evaluation. In regards to suppliers, Morgan Aero Products does:

- a) Maintain a register of approved suppliers that includes the scope of the approval. (5.1.5)
- b) Periodically review supplier performance and use the records of these reviews as a basis for establishing the level of control to be implemented on a supplier.
- c) Define the necessary actions to take when dealing with suppliers that do not meet Morgan Aero Products requirements.
- d) Ensure where required that both Morgan Aero Products and all suppliers use customer approved special process sources.
- e) Ensure that the function having responsibility for approving supplier quality systems has the authority to disapprove the use of sources.

7.3.2 Purchasing Information

Morgan Aero Products purchase information describes not only the item(s) to be purchased, but also includes:

- a) Any requirements for approval of product, procedures, processes and equipment.
- b) Requirements for the approval of personnel.
- c) Requirements for a quality management system.
- d) The name or other positive identification and applicable issues of specifications, drawings, process requirements, inspection instruction and other relevant technical data.
- e) Requirements for design, test examination, inspection and related instructions for acceptance by Morgan Aero Products.
- f) Requirements for test specimens for design approval, inspection and investigation or auditing.
- g) Any requirements relative to:
 - 1) Supplier notification to Morgan Aero Products of nonconforming product.
 - 2) Arrangements for Morgan Aero Products approval of supplier conforming material.
- h) Requirements for the supplier to notify Morgan Aero Products of changes in product and/or process definition and where required, obtain Morgan Aero Products approval.
- i) Statement of access by Morgan Aero Products, Morgan Aero Products customers and authorities to all facilities involved in the order and to all applicable records.
- j) Requirements for the supplier to flow down to sub-tier suppliers the applicable requirements in the purchasing documents, including key characteristics where required.

Morgan Aero Products purchasing documents are reviewed to ensure the adequacy of requirements prior to placing orders with suppliers.

7.3.3 Verification of Purchased Product

Morgan Aero Products has established and implemented a receiving inspection procedure to ensure that purchased product meets the specified purchase requirements. Depending on product, product specification, and customer requirement receiving inspections may include the following:

- a) Accompanying documentation
- b) Certificates of conformity
- c) Test reports
- d) Statistical records
- e) Process control documentation
- f) Inspections and audits at supplier's premises
- g) Required documentation
- h) Physical inspection of product
- i) Delegation of inspection to the supplier
- j) Supplier certifications

Purchased product will not be released for use until it has been verified as conforming to specified purchase requirements. The only exception is release under a positive recall procedure.

When data from test reports is used to verify purchased product the data in the report must be applicable to the purchase specifications.

Morgan Aero Products periodically validates test reports for raw material.

When verification activities are delegated to the supplier Morgan Aero the requirements for delegation are defined and a register of supplier delegations is maintained.

For any verification at a supplier location that is required by Morgan Aero Products or its customer the intended verification arrangements and the method of product release will be listed on the purchase documentation.

Where specified in the contract, the customer or the customer's representative shall be afforded the right to verify at the supplier's premises and Morgan Aero Products premises that subcontracted product conforms to the specified contractual requirements.

Verification by the customer shall not be used by the organization as evidence of effective control of quality by Morgan Aero Products. Customer verification shall not absolve Morgan Aero Products of the responsibility to provide acceptable product and it shall not preclude subsequent rejection by the customer.

7.4 Production and Service Provision

7.4.1 Control of production and service provision

Morgan Aero Products planning considers, as applicable:

- a) The establishment of process controls and development of control plans where key characteristics have been identified.
- b) The identification of in process verification point where adequate verification of conformance cannot be performed at a later stage of realization.
- c) The design, manufacture and use of tooling so that variable measurement can be taken, particularly for key characteristics.
- d) Special processes.

Morgan Aero Products plans and carries out production and service provision under controlled conditions. Controlled conditions include, as applicable:

- a) The availability of information that describes the characteristics of the product.
- b) The availability of work instructions, as necessary
- c) The use of suitable equipment
- d) The availability and use of monitoring and measuring devices.
- e) The implementation of monitoring and measurement.
- f) The implementation of release, delivery and post delivery activities
- g) Accountability for all products during manufacture, to

include:

- 1) Parts Quantities
- 2) Split orders
- 3) Nonconforming product

- h) Evidence that all manufacturing and inspection operations have been completed as planned, or as otherwise documented and authorized.
- i) Provision for the prevention, detection and removal of foreign objects.
- j) Monitoring and control of utilities and supplies such as:
 - 1) Water
 - 2) Compressed air
 - 3) Electricity
 - 4) Chemical products to the extent they affect product quality.
- k) Criteria for workmanship which is stipulated clearly and practically through the use of written standards, appropriate samples, photographs, illustrations or drawings.

