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Corporate Quality Manual

KIRKHILL AIRCRAFT PARTS CO

PHONE: (714) 223-5400

APPROVAL

Title	Signature/Printed Name	Date	Effectivity Date
President, CEO	*<Electronic Signature>* Andrew Todhunter	*See CATSWEB*	See CATSWEB
COO	*<Electronic Signature>* Jeff Nixon	*See CATSWEB*	
Corporate Quality Systems Manager	*<Electronic Signature>* Kevin Stibich	*See CATSWEB*	

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1.1 General:

This Quality Management System defines the Corporate Quality Management System (QMS) of Kirkhill Aircraft Parts Co, hereafter referred to as Proponent. The corporation headquarters is located at 3120 E Enterprise Street – Brea, CA 92821 (Site Acronym: CA or Main), and this site includes the buildings located at 3050 and 3051 Enterprise Street of Brea, CA. The Proponent QMS described herein has multiple locations and encompasses the site locations as identified on page 9 of this document. Proponent has and may operate under the following d.b.a.'s: Kapco Global, KAPCO, KAPCO|VALTEC, KAPCO|Ball Glide, Ball Glide Products, Valtec International, Valtec Aircraft Supply, Avio Diepen and Coast Air.

This Quality Management System covers the processing requirements of all products that are licensed, manufactured, sold or distributed through these facilities. This shall include all processes required from the order receipt, contract review, procurement and/or in-house manufacture, inspection processes, through the delivery of such product. The Proponent Quality Management System shall also include and adhere to all customer contract and/or licensing agreements, and applicable regulatory requirements.

Tier Definition/Scope

Tier	Definition/Scope		Requirements Manual
I	*(aka: Proponent has PMA or TSOA)* Proponent controls the quality and manufacturing of the product under a direct regulatory approval. The quality requirements are dictated by government regulations in making airworthiness determinations on articles. However, the Quality System itself is controlled directly by Proponent. Whether produced in-house or with the use of sub-tier suppliers, Proponent is the regulatory definition of the manufacturer.		FAA - Quality Systems Manual (FAA-QSM)
II	IIa	Proponent controls the quality and manufacturing of the product as a sub-tier supplier/partner to an OEM/PAH e.g.-type certificate holder/production certificate holder, sub-contractor thereof or it is otherwise customer designed product. Proponent is acting under the direct control of the OEM/PAH, sub-contractor, or customer's quality system to AS9100 as the baseline (See Note 1). This may include a Direct Ship Authorization from a PAH;	Corporate Quality Manual (AS9100)
	IIb	Proponent does NOT control the quality and manufacturing of the product as completely or directly as documented in (a) above by virtue of being recognized as a distributor/purchasing agent by the OEM/PAH e.g.-type certificate holder/production certificate holder, sub-contractor or customer's quality system and Proponent is contracted under AS9120 as the baseline (See Note 2).	Corporate Quality Manual (AS9120)
Notes: Note 1: In either Tier II (a) or (b) the term "baseline" means there will be aspects extrinsic to Proponent that are particular to the customer Quality System such as detailed inspections, approved supplier's lists, approved processes and processors, FAIR submittals, material and process certifications, testing, direct supplier control and surveillance to name a few. It is imperative that we detect, interpret, document and comply with any and all applicable requirements that may be unique to the customer. Note 2: The sites that are Value Add Distributors (VAD) must be AS9100 and will be under the control of the entity extending the VAD when acting in that capacity.			

Table 1 – Quality Tiers

It is emphasized that the quality management system requirements specified in this quality manual are complimentary, and are not an alternative to contractual and applicable statutory and regulatory requirements. Should there be a conflict between the requirements of this document and applicable statutory or regulatory requirements, the latter shall take precedence.

Proponent has designed and maintains a quality management system to satisfy the needs of its customers. This quality system is also designed to comply with the requirements of:

- ISO 9001:2015 - Quality Management System
- AS9100D 2016 - Aerospace Standard (or as applicable, EN9100).
- AS9120B 2016 - Quality Management Systems – Aerospace Requirements for Stockist Distributors (or as applicable, EN9120)
- FAA Advisory Circular AC 00-56B Voluntary Industry Distributor Accreditation Program of the Aviation Suppliers Association.

QMS Certifications are maintained as shown at each Proponent location.	ISO 9001	AS 9100	AS 9120	AC 00-56
Brea - Main	•	•	•	•
Brea – Mfg	•	•		
Florida	•	•	•	•
UK	•	•	•	•
AMS	•		•	•
Hong Kong	•		•	•
SIN	•		•	•

When requirements of the International Standards cannot be applied due to the nature of our business and/or product, these requirements will be shown as not applicable. The applicability by section shall be identified in the Quality Manual, as established by the appropriate "Tier" as defined in Table 1.

1.2 Plan-Do-Check-Act (PDCA)

In supporting continual improvement, Proponent encourages the Plan-Do-Check-Act (PDCA) cycle (See Figure 2). This tool can be utilized to develop new processes based upon customer requirements, or may be used as a problem solving tool when there is a need to improve performances. A brief description of the PDCA is as follows:

Plan:

- Establish the objectives and processes needed to provide the desired results in accordance with the customer requirements, Proponent policy, or performance expectations.
- Develop a measurement process to measure the process performance and the objective.
- Identify alternatives solutions, evaluate, and determine what needs to be done to achieve the desired results.

