
FLIGHT
LEASE

GENERAL

Index and Revision Status

SECTION 8 - MEASUREMENT, ANALYSIS AND IMPROVEMENT

GENERAL

Introduction

Flight Lease Materials, LLC has developed and implemented a quality management system to demonstrate its ability to consistently provide product that meets customer and applicable regulatory requirements, and to address customer satisfaction through the effective application of the system, including continual improvement and the prevention of nonconformity. The quality system complies with the international standard ISO 9001 (2008).

The manual is divided into four sections modeled on the sectional organization of the ISO 9001 (2008) standard. Sections are further subdivided into several subsections representing main quality system elements or activities. Each subsection starts with a general policy statement expressing the commitment to implement the basic principles of the pertinent quality system element or activity. The general policy statement is followed by more specific procedural policies outlining how the general policy is implemented, and referencing applicable operational procedures.

The purpose of this manual is to define and describe the quality system, to define authorities and responsibilities of the management personnel involved in the operation of the system, and to provide general procedures for all activities comprising the quality system.

Another purpose of this manual is to present the quality system to our customers and other external interested parties, and to inform them what specific controls are implemented at Flight Lease Materials, LLC to assure the quality of our products and services.

Regarding compliance to the latest revision of the Standard (IS09001:2008), all identified changes have been reviewed for content and impact. Specific revisions in Flight Lease Materials, LLC internal policies and procedures have been completed to reflect those changes – where necessary and/or appropriate. Where changes in the standard have been deemed to have had no measurable impact on system operations - and any previously issued documents - and no changes to those documents were effected, those documents remain at their previous revision levels and issue dates.

The Flight Lease Materials, LLC

President /_____

GENERAL

EXCLUSIONS

The quality management system shall be relevant to the nature of our organization and products, and to customer and regulatory requirements. For this reason, those requirements of ISO 9001 (2008) that do not apply are excluded from the scope of our quality system. Following rules and criteria are used for excluding irrelevant requirements:

1. An ISO 9001 (2008) requirement may be excluded only when both of the following conditions are met:
   - The requirement must be within ISO 9001 Clause 7, Product Realization; and
   - The exclusion may not affect our ability, nor absolve us from the responsibility, to provide product that meets customer and applicable regulatory requirements.
2. The Quality Assurance Manager is responsible for identifying those requirements of ISO 9001 that do not apply to our organization or products, and to propose exclusions of such requirements from the scope of the quality system.
3. Top executive management has the responsibility and authority for evaluating whether the proposed exclusions are appropriate, and for approving them.
4. Any exclusions taken are documented in this section of the quality manual. The excluded requirements are precisely identified with reference to specific clauses and/or statements in the standard. There is also a brief justification why the exclusion is taken and why it is appropriate.

EXCLUSIONS

1.0 Flight Lease Materials, LLC does not design or develop the parts and supplies it sells. Therefore, clause 7.3 of the ISO 9001 standard is not applicable.

2.0 Flight Lease Materials, LLC states that Appropriate Measuring And Monitoring Instruments are not utilized by ASAH therefore; clause 7.6 of the ISO 9001 standard is not applicable.

SECTION 4 QUALITY MANAGEMENT SYSTEM

4.1 GENERAL REQUIREMENTS

GENERAL POLICY

Flight Lease Materials, LLC is committed to establish, document, implement and maintain a quality management system, and continually improve its effectiveness, in conformance with requirements of ISO 9000 (2008) International Standard. The scope of the quality management system includes all purchasing, storing and selling and shipping of product from our facility.

PROCEDURAL POLICIES

1. Quality system processes <<4.1.a,b.c>>

1.1 Processes needed for the quality management system are identified in this quality manual and in associated operational procedures. The documentation defines these quality system processes and their sequence and interaction, and instructs on how to implement and apply them throughout the organization.

1.2 Quality system documentation also defines criteria and methods needed to ensure that the operation and control of quality system processes are effective. This usually includes assignment of responsibilities and allocation of resources for the process, instructions on how to carry out (or operate) the process, and definition of methods for monitoring and/or measuring the effectiveness of the process.

1.3 Operational Procedure 04-02-03, Document Control, explains in more detail how quality system processes are defined and documented.

2. Resources and information <<4.1.d>>

2.1 The Quality Assurance Manager is responsible for determining resource and information requirements necessary to support the operation and monitoring of quality system processes, and for communicating these requirements to the top management. The top management is responsible for ensuring the availability of necessary resources and information. Section 6.1 of this quality manual, Provision of Resources, explains in more detail how resource requirements are identified and satisfied.

3. Monitoring and measurement <<4.1.e>>

3.1 The performance of quality system processes is systematically monitored and/or measured. This is to ensure their effectiveness and identify opportunities for improvement.

3.2 The performance of product realization processes is usually monitored by measuring process parameters. The performance of processes required for quality management is usually monitored through internal quality audits. The overall performance of the quality system is monitored by measuring customer satisfaction.

3.3 Monitoring and measuring activities are defined in Sections 8.1 and 8.2 of this quality manual, and in the corresponding operational procedures.

4. Conformance and continual improvement <<4.1.f>>

4.1 Quality management system processes are regularly reviewed by the top management to identify any possible failures or breakdowns, as well as opportunities for improvement. Actions necessary to address actual or potential problems and to improve the quality system are implemented through corrective and preventive actions and management improvement projects. Sections 5.6 and 8.5 of this quality manual and the corresponding operational procedures define how management reviews and corrective/preventive actions are used to ensure conformance and improvement.

4.2 DOCUMENTATION AND RECORDS

GENERAL POLICY

The scope of quality system documentation is defined. Establishment and revision of documents, and their distribution, are controlled. New documents and revisions are reviewed and approved prior to issue; and are identified with respect to their revision level. Appropriate documents are available at locations where they are used. Obsolete documents are removed from points of use. Documents of external origin are identified and their distribution is controlled.

Quality records are identified and indexed to facilitate their retrieval, and are stored in a suitable environment to minimize deterioration. Quality records are retained for a period of time at least equivalent to the lifetime of the product, or as identified in the Operational Procedure 04-02-04, Control of Quality Records.

PROCEDURAL POLICIES

1. Scope

1.1 Flight Lease Materials, LLC quality system documentation comprises the following types of documents:

- Quality manual (including a documented quality policy);
- Operational procedures;
- Standards and other technical reference materials;

Purpose, scope, and responsibility for controlling various types of documents are defined in Operational Procedure 04-02-03, Document Control.

2. Quality Manual

2.1 The top level document defining the overall quality management system is the Quality Manual. It includes:

- The scope of the quality system, including details of and justification for any exclusions (refer to Section 0.3);
- Description of quality system processes, their sequence, and interrelation; and
- References to documented procedures;

3. Document control

3.1 New documents and document changes may be initiated by anyone in the organization, but may only be issued by the Quality Assurance Manager. The authorized functions and the rules governing the issue of documents are defined in Operational Procedure 04-02-03, Document Control. All documents are reviewed and approved prior to issue.