7.4.1.1 Production Documentation

Production operations are carried out in accordance with approved data. This data contains, as necessary:

- a) Drawings, parts lists, process flow charts with inspection operations and production documents to include
 - 1) Manufacturing plans
 - 2) Traveler
 - 3) Work order
 - 4) Process cards
 - 5) Inspection documents
- b) A list of specific or non-specific tools required including specific instructions for their use.

7.4.1.2 Control of Production Process Changes

- a) Morgan Aero Products maintains a list of persons authorized to approve changes to production processes.
- b) Morgan Aero Products identifies and obtains acceptance of changes that require customer and/or regulatory authority approval in accordance with contract or regulatory requirements.
- c) Morgan Aero Products has procedures to control the implementation of and changes that affect processes, production equipment and tools. These procedures are maintained.
- d) Any changes to production processes will be reviewed to assure that the desired effect has been achieved without adversely effecting product quality.

7.4.1.3 Control of Production Equipment, Tools and NC Machine Programs

- a) If required by customer order production equipment, tools and programs are validated prior to use and maintained and inspected periodically according to documented procedures.
- b) First article inspection (FAI) shall be used as production validation.
- c) Morgan Aero Products has established and documented storage requirements and periodic inspections of production equipment and tooling.

7.4.1.4 Control of temporary off site work transfer

When work is temporarily transferred outside of Morgan Aero Products facilities Morgan Aero Products requires all offload work to be returned through the Morgan Aero Products receiving inspection process to validate the quality of the work.

7.4.1.5 Control of Service Operations

When servicing is a specified requirement, the Morgan Aero Products service operation processes provide for:

- a) Collecting and analyzing in-service data

- b) Actions to be taken where problems are identified after delivery, including investigation, reporting activities and any actions on service information consistent with contractual and /or regulatory requirements
- c) The control and updating of technical documentation
- d) The approval, control, and use of repair schemes
- e) Any Morgan Aero Products service that takes place at a customer's facility will require the same controls as if the work was done at Morgan Aero Products.

7.4.2 Validation of Processes for Production and Service Provision

When necessary, Morgan Aero Products validates any process for production and service provisions 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 or the service has been delivered. Validation demonstrates the ability of these processes to achieve planned results. Morgan Aero Products Has Documented the Process for Validation, including:

- a) Defined criteria for review and approval of the processes, qualification and approval of special processes prior to use.
- b) Approval of equipment and qualification of personnel
- c) Control of the significant operations and parameters of special processes in accordance with documented process specifications and changes thereto
- d) Requirements for records
- e) Revalidation

7.4.3 Identification and Traceability

Where appropriate, Morgan Aero Products identifies product by suitable means throughout product realization.

When applicable, Morgan Aero Products maintains the identification of the configuration of the product in order to identify any differences between the actual configuration and the agreed configuration.

When necessary, Morgan Aero Products identifies the product status with respect to monitoring and measurement requirements.

Morgan Aero Products has a documented control procedure for the control of inspection stamps.

For traceability Morgan Aero Products controls and records the unique identification of the product. Section 4.2.4

According to the level of traceability required by contract, regulatory or other established requirements Morgan Aero Product's traceability system provides for:

- a) When required, identification to be maintained throughout the product life.
- b) When required, products manufactured from the same batch of raw material or from the same manufacturing batch are traced, as well as the destination of all products of the same batch.
- c) For an assembly, the identity of its components and those of the next higher assembly to be traced
- d) Retrieval of a sequential record of production on a given product.

7.4.4 Customer Property

Morgan Aero Products exercises care with customer property while it is under the organization's control or being used. Morgan Aero Products has procedures for identification, verification, protection and safeguarding of customer property provided including intellectual property and data pertaining to design, production or inspection. If any customer property is lost, damaged or otherwise found to be unsuitable for use, this is reported to the customer and records are maintained.

7.4.5 Preservation of Product

The integrity of product is maintained during internal processing and delivery to the intended destination. This includes identification, handling, packaging, storage and protection.

All Morgan Aero Products personnel ensure that all material is handled with the utmost care to prevent any possible damage.