3.2 A paper document is officially issued for use when it is approved. An electronic document is issued by being placed in the document directory accessible from the network.

3.3 Documents are distributed to personnel and locations where they are used. When appropriate and relevant, documents display a distribution list. Electronic documents are available on the network and are accessible at relevant terminals and computers. Document placement is regulated by Operational Procedure 04-02-03, Document Control.

3.4 Obsolete documents are removed from points of use. Retained masters or copies of obsolete documents are properly marked and are kept separate from active documents. Obsolete electronic documents are removed from the network and, if retained, are stored in directories that are only accessible to authorized personnel.

3.5 Document changes are reviewed and authorized by the same person that issued the original document. Revised documents are distributed with a change brief summarizing the changes. A master list specifying the latest issues and revisions of its documents is maintained. For electronic documents, only the latest issue and revision of a documents is available on the network

4. Control of quality records <<5.5.7>>

4.1 Quality records are established and maintained to provide evidence that:

- Parts/Materials meet specified requirements and include traceability information;
- All parts conform to specifications: and
- The quality system is operated in accordance with documented procedures and that it is effective.

4.2 Records are established by personnel performing the task, operation, or activity the results of which need to be recorded. Records are dated; and identify the product, person, or event to which they pertain.

4.3 Records are indexed and grouped to facilitate their retrieval. Cabinets, binders, computer disks, and other storage media containing records are clearly labeled with identification of their content.

4.4 Records are normally stored by the same department that initially established the record. Records are stored in dry and clean areas, and electronic records are regularly backed up. Quality records and documents may not be stored in private desk drawers, unauthorized computer drives, or other obscure locations that are not generally known.

4.5 Retention periods for quality records are determined on the basis the lifetime of the product or the event to which the record pertains, and on regulatory and contractual requirements.

4.6 Categories of quality records maintained by Flight Lease Materials, LLC are listed in Operational Procedure 04-02-04, Control of Quality Records. The list identifies specific types of records for each category; their storage location; and retention period.

Section 5 MANAGEMENT RESPONSIBILITY

5.1 MANAGEMENT COMMITMENT

GENERAL POLICY

The top management is ultimately responsible for establishing, implementing, maintaining, and improving the quality system. Management commitment is demonstrated by communicating to the organization the importance of meeting requirements, establishing the quality policy and quality objectives, conducting management reviews of the quality system, and ensuring the availability of necessary resources.

PROCEDURAL POLICIES

1. Top management <<5.1>>

1.1 For the purpose of administrating the quality management system, top management is defined to include the President, and managers responsible for quality, sales, purchasing.

2. Customer requirements <<5.1.(a)>>

2.1 Top management is committed to communicate the importance of meeting customer as well as regulatory and legal requirements. The management representative is responsible for implementing this commitment by promoting awareness of customer requirements throughout the organization. This responsibility of the management representative is stipulated in Section 5.5, Organization and Communication.

3. Quality policy and quality objectives <<5.1.(b), 5.1.(c)>>

3.1 Top management defines the purpose and objectives for the quality management system. They are documented and communicated in the form of quality policy and quality objectives. Processes for establishing the quality policy and quality objectives are defined in this manual in Section 5.3, Quality Policy, and Section 5.4, Quality System Planning.

4. Management reviews <<5.1.(d)>>

4.1 Top management periodically reviews the quality management system to ensure its continuing suitability, adequacy, and effectiveness. The review evaluates current status and performance of the quality system and initiates actions for further improvement of the system. The process for conducting management reviews is defined in Section 5.6 of this manual and in Operational Procedure 05-06-01, Management Review.

5. Resources <<5.1.(e)>>

5.1 Top management is committed to providing resources necessary for establishing, implementing, and improving the quality management system. Section 6.1 of this manual defines processes for identifying resource requirements and allocation of resources for specific activities and projects.

5.2 CUSTOMER FOCUS

GENERAL POLICY

The principal objective of the quality management system is to focus our organization on the customer, and in particular, on customer satisfaction. The key to achieving high customer satisfaction is a good understanding of customer requirements and a capability to consistently fulfill these requirements.

PROCEDURAL POLICIES

1. Determining customer requirements <<5.2>>

1.1 Customer requirements are understood broadly to include all aspects of products and associated services that can influence customer satisfaction. When relevant, this may also include customer needs and expectations.

1.2 Customer requirements are determined and verified through the process of order review. This process is defined in, Operational Procedure 05-02-01, Purchasing and Receiving.

2. Customer needs and expectations

2.1 When appropriate, customer needs and expectations are determined and are incorporated into product requirements. Marketing is responsible for collecting and analyzing information on customer needs and expectations.

2.3 Information about customer needs and expectations is also extracted from customer feedback and complaints, and customer satisfaction data

3. Fulfillment of customer requirements

3.1 The whole quality system is designed and implemented to ensure that customer requirements can be consistently fulfilled. Quality system processes that most directly contribute to achieving this objective are those related to the control of product realization processes and to monitoring and measuring of product. Sections 7 and 8 of this manual define these processes.

5.3 QUALITY POLICY

QUALITY POLICY

Flight Lease Materials, LLC is committed at all levels to meeting all customer requirements and increasing customer satisfaction through the continual measurement, review and improvement of our products, services, and the effectiveness of the quality management system. "Our Customers Win through Quality Products, Timely Delivery, and Superior Service."

MISSION STATEMENT

We believe that our long-term success can only be achieved by fully satisfying and striving to exceed our customers' expectations regarding the quality of our products and the timeliness and dependability of our delivery and service.

It is therefore our stated goal to provide our customers with quality products, timely delivery, and dependable service. Specifically, we aim to supply our customers with the largest selection of products available in our industry, without defects. We aim to provide our customers with timely delivery of our products, and dependable service.

In order to accomplish these goals we will maintain a quality system modeled after the ISO-9001 standard, and in addition, work to continuously improve quality in our products and service through appropriate quality-enhancing techniques until the level of customer satisfaction described is attained.

PROCEDURAL POLICIES

1. Authority <<5.3>>

1.1 Quality policy is established by the top management and is approved by the President. Any changes to the policy must be likewise approved by the President.

2. Role of the policy <<5.3.(a)/(b)/(c)>>

2.1 The main role of the quality policy is to communicate the company's commitments and aspirations with regard to quality, and to define principal objectives for the quality management system.

2.2 The quality policy provides a framework for establishing specific quality objectives, and provides direction for the continual improvement effort. The use of quality policy in setting quality objectives is addressed in this manual in Section 5.4, Quality Planning.

3. Communication <<5.3.(d)>>

3.1 A copy of the quality policy shall be signed by the President and posted throughout the company, and its role is explained and discussed at the general orientation training provided to all employees.

3.2 The quality policy is also communicated to customers, consumers and other interested parties. For this purpose, it is displayed in the reception area and posted on the company's internet site.

4. Review <<5.3.(e)>>

4.1 The quality policy is periodically reviewed within the framework of management reviews of the quality system. This is to ensure its continual relevance and suitability. The process for reviewing the quality policy is defined in Operational Procedure 05-06-01, Management Review.

5.4 QUALITY SYSTEM PLANNING

GENERAL POLICY

Quality objectives are established to support and implement the quality policy and continual improvement. Quality planning includes identification and determination of quality system processes (including any exclusions of ISO 9001 requirements); priorities for continual improvement; and resources needed to achieve quality objectives and to maintain and improve the quality system. Quality plans are periodically reviewed and updated to maintain the integrity of the quality system during organizational and other changes.

PROCEDURAL POLICIES

1. Quality objectives <<5.4.1>>

1.1 Quality objectives are established throughout the organization to implement the quality policy, to meet requirements for products and processes, and to improve quality system and quality performance.

1.2 Quality objectives define the direction and priorities for continual improvement. Use of quality objectives for facilitating continual improvement are discussed during the Annual Management Review meeting.

1.3 Quality objectives are classified into the following categories:

• Policy objectives: These are principal, strategic objectives that apply to the whole organization. They are typically included in the quality policy itself, or may be communicated in memoranda from the top management. Policy objectives are authorized by the President.

• Quality performance objectives: These objectives set specific, measurable targets for improving operational performance to ensure product conformity and customer satisfaction. They apply to departments and functions having direct responsibility for activities that require improvement. Performance objectives are established, documented, and monitored within the framework of management reviews of the quality system, in accordance with Operational Procedures 05-06-01, Management Review.

• Quality system objectives: These objectives pertain to improvement of quality system processes and performance. Quality system objectives are established, documented, and monitored within the framework of management reviews of the quality system, in accordance with Operational Procedure 05-06-01, Management Review.

2. Quality system planning < <5.4.2>>

2.1 Quality system elements and processes are planned to ensure that the system is appropriate for its intended purpose, and that it is effective and efficient. The purpose of the quality system is:

- To achieve the quality policy;
- To ensure and demonstrate our ability to provide consistently product that meets customer and regulatory requirements;
- To ensure high level of customer satisfaction;
- To facilitate continual improvement; and
- To comply with requirements of ISO 9001 standard.

2.2 The output of quality system planning is documented in this quality manual, in associated operational procedures, and in other referenced documents. These documents identify and define all elements and processes of the quality system.

3. Product realization and verification planning < <5.4.2>>

3.1 Planning of product realization, verification, and validation processes is addressed in Section 7.1 of this manual.

4. Continual improvement planning < <5.4.2>>

4.1 Improvements of the quality system are planned within the framework of management reviews. The output of this planning is expressed in the form of quality system objectives, as defined above in Clause 1.3 of this section, and in 05-06-01, Management Review.

5.5 ORGANIZATION AND COMMUNICATION

GENERAL POLICY

Functions and their interrelation within the company are defined and communicated.
Top management appoints a Quality Assurance Manager responsible for establishment and maintenance of the quality system, and for reporting to the top management on the performance of the system.

Issues regarding the quality system are communicated internally though distribution of pertinent documents, meetings, training and awareness programs, and management reviews.

PROCEDURAL POLICIES

1. Responsibility and authority <<5.5.1>>

1.1 Departments, groups and functions within the company, and their interrelations, are defined in the organizational chart enclosed at the end of this section.

1.2 All departments and functions in the company are responsible for implementing, maintaining, and improving the quality system.

Following specific responsibilities and authorities are assigned:
Top Management

- Formulates the quality policy
- Provides resources necessary to maintain and improve the quality system
- Conducts management reviews of the quality system

Purchasing

- Selects qualified supplies and subcontractors
- Prepares and approves purchasing documents
- Monitors and evaluates supplier performance

Receiving

- Receives purchased products
- Performs receiving inspection
- Operates the material stockroom

Shipping

- Packages products (secondary packaging)
- Ships products to customers

Marketing and Sales

- Determines customer satisfaction
- Advertises and promotes company's products
- Carries out order reviews

Customer Service

- Provides customer liaison and service
- Provides product information
- Handles customer feedback and complaints

Quality Assurance

- Establishes and maintains the quality management system
- Audits implementation and effectiveness of the quality system
- Identifies opportunities for improvement of the quality system
- Initiates corrective and preventive actions
- Handles nonconforming products
- Coordinates document control activities
- Maintains, or coordinates the maintenance of quality records
- Provides required training for its personnel.

2. Management representative <<5.5.2>>

2.1 Flight Lease Materials, LLC appoints the Quality Assurance Manager. The management representative has the authority and responsibility to:

- Ensure that the quality management system is implemented, maintained and continually improved;
- Promote awareness of customer requirements throughout the organization;
- Report to top management on the performance of the quality system, including needs for improvement; and
- Coordinate communication with external parties on matters relating to the quality system and ISO 9001 registration.

3. Internal communication <<5.5.3>>

3.1 Internal communication regarding the quality system flows two ways:

The management communicates to the organization the quality policy and objectives; customer and regulatory requirements; product and process specifications; verification and validation requirements; and instructions on how to implement and use the quality system.
The organization communicates to the management information and data regarding customer needs and expectations, customer satisfaction, quality performance, the effectiveness of the quality system, and opportunities for improvement.

3.2 The information is communicated through manuals, procedures, instructions, records, reports, etc.; and through training, on-the- job instruction, and meetings.

3.3 Management review meetings have a special role in ensuring proper communication between the top management and the organization. The meeting provides the framework for the organization to report on the status of quality-related issues and activities, and for the management to formulate policies and directives to change and/or improve the quality system. This process is defined in Operational Procedure 05-06-01, Management Review.

3.4 The Quality Assurance Manager has the overall responsibility for ensuring that all pertinent documents, reports and records are distributed to appropriate departments and functions, and that information and data about quality performance and the effectiveness of the quality system are reported to the top management.

3. Internal communication <<5.5.3>>

3.1 Internal communication regarding the quality system flows two ways:

The management communicates to the organization the quality policy and objectives; customer and regulatory requirements; product and process specifications; verification and validation requirements; and instructions on how to implement and use the quality system.

The organization communicates to the management information and data regarding customer needs and expectations, customer satisfaction, quality performance, the effectiveness of the quality system, and opportunities for improvement.

3.2 The information is communicated through manuals, procedures, instructions, records, reports, etc.; and through training, on-the- job instruction, and meetings.

3.3 Management review meetings have a special role in ensuring proper communication between the top management and the organization. The meeting provides the framework for the organization to report on the status of quality-related issues and activities, and for the management to formulate policies and directives to change and/or improve the quality system. This process is defined in Operational Procedure 05-06-01, Management Review.