When required, preservation of products includes provisions for:

- a) Cleaning
- b) Prevention of damage, detection and removal of foreign objects
- c) Special handling for sensitive products
- d) Marking and labeling, including safety warnings
- e) Shelf life control and stock rotation
- f) Special hazardous materials

Morgan Aero Products ensures that all documents required by the contract or order to accompany the product are present at delivery and are protected against loss and deterioration.

7.5 Control of Monitoring and Measuring Devices

Morgan Aero Products has determined the monitoring and measurement to be undertaken and the monitoring and measuring devices needed to provide evidence of conformity of product to determined requirements. A documented procedure outlines the process used to ensure that monitoring and measurement to be carried out are done so in a manner that is consistent with the monitoring and measurement requirements. In addition Morgan Aero Products ensures that:

- a) Adjustments or re-adjustments are performed as necessary.
- b) The calibration system is periodically audited and reviewed for adequacy.
- c) Equipment calibration is carried out prior to first use and at specified intervals against standards traceable to the National Institute of Standards and Testing (NIST).
- d) Equipment is uniquely identified to determine calibration status.
- e) Equipment is appropriately protected from damage and deterioration during handling, maintenance and storage.
- f) Equipment is safeguarded from adjustments that would invalidate measurement results.
- g) Records of all calibrations are kept

When used for production purposes monitoring and measuring equipment, if required, include, but are not limited to:

- a) Test hardware
- b) Test software
- c) Company owned devices
- d) Employee owned devices
- e) Customer owned devices

When test and measurement equipment is found to be out of tolerance the validity of previous results is assessed and recorded. If any product is found to be affected appropriate action is taken. When used in the monitoring and measurement of specified requirements, the ability of computer software to satisfy the intended application is confirmed. This is done prior to initial use and reconfirmed as necessary.

8.0 MEASUREMENT, ANALYSIS AND IMPROVEMENT

8.1 General

Morgan Aero Products plans and implements the monitoring, measurement, analysis and improvement processes as needed, to:

- a) Demonstrate conformity of the product.
- b) Ensure conformity of the QMS
- c) Continually improve the effectiveness of the QMS

These processes are identified in documented procedures and include determination of applicable methods, including statistical techniques and the extent of their use.

Depending on customer product or process requirements statistical techniques may be used to support

- a) Design verification
- b) Process control
- c) Selection and inspection of key characteristics
- d) Statistical process control
- e) Design of experiment
- f) Inspection
- g) Failure mode and effect analysis

8.2 Monitoring and Measurement

8.2.1 Customer Satisfaction

As one of the measurements of the performance of the QMS Morgan Aero Products monitors information relating to customer perception as to whether the organization has fulfilled customer requirements.

Morgan Aero Products has determined and documented the criteria for obtaining and using customer feedback.

8.2.2 Internal Audit

Morgan Aero Products conducts internal audits at planned intervals to determine the QMS:

- a) Conforms to the planned requirements of AS9100 Rev. B and to the QMS requirements established by Morgan Aero Products.
- b) Is effectively implemented and maintained.

8.2.2.1 Morgan Aero Products has an audit program that has been designed and implemented and identifies an audit schedule based on the importance of the areas to be audited as well as the results of previous audits.

8.2.2.2 The audit criteria, scope, frequency, methods, responsibilities and requirements for planning and conducting an audit and for reporting and maintaining results are defined and documented.

8.2.2.3 Internal quality and process auditors are scheduled to ensure that they are independent of the areas they are auditing and impartial in the audit process.

8.2.2.4 Audit results are documented and maintained. Audit results are reviewed and accordingly acted on at the next scheduled management review meeting.

8.2.2.4 Corrective actions are required for any findings of non-compliance. The responsible supervisory personnel for the area with the non-compliance reviews all findings and establishes the root cause,

method of correction the condition and the action to instituted to prevent a recurrence.

8.2.2.5 The auditor will follow-up on corrective actions to verify compliance with non-compliance findings.

8.2.2.6 Check sheets, process flowcharts and other similar methods are used to support audit of the QMS requirements.

8.2.2.7 Internal audits are designed to meet regulatory agencies and any specific contractual requirements.

8.2.3 Monitoring and Measurement of Processes

Morgan Aero Products monitors and measures the effectiveness of its QMS using an internal audit process. If planned results are not met and correction and corrective action is necessary:

- a) Appropriate action will be taken to correct the non-conformity.
- b) An evaluation will be done to ensure the process nonconformity has not resulted in product nonconformity.

In the event of any process nonconformity, Morgan Aero Products will:

- a) Take appropriate Acton to correct the nonconforming process.
- b) Evaluate whether the process nonconformity has resulted in product nonconformity.
- c) Identify and control any nonconforming product in accordance with written procedures for nonconforming product.