3.4 The Quality Assurance Manager has the overall responsibility for ensuring that all pertinent documents, reports and records are distributed to appropriate departments and functions, and that information and data about quality performance and the effectiveness of the quality system are reported to the top management.

5.6 MANAGEMENT REVIEW

GENERAL POLICY

Top management conducts periodical reviews of the quality system. The review evaluates the suitability and effectiveness of the system, identifies opportunities for improvement, and considers the need for changes to the quality policy and quality objectives. Results of the review are documented.

PROCEDURAL POLICIES

1. General <<5.6.1>>

1.1 The purpose of management reviews is to:

- Evaluate the suitability, adequacy and effectiveness of the quality system;
- Consider changes to the quality management system and to the quality policy and quality objectives; and
- Identify opportunities for improvement of the quality system, processes and products.

1.2 Management reviews are chaired by the President and are attended by managers representing Quality Assurance, Marketing and Purchasing.

1.3 Management reviews are conducted at least once a year. More frequent reviews are scheduled in periods when organizational or product changes, or other circumstances require increased attention and input from the top management.

2. Review input < <5.6.2>>

2.1 Input into the management reviews consists of information and data related to quality performance of the organization. At a minimum, this includes:

- Results of audits,
- Customer feedback and complaints,
- Status of preventive and corrective actions,
- Organizational changes,
- Other changes that could affect the quality system,
- Follow-up actions from earlier management reviews, and
- Recommendations for improvement.

Section 8.4 of this manual, Analysis of Data, and Operational Procedure 05-06-01, Management Review, define the scope, and method of presentation, of the input information and data.

3. Review output < <5.6.3>>

3.1 Management reviews are concluded with actions related to improvement of the quality management system, and improvement of processes and products to better meet customer requirements. The review also identifies resource needs to implement these actions.

3.2 Results of management reviews are documented on the form.
The information includes improvement actions, and assigns responsibilities and allocates resources for implementation of these actions.

SECTION 6 RESOURCE MANAGEMENT

6.1 PROVISION OF RESOURCES

GENERAL POLICY

Top executive management is committed to provide adequate resources for the implementation and improvement of the quality system, and for addressing customer satisfaction.

PROCEDURAL POLICIES

1. General <<6.1>>

1.1 Resources required for implementation and improvement of the quality system, and for addressing customer satisfaction, may include people, suppliers, information, infrastructure, work environment, and financial resources.

2. Determination of resource requirements <<6.1>>

2.1 The Quality Assurance Manager and other management personnel involved in the quality system are responsible for determining resource requirements for the implementation and improvement of the system.

2.2 Sales Manager is responsible for determining resource requirements for addressing customer satisfaction. This is based on input from other management personnel responsible for activities relevant to particular aspects of customer satisfaction.

2.3 The principal forum for determining and communicating resource requirements are management reviews of the quality system. Operational Procedure 05-06-01, Management Review, explains this process.

3. Provision of resources <<6.1>>

3.1 Top executive management has the responsibility and authority for provision of resources.

3.2 Allocation of resources for particular activities is integrated with the process of defining and initiating the activity. It may take the form of personnel assignments, allocation of space or equipment, training, procurement decisions, budgets, etc.

3.3 Allocation of resources may be documented in the quality manual, operational procedures, minutes of meetings, memoranda, or any other form. Approvals of resource allocations may be also communicated verbally.

3.4 Management review of the quality system is the principal forum for allocation of resources for the operation and improvement of the system. All actions initiated by the review are supported by allocation of specific resources necessary for their implementation. Operational Procedure 05-06-01, Management Review, defines this process.

6.2 COMPETENCE, AWARENESS AND TRAINING

GENERAL POLICY

Flight Lease Materials, LLC identifies personnel training needs, provides required training, and evaluates the effectiveness of the training provided. Personnel assigned to perform specific tasks, operations, and processes are qualified on the basis of appropriate education, experience, or training. Employees are made aware of the relevance and importance of their activities and how they contribute to the achievement of quality objectives. Records of personnel qualifications and training are maintained.

PROCEDURAL POLICIES

1. Identification of training needs and awareness programs <<6.2.1, 6.2.2>>

1.1 Human Resources and Training is responsible for identifying training needs and awareness programs for company-wide participation, such as: general orientation, rules and regulations, quality system, safety, and other company-wide systems and issues.

1.2 Departmental managers are responsible for identifying competency requirements and training needs in their departments, and for establishing departmental training programs. Departmental training is primarily focused on increasing the level of skills in operating equipment and processes, conducting inspections and testing, using analytical and statistical techniques, and so forth.

1.3 In addition, training needs are often identified in response to corrective or preventive action requests, as nonconformities may be caused by inadequate training.

2. Awareness and training programs <<6.2.1, 6.2.2>>

2.1 Flight Lease Materials, LLC provides, or supports, the following categories of company-wide and departmental training and awareness programs:

- General orientation and quality system awareness training — Explains how the product is used and how the quality system works to ensure product quality. This is provided to all employees.
- Safety training — Instructs in safe working practices, use of personal protective equipment, first aid, etc. This is provided to all employees.
- Use of company-wide systems — Explains interdepartmental systems, such as product coding/numbering system, bar-code system, use of computers, etc. This is provided to wide groups of employees.
- External training — External seminars, conferences, and courses. This is provided to individual employees on as-needed basis.
- Self-study — Reading magazines, books, and reports. While all employees are encouraged to broaden their knowledge through reading, in some cases self- studying may be required as formal training.

3. Effectiveness of training <<6.2.2>>

3.1 Effectiveness of training is evaluated using the following approaches:

- Follow-up performance evaluation of trained employees;
- Review of the overall performance in areas relevant to particular training programs;
- Consideration of competency and training when investigating causes of quality system failures and product or process nonconformities; and
- A global review of all training and awareness programs, conducted within the framework of management reviews of the quality system.

4. Training records <<6.2.2>>

4.1 Training records are established for all types of training. Human Resources maintain as-hired qualification records, and also copies of departmental training.

6.3 INFRASTRUCTURE AND WORK ENVIRONMENT

GENERAL POLICY

Suitable infrastructure, facilities and work environment are provided as required to achieve product conformity. This includes planning, provision, and maintenance of employee facilities, workspaces, equipment, software, and associated services.

PROCEDURAL POLICIES

1. Infrastructure and Facilities <<6.3>>

1.1 Planning of new, and/or modification of existing infrastructure and facilities are usually conducted in conjunction with product or process changes; capacity and/or work force expansions; and other such events. Facilities may also be expanded or modified to improve productivity and/or quality, or to improve the work environment.

1.2 Departmental managers are responsible for identifying the need and requirements for new, and/or modification of existing infrastructure and facilities in their departments. Requests for significant changes and/or expansions of facilities are submitted to the Management Team for review and approval.

1.3 When relevant, Quality Assurance reviews the proposed facilities or changes to ensure that they enhance the achievement of product conformity and quality.

2. Supporting services and maintenance of facilities <<6.3>>

2.1 Maintenance of Buildings and facilities is performed by in house trades and managed by the Facilities Administrator. This includes regularly scheduled maintenance of lighting systems, HVAC systems, production and process support systems, landscaping and cleaning. Repairs of buildings, facilities, systems and grounds that are beyond the scope of the in house maintenance staff are contracted as needed. The Facilities Administrator is responsible for coordinating and managing maintenance contracts.

3. Work environment <<6.4>>

3.1 Departmental managers are responsible for ensuring suitable working environment for personnel. This is to include both human and physical factors.

SECTION 7 PRODUCT REALIZATION

7.1 PLANNING OF PRODUCT REALIZATION

GENERAL POLICY

Planning of product realization processes includes determination of quality objectives for products; development of required processes and process documentation; and establishment of product verification and validation programs. The plan also defines requirements for records necessary to demonstrate process and product conformity.

PROCEDURAL POLICIES

1. Product quality objectives <<7.1(a)>>

1.1 Quality Assurance is responsible for identifying product quality objectives and requirements. This may be integrated with the process of determining customer and product requirements (refer to Operational Procedure 05-02-01, Purchasing and Receiving.

2. Product realization planning < <7.1(b), 7.1(d)>>

2.1 Product realization planning includes, as applicable:

- Development of adequate and capable processes,
- Establishment and implementation of appropriate process control measures,
- Development of instructions and training for process operators, and
- Requirements for records necessary to demonstrate process conformity.

2.2 Product realization plans are established by Quality Assurance. The plans are defined in various types of operator instructions, process validation reports, etc.

2.3 Operational procedures related to Section 7.5, Operations, explain how outputs of product realization planning are used.

3. Product verification and validation planning < <7.1(c), 7.1(d)>>

7.2 CUSTOMER-RELATED PROCESSES

GENERAL POLICY

Product requirements are determined to include customer requirements and legal, regulatory, and other necessary requirements that may not be specified by customers. Orders are reviewed to ensure that product and order requirements are defined and can be met, and to resolve any incomplete or conflicting requirements. Verbal orders are confirmed before acceptance. Order amendments and changes are likewise reviewed and are communicated to all relevant functions. Order reviews are recorded.

Arrangements for communication with customers relating to product information, order handling, and customer feedback and complaints are defined and implemented. Where appropriate, operational procedures and instructions for these activities are established and implemented.

PROCEDURAL POLICIES

1. CUSTOMER AND PRODUCT REQUIREMENTS

1.1 Custom product requirements are determined and reviewed with regard to requirements specified by the customer; other relevant product requirements not specified by the customer, and the company's capacity and capability to meet all applicable requirements.

1.2 Incomplete or conflicting requirements <<7.2.2>>

1.2.1 Any incomplete or conflicting requirements are resolved with the customer before acceptance of the order.

1.3 Verbal orders <<7.2.2>>

1.3.1 Verbal orders are confirmed before acceptance. This may be by repeating the order requirements back to the customer, or by sending a confirming fax or e-mail.

1.4 Amendments < <7.2.2>>

1.4.1 Change orders are received and reviewed by the same functions that are responsible for the review of the initial orders. Change orders are communicated to all functions within the organization that may be affected by the change of customer requirements.

1.5 Record <<7.2.2>>

1.5.1 Reviews of product requirements are recorded on sales order.

2. CUSTOMER COMMUNICATION

2.1 Product Information <<7.2.3.(a)>>

2.1.1 Marketing department is responsible for developing the content and format for company's brochures, catalogs, internet site, and other forms of promotional and product information material.

2.2 Inquiries and order handling < <7.2.3.(b)>>

2.2.1 Sales department is responsible for receiving customer inquiries and orders.

2.2.2 Handling of order amendments is controlled to the same extent as the handling of initial orders. Amendments are reviewed to verify that the new or modified requirements can be met, and a confirmation of acceptance is communicated back to the customer.

2.2.3 Operational Procedure 07-02-01, Purchasing and Receiving instructs how to handle inquiries, orders, and amendments.

2.3 Customer feedback and complaints < <7.2.3.(c)>>

2.3.1 Sales/Sales Support is responsible for receiving and processing customer feedback and complaints. All received customer communication is recorded either on the individual phone log, order history, or customer contact record.

2.3.2 Customer feedback and complaints are classified into categories to allow for better tracking of trends and evaluating improvement in specific aspects. Every complaint is communicated to relevant functions within and outside the organization. Customer Service, the responsible department, and Quality Assurance decide how to respond to the customer and, when appropriate, what corrective or preventive actions should be implemented internally.

7.3 DESIGN CONTROL

GENERAL POLICY

This chapter is listed in the Exclusions as ASAH does not design or manufacture a product.

7.4 PURCHASING

GENERAL POLICY

Flight Lease Materials, LLC evaluates its suppliers and purchases only from those that can satisfy quality requirements. Quality performance of suppliers is monitored and evaluated. Purchasing documents clearly and completely describe ordered products, including quality requirements. Purchasing documents are reviewed and approved prior to release. Purchased products are verified before they are used or shipped.

PROCEDURAL POLICIES

1. Supplier evaluation < <7.4.1>>

1.1 Any vendor that has not been issued an approved vendor status in the computer is classified as a new vendor.

2. Supplier quality performance monitoring <<7.4.1>>

2.1 Quality performance of suppliers is monitored. Suppliers showing inadequate performance may be asked to implement corrective actions, and be downgraded to the PROVISIONAL rating. If the requested corrective actions are not implemented and there is no improvement, the supplier is further downgraded to the NOT APPROVED rating and is discontinued. Records of suppler monitoring and re-evaluations are maintained.

3. Approved supplier list <<7.4.1>>

3.1 Purchasing maintains an approved supplier list. Orders may only be placed with vendors that are on the list.

4. Purchasing information <<7.4.2>>

4.1 Purchasing documents are prepared by the Purchasing department. The documents clearly and completely describe ordered products, including precise product identification and quality requirements. The purchasing manager reviews and approves all purchasing documents prior to release.

4.2 The preparation, review, and approval of purchasing documents are explained in Procedure 07-04-02, Purchasing.

5. Verification of purchased product <<7.4.3>>

5.1 Purchased products are inspected by receiving. This includes verification of product identity and quantity, visual inspection and, where applicable, verification that all requested certificates and quality records are available.

5.2 Quality Assurance is responsible for selecting appropriate methods for purchased product verification and acceptance. Operational Procedures 07-04-03- Receiving Inspection, set forward rules for selecting product verification methods and for performing receiving inspections.

7.5 OPERATIONS

GENERAL POLICY

Product and process information and appropriate work instructions are established and are communicated to relevant personnel. Operations and production processes are monitored and controlled, and are validated where appropriate. Methods for product release and delivery are defined.