8.2.4 Monitoring and Measurement of Product

- a) Morgan Aero Products has processes in place to monitor and measure the characteristics of product to verify that product requirements have been met. This verification is carried out at appropriate stages of product realization in accordance with the planned arrangements.

- b) Key characteristics are identified, then monitored and controlled.
- c) When sampling is used as an inspection method for product acceptance the sampling plan is valid and appropriate for use. The sampling plan precludes the acceptance of lots whose samples have known nonconformities. When required, the plan is submitted for customer approval.
- d) Product is not used until it has been inspected or otherwise verified as conforming to specified requirements, except when product is released under positive recall procedures pending completion on all require measurements and monitoring activities. Documentation of product authorized for release will contain the name of the person authorized to do so.
- e) Morgan Aero Products will not allow the release of product or service until all the planned arrangements have been satisfactorily completed unless otherwise approved by relevant authority and if applicable, the customer.

8.2.4.1 Inspection Documentation

- a) Measurement requirements for product or service acceptance is documented.
- b) Inspection documentation includes:
 - 1) Criteria for acceptance and/or rejection
 - 2) Where in the manufacturing sequence measurement and testing operations are performed.
 - 3) A record of measurement results.
 - 4) Required instruments and instructions for use
- c) When measurement or testing is required the actual test data will be recorded.
- d) Where test records are required to demonstrate product qualification Morgan Aero Products ensures the records provide evidence that the product meets the defined requirements.

8.2.4.2 First Article Inspection (FAI)

Morgan Aero Products has a documented system in place to provide a process for the inspection, verification and documentation of a representative item from the first production run of a new part. This process also covers any subsequent change that invalidates the previous FAI.

8.3 Control of Nonconforming Material

Material, parts, product or customer returned goods that are found to be nonconforming during any inspection operation is identified and controlled to prevent use or delivery. Morgan Aero Products has documented procedures for the dealing with nonconforming material, parts, product or returned customer goods. Nonconforming product is dealt with in one or more of the following ways:

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

Unless specifically authorized by the customer disposition of use-as-is or repair will not be granted on material, parts or product produced to customer design, or if the nonconformity results in a departure from the contract requirements.

Material, parts, product or customer returned goods dispositioned for scrap is positively controlled until physically rendered unusable. In addition to any contractor regulatory authority reporting requirements Morgan Aero Products provides for a timely reporting of delivered nonconforming product that may affect reliability or safety. Notification includes:

- a) A clear description of the nonconformity.
- b) Affected material, parts, product or customer goods.
- c) Identification numbers, part numbers or lot numbers.
- d) Quantity
- e) Delivery dates

Nonconforming product includes any nonconforming material, parts or product returned from a customer.

The responsibility for review and authority for the disposition of nonconforming material, parts, product or customer goods and the process for approving personnel making these decisions is defined.

8.4 Analysis of Data

Morgan Aero Products collects and analyzes appropriate data that demonstrates the suitability and effectiveness of the QMS. The analysis of data provides information relating to:

- a) Customer satisfaction
- b) Conformance to product requirements
- c) Characteristics and trends of processes and products including opportunities for preventive action
- d) Supplier performance

8.5 Improvement

8.5.1 Continual Improvement

Improvement in the effectiveness of the Morgan Aero Products QMS is achieved through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions, management reviews and continual training and upgrading of employee skills.

8.5.2 Corrective Action

Morgan Aero Products takes action to eliminate the cause of nonconformities in order to prevent recurrence. Corrective actions are appropriate to the effects of the nonconformities encountered. Documented procedures are in place that define requirements for:

- a) Reviewing nonconformities and customer complaints.
- b) Determining the causes of nonconformities
- c) Evaluating the need for action and ensuring that nonconformities do not recur.
- d) Determining and implementing required action.
- e) Recording the results of action taken.

- f) Reviewing corrective actions taken
- g) Flow down of the corrective action requirement to a supplier when it is determined that the supplier is responsible for the root cause.
- h) Specific actions where timely and/or effective corrective actions are not achieved.

8.5.3 Preventive Action

Morgan Aero Products 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.

A documented procedure has been established for:

- a) Determining potential nonconformities and their causes.
- b) Evaluating the need for action to prevent occurrences of nonconformities.
- c) Determining and implementing action needed.
- d) Recording results of action taken.
- e) Reviewing preventive action taken.