Material and parts are identified. When required, traceability of materials is recorded and maintained. Inspection of product is identified to ensure that only product that has passed the required inspections is delivered.

Appropriate handling, storage and preservation methods are implemented to prevent product damage or deterioration. Receipt and dispatch to and from storage areas are controlled. The condition of products in stock is regularly assessed. Product packaging materials and methods are specified and controlled.

PROCEDURAL POLICIES

1. OPERATIONS CONTROL

1.1 Product and process specifications <<7.5.1.(a)>>

1.2 Work instructions <<7.5.1.(b)>>

1.2.2 Work instructions and Operations Procedures may be in the form of manuals, procedures, sheets, posted signs, or samples. They instruct on how to carry out a process or perform an operation or task. The need for work instructions is evaluated on the basis of criticality, importance and complexity of the process; the ability to verify results of the process; operator qualifications; and history of quality problems associated with the process. Workmanship standards are provided when acceptability of the process output can only be determined by comparison with a standard sample.

1.3 Equipment maintenance <<7.5.1.(c)>>

1.3.1 Key process equipment, machines, hardware, and software are regularly maintained in accordance with maintenance plans specified by equipment manufacturers or departmental managers responsible for the equipment.

1.4 Process monitoring and control <<7.5.1.(e)>>

1.4.1 Processes are monitored and controlled through variety of approaches, activities and techniques. The system is designed to control:

- Information, material and human (operator) input into the process;
- Process environment and performance; and
- Process output.

Process monitoring activities are further defined in Section 8.2 of this manual. Activities related to process control are defined in Operational Procedures and the specific Work Instructions.

1.5 Product release and delivery <<7.5.1.(f)>>

1.5.1 Products are released for delivery only after all specified activities have been satisfactorily completed and conformity of the product has been verified.

2. VALIDATION OF PROCESSES < <7.5.2>>

2.1 Processes where the resulting output cannot be verified by subsequent measurement or monitoring are designated as special processes.

2.2 Production and Quality Assurance are responsible for identifying, validating, and documenting special processes.

2.3 Special processes are validated and controlled by applicable methods, such as destructive testing of product samples, equipment and personnel qualification, and work instructions and process procedures.

2.4 Production and Quality Assurance are responsible for selecting and implementing appropriate process validation and control measures for each special process. At a minimum, all special processes are documented in work instructions.

2.5 Special process records are established and maintained as appropriate. Depending on the control measures implemented, these records may include process qualification and validation reports, equipment qualification and maintenance records, first article inspections and tests, operator qualification and training records, and so forth.

3. IDENTIFICATION AND TRACEABILITY

3.1 Product identification < <7.5.3>>

3.1.1 Purchased products are identified with unique numbers, codes, or names. The identification is the same as, or is cross-referenced with, the designations used in drawings, specifications, bills of materials, parts lists, purchase orders, etc. Purchased products are identified by marking, labeling, or tagging the products or their packaging, or by identification of the area where the products are held.

3.1.2 Products are identified by their name and part number, which is labeled or marked on the products and/or is printed on the primary product packaging.

3.2 Traceability <<7.5.3>>

3.2.1 When required by contracts, laws and regulations, or voluntary standards traceability is implemented to the extent specified. Traceability may also be implemented for internal reasons, to facilitate corrective action.

3.2.2 As required, traceability may apply to materials, components, parts, production processes, environmental conditions, inspection and testing, and personnel responsible for processing and verification of products. The scope of traceability is documented in product manufacturing specifications or the production work order.

3.3.3 Products that fail any inspections or tests are identified as REJECTED, and are segregated and/or quarantined. Whenever a nonconforming product is identified, the nonconformity is documented using a product nonconformity report

3.3.4 Detailed instructions on how to identify conforming and nonconforming products are provided in, Procedure 08-03-01, Control of Nonconforming Product

4. CUSTOMER PROPERTY

4.1 Not Applicable. No customer supplied products shall be stored.

5. PRESERVATION OF PRODUCT

5.1 Product handling and preservation <<7.5.5>>

5.1.1 Shipping and Receiving departments are responsible for product handling and preservation; and in particular for ensuring that containers holding products are suitable and are in good condition, that equipment used for internal transportation of products is well maintained and is properly operated, and that products are adequately protected during storage.

5.2 Storage <<7.5.5>>

5.2.1 Stockrooms and storage, staging and holding areas are controlled by Material Control. Only products that are properly identified and that have passed required inspections are authorized to enter and leave the stockrooms. Periodically, the stockrooms are inspected to assess the condition of stock.

5.2.2 When special storage conditions are specified (for example, temperature or humidity), products are stored in special rooms, boxes, or containers where the specified conditions can be continuously maintained. These special conditions are monitored to ensure that they are maintained without interruption and that the product is not compromised at any time.

5.2.3 Products with limited shelf life are identified with expiration dates. These perishable products are also rotated in the stockroom to ensure that the oldest product is used first.

5.2.4 Material and product stockrooms are controlled using an inventory management system. The system can report available stock quantities, product location, and turn-over times. The system is used to optimize and minimize inventory levels.

5.3 Packaging and labeling <<7.5.5>>

5.3.1 Primary packaging is boxes, bags or other packaging in which products are presented to the end-users.

5.3.2 Secondary packaging is cardboard boxes, crates, or other additional packaging intended to contain and protect products for shipping and transportation.

5.3.3 Primary packaging and labeling operations are controlled and when appropriate, personnel involved with these processes are provided with work instructions and/or special training.

5.3.4 Shipping department is responsible for establishing specifications for secondary packaging and labeling. The specifications are compatible with requirements of commonly used carriers and for intended means of delivery (ground, sea, air).

5.4 Shipping and delivery <<7.5.5>>

5.4.1 Shipping of finished products is initiated by the shipping order. The order identifies the shipping consignee address, shipping due date, products to be shipped, labeling requirements, and transportation mode or carrier. Before products are dispatched, the shipping supervisor verifies that the shipment contains the same products and quantities as specified in the shipping order, and that packaging and labeling conform to customer and/or carrier requirements. Only orders that have been verified and signed off by the shipping supervisor can be loaded for shipment.

7.6 MEASURING AND MONITORING EQUIPMENT

GENERAL POLICY

Appropriate measuring and monitoring instruments are not utilized by ASAH. This section is not applicable.

Section 8 MEASUREMENTS, ANALYSIS AND IMPROVEMENT

8. 1 PLANNING OF MONITORING AND MEASUREMENT

GENERAL POLICY

Measurement and monitoring activities required to assure product conformity, and to achieve improvement, are planned and defined. When applicable, statistical techniques are used for analyzing measurement data.

PROCEDURAL POLICIES

1. Planning < <8.1>>

1.1 Measurement and monitoring activities to assure and verify product conformity are defined in engineering specifications and drawings, production work orders, inspection and testing procedures, and process control procedures. These activities are further defined in this manual in Section 8.2, Measurement and Monitoring

1.2 The effectiveness of the quality system is monitored by internal audits and by measuring quality performance and customer satisfaction. Results of these activities are reported to the top management and are used to identify opportunities for improvement. Activities related to internal audits and to measuring customer satisfaction and quality performance are further defined in this manual in Sections 8.2.

8. 2 Monitoring and Measurement

GENERAL POLICY

Customer satisfaction is the principal objective of the quality system, and the level of customer satisfaction is the most important measure of the effectiveness of the system. Customer satisfaction is measured by collecting and analyzing direct customer feedback, and by measuring secondary indicators of customer satisfaction. Customer satisfaction data is used by the top management to identify opportunities and priorities for improvement.

All activities and areas relevant to the quality system are audited at least once a year. Audits are scheduled on the basis of the status and importance of the activity. Internal auditors are independent of those having direct responsibility for the audited activity. Identified nonconforming conditions are brought to the attention of the responsible managers and corrective actions are implemented in response to audit findings.

Quality system processes are monitored to ensure that they achieve planned results. Relevant product characteristics are measured through inspections, tests, and other product verification activities, as specified in control plans. Evidence of product conformity is recorded. Products are released for delivery only after all specified activities have been satisfactorily completed and verified.

PROCEDURAL POLICIES

1. CUSTOMER SATISFACTION

1.1 General

1.1.1 Information and data pertaining to customer satisfaction are collected from several sources. Specifically, these are:

- Customer feedback and surveys,
- Awards and recognitions,
- Product returns and warranty claims,
- Repeat customer rates, and

1.2 Customer feedback and surveys

1.2.1 Customer complaints, spontaneous expressions of satisfaction, and other unsolicited customer feedback are collected and processed by the Customer Service department. The resulting data is periodically analyzed by the Customer Service manager, and is presented and discussed at management review meetings.

1.2.2 Sales/Marketing conducts quarterly customer satisfaction surveys. Survey results are compiled and analyzed, and are combined with customer satisfaction data for compatible aspects of products and services. Conclusions are presented and discussed at management review meetings.

1.3 Product returns and warranty claims

1.3.1 Information about the rate of product returns and warranty claims is extracted from quality records. Results and trends are reported and analyzed at management review meetings

1.4 Repeat customers

1.4.1 Sales records are periodically analyzed to identify repeat customers and track their ordering frequencies and patterns. The ratio of repeat customers is one of the most important indicators of customer satisfaction. Statistics on repeat customers frequencies and trends are presented and discussed at management reviews.

2. INTERNAL AUDIT

2.1 Planning and scheduling <<8.2.2>>

2.1.1 The Audit Coordinator establishes an internal audit plan and schedule in accordance with Procedure 08-02-01, Internal Quality Audits. Every activity and area is audited at least once a year. Selected activities are audited more frequently, depending on their importance and quality performance history.

2.2 Audit team and preparation for audit <<8.2.2>>

2.2.1 Only personnel independent of the audited activities are assigned to conduct internal audits.

2.2.2 Auditors prepare for audits by reviewing applicable standards and procedures. Selection of auditors and preparation for the audit are explained in Procedure 08-02-01, Internal Quality Audits.

2.3 Conducting the audit <<8.2.2>>

2.3.1 Conducting the audit, auditors seek objective evidence indicating whether the audited activities comply with the requirements of the documented quality system, and whether the quality system is effective. The evidence is collected by observing activities, interviewing personnel, and examining records.

2.3.2 Nonconforming conditions are documented and recorded using the audit nonconformity report form. A model of the form and instructions on how to use it are provided in Procedure 08-02-01, Internal Quality Audits. Corrective action requests initiated through the internal audit process are covered by Procedure 08-05-01, Corrective Action.

2.3.3 Audits are conducted in a way that minimizes disruption of the audited activities.

2.4 Corrective action and follow up <<8.2.2>>

2.4.1 When nonconforming conditions are identified, the manager responsible for the affected area or activity is requested to propose and implement a corrective action. Implementation and effectiveness of the action are verified by a follow-up audit. The corrective action system outlined in Procedure 08-05-01, Corrective Action is for monitoring and recording the implementation of the corrective actions.

2.5 Reporting <<8.2.2>>

2.5.1 When the auditing cycle is completed, all nonconformity reports established during the cycle are compiled and analyzed, and are presented at the management review meeting.

3. MONITORING OF QUALITY SYSTEM PROCESSES

3.1 Process monitoring <<8.2.3>>

3.1.1 Quality system processes are monitored by variety of approaches and techniques, as appropriate for a particular process and its importance. These include:

- Conducting internal audits of the quality system;
- Monitoring trends in corrective and preventive action requests;
- Analyzing product conformity and other quality performance data and trends;
- Measuring and monitoring customer satisfaction;

3.2 Response Actions

3.2.1 When a quality system process does not conform to requirements, Quality Assurance may request the manager responsible for the process to implement a corrective action.

4. MONITORING AND MEASUREMENT OF PRODUCT

4.1 Product verification <<8.2.4>>

4.1.1 Inspection and testing program for a product is defined in various types of documents, such as product drawings and specifications, production work orders, purchasing documents, inspection and testing procedures, and control plans. Documents defining the inspection and testing program for a product are collectively referred to as control plans. Section 7.1 of this manual defines the process for establishing control plans.

4.1.2 Verification of purchased product: All purchased products are subjected to a visual inspection by receiving, and then some designated products are subjected to a more detailed and technical inspection. Operational Procedure 07-04-03, Purchasing and Receiving sets forward detailed rules for performing receiving inspections.

4.2 Inspection, test and monitoring records <<8.2.4>>

4.2.1 Results of inspections and tests are recorded. Filing and maintenance of inspection records are regulated by Operational Procedure 04-02-02, Quality Records.

4.3 Product release <<8.2.4>>

4.3.1 Products are released for delivery only after all specified activities have been satisfactorily completed and conformity of the product has been verified. Only personnel performing final product inspections and tests have the authority to release products. The identity of the person authorizing product release is recorded.

8. 3 Control of Nonconforming Product

GENERAL POLICY

Nonconforming product is identified, documented, evaluated, and prevented from being used or shipped. Repaired or reworked products are re-inspected. Appropriate actions are taken when product nonconformity is identified after delivery. When appropriate, corrective and preventive actions are implemented to prevent recurrence of identified nonconformities.

PROCEDURAL POLICIES

1. Identification and documentation <<8.3>>

1.1 Flight Lease Materials, LLC identifies and documents all product nonconformities, regardless of how insignificant they seem to be or how easily they can be repaired or reworked. Product nonconformity records are invaluable for tracking performance and trends, and for identifying areas where corrective or preventive actions should be implemented.

1.2 Nonconforming products are documented using a nonconformity report. It describes the nonconformity, documents the disposition decision, and records close-out of follow-up activities (re-inspection, concessions, corrective actions, etc.). The use of nonconformity report and its processing are explained in Operational Procedure 08-03-01, Control of Nonconforming Product.

1.3 To prevent nonconforming products from being used or shipped, the products are marked as REJECTED and are segregated.

2. Nonconformity review and disposition <<8.3>>

2.1 QA inspectors may make the disposition decision for a nonconforming product when it is obvious that the product must be scrapped or regarded. In all other cases, Quality is responsible for making disposition decisions.

2.2 Detailed rules for nonconformity review, for making the disposition decision, and for recording these activities are provided in Operational Procedure 08-03-01, Control of Nonconforming Product.

3. Re-verification of repaired or reworked product <<8.3>>

3.2 Repaired or reworked products are re-inspected in accordance with applicable procedures and instructions.

4. Product returns and recalls <<8.3>>

4.1 When product nonconformity is detected by the customer after delivery or use has started, the customer is instructed to return the product, or a part, on a return authorization number issued by customer service.

4.2 When product nonconformity is detected internally after delivery or use has started, customers are informed and instructed what to do with the product. In situations when the nonconformity may create a safety or other hazard, the product may be recalled. Only the President of the company is authorized to make recall decisions.

8.4 ANALYSIS OF DATA

GENERAL POLICY

Flight Lease Materials, LLC collects, complies and analyzes information and data required for evaluating the suitability and effectiveness of the quality system and for identifying opportunities for continual improvement.

PROCEDURAL POLICIES

1. General <<8.4>>

1.1 Data and information recorded in quality records are compiled and analyzed periodically to determine trends in the performance and effectiveness of the quality system and to identify opportunities for improvement.

1.2 Quality Assurance is responsible for coordinating these activities, and for reporting conclusions and trends to the top management. This is usually done within the framework of management reviews of the quality system, in accordance with Operational Procedure 05-06-01, Management Review.

2. Scope <<8.4>>

Following categories of information and data are recorded, compiled and analyzed:

2.1 Conformance to customer requirements:

- Scrap, rework — recorded in product yield data and nonconformity reports and reviewed for trends by QA.
- On-time delivery performance — recorded in delivery performance reports and evaluated for trends by Materials Control and executive management.

2.2 Suppliers

- Supplier quality performance — recorded in subcontractor quality performance files and evaluated for trends by Purchasing and Quality Assurance.

2.3 Customer satisfaction and dissatisfaction:

- Customer satisfaction levels — recorded in customer satisfaction surveys and evaluated for trends by executive management.
- Customer complaints — recorded in customer complaints and evaluated for trends by executive management.

2.4 Quality System:

- Effectiveness of training — recorded in training evaluation and evaluated for trends by departmental managers.
- Effectiveness of quality system — recorded in internal audit and evaluated for trends by executive management.

8.5 CONTINUAL IMPROVEMENT

GENERAL POLICY

Flight Lease Materials, LLC deploys a continual improvement philosophy throughout the entire organization. The improvement effort is driven by goals defined in the quality policy and quality objectives. Improvement opportunities are identified by analyzing quality performance data and information. Improvement projects are defined and implemented through the system of corrective and preventive actions and management review actions.

Causes of identified nonconformities are investigated and, where appropriate, corrective actions are implemented to ensure that nonconformities do not recur. Preventive actions are implemented to eliminate the causes of potential nonconformities. Corrective and preventive actions taken are recorded and are followed up to ensure that they have been properly implemented and that they are effective.

PROCEDURAL POLICIES

1. CONTINUAL IMPROVEMENT

1.1 Opportunities for improvement <<8.5.1>>

1.1.1 Opportunities and priorities for improvement are identified by comparing present quality performance to objectives defined in the quality policy and quality objectives.

1.1.2 Quality performance is determined by analyzing information about customer satisfaction, records of product and process nonconformity, results of internal audits, and other data and information relevant to quality performance. Section 8.4, Analysis of Data, defines the scope and system for collecting and analyzing such information.

1.1.3 Quality performance is evaluated by management reviews of the quality system. Where quality performance falls short of a defined objective, the management review identifies specific improvement actions to reach the objective. When a quality objective is reached, the management review may set a new, higher objective in this area and specify new improvement actions for reaching it.

1.1.4 This process of facilitating continual improvement though the use of quality policy, Objectives, and analysis of data, are defined in Operational Procedures 05-06-01, Management Review.

1.1.5 In addition to management reviews, departmental managers identify improvement opportunities continually, based on daily feedback form their operations and other activities. Employees are also encouraged to come forward with ideas for improving products, processes, systems, productivity, and working environment. These improvement opportunities are evaluated and prioritized by Quality Assurance and, where appropriate, are implemented though the system of corrective and preventive actions.

1.2 Implementation of improvement projects <<8.5.1>>

1.2.1 Improvement projects are usually implemented through management review actions and through corrective and preventive actions. Where appropriate, improvement projects may be also initiated by management directives, such as policy statements, announcements, and memoranda.

2. CORRECTIVE AND PREVENTIVE ACTION

2.1 Preventive versus corrective action <<8.5.2, 8.5.3>>

2.1.1 Preventive actions are requested and implemented when there are trends of decreasing quality capability and/or effectiveness of the quality system that create a risk for a potential nonconformity. Corrective actions are used when an actual nonconformity is identified.

2.1.2 Recognizing this difference, Flight Lease Materials, LLC has separate systems for identifying the need for corrective and preventive actions. However, once the need is identified, a common system is used to process both types of actions. Forms, logs and other documents and records for processing of corrective and preventive actions are the same.

2.2 Corrective actions <<8.5.2>>

2.2.1 The need for corrective action is determined on the basis of identified actual nonconformities. Corrective action requests are typically triggered by such events as a failed inspection, customer complaint and/or product return, nonconforming delivery from a supplier, or a quality system audit finding.

2.3 Preventive actions <<8.5.3>>

2.3.1 The need for preventive action is determined on the basis of information and data regarding capability and performance of processes, product nonconformity rates, post-production experience feedback, service records, customer complaints, and quality system audit findings. Such information and data are collected and analyzed to detect unfavorable trends that, if not checked, will increase the risk of nonconformities. The system for collecting and analyzing quality performance information and data is defined in Section 8.4 of this manual.

2.4 Processing of corrective and preventive actions <<8.5.2,3>>

2.4.1 Preventive and corrective actions are initiated, processed and followed up using the CAR (Corrective Action Request) system. The system documents the unsatisfactory condition and the corrective or preventive action to be taken, and is used to record the verification and closure of the action. Open CARs are reviewed regularly to ensure that the actions are implemented and followed up in a timely manner.

2.5 Continual improvement <<8.5.2,3>>

2.5.1 Continual improvement actions are often defined as corrective and preventive actions. This is especially true for preventive actions.