Do:

- Implement the determined solution. Plan the implementation – Who, What, When, Where, & How Schedule of events (Training)

Check:

- Monitor and measure the new or revised process or product against policies, objectives, and/or requirements.
- Measure the process, study the results. Did the new process resolve the issue?
- Were any new problems created?
- Was the change beneficial for costs/benefits?

Act:

- If it worked, institutionalize/standardize the change.
- If it didn't, try something else.
- Repeat the PDCA cycle

The Plan–Do–Check–Act cycle (Figure 2) is a four-step model for carrying out change. Just as a circle has no end, the PDCA cycle should be repeated again and again for continuous improvement.

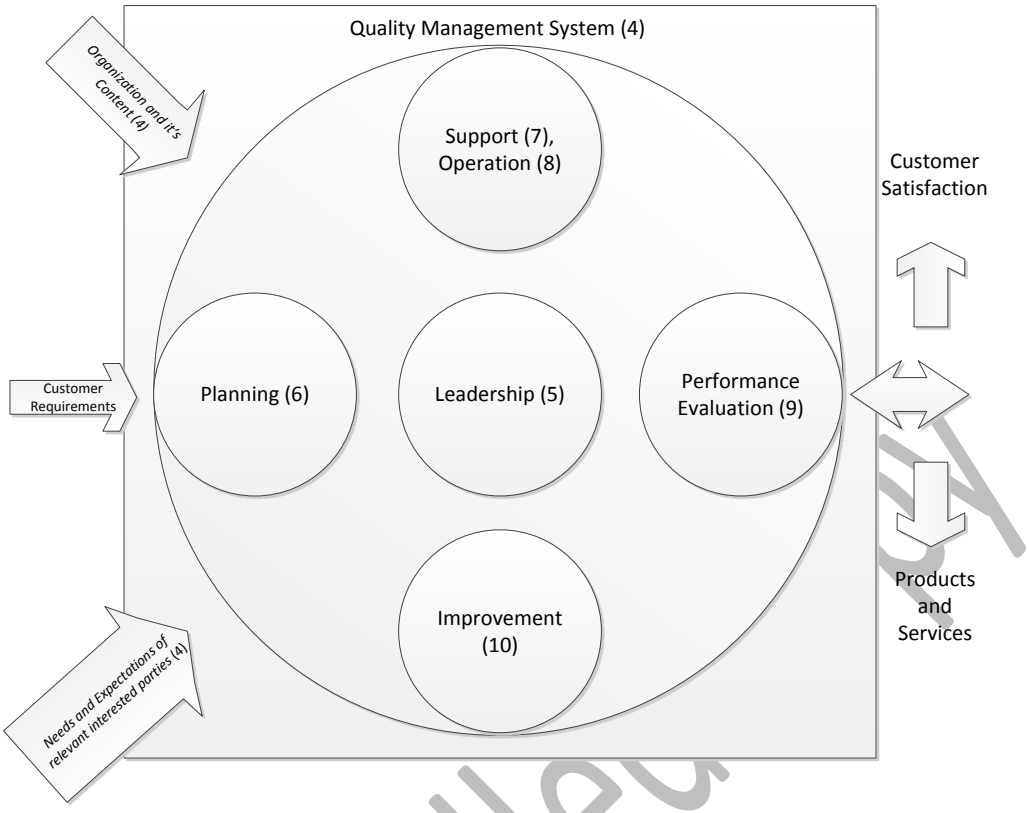


Figure 1: Plan-Do-Check-Act (PDCA) Cycle

When to Use Plan-Do-Check-Act

- As a model for continuous improvement.
- When starting a new improvement project.
- When developing a new or improved design of a process, product or service.
- When defining a repetitive work process.
- When planning data collection and analysis in order to verify and prioritize problems or root causes.
- When implementing any change.

Proponent is dedicated to improving our customer service commitment by recognizing that the parts we supply play a critical role in our customers operations. It is our commitment to provide the highest quality parts and the most complete airworthiness documentation in the industry. We pride ourselves in responding to the needs of the customer quickly and completing customer orders on time:

a) consistently provide products that meet customer expectations and applicable regulatory requirements, and

b) enhance customer satisfaction through effective application of the quality system, including processes for continual improvement of the system and assurance of conformity to customer and applicable regulatory requirements.

c) The requirements of the Quality Manual are implemented through written procedures and work instructions where applicable.

1.3 Risk Based Thinking

Risk based thinking is established by the Board of Directors during quarterly meetings reviewing financial statements and industry developments. Other topics are included as appropriate to ensure that risks are being addressed and mitigated adequately. Additional to these considerations risks are cascaded through the organization and defined in Proponent procedure BCP-050. The Board of Directors established risks that may include:

- Succession planning
- Employee Handbook
- Export Compliance
- Annual Insurance Review
- Porter forces
- SWOT analysis
- Inventory Management
- Forecasting

SECTION 2 SCOPE

This corporate quality manual applies to all locations of Proponent and is applicable to all activities at these locations. The addresses shown in the table below are for all Proponent locations.

Site Location	Country	Site Acronym
3120 E Enterprise Street – Brea, CA 92821 3051 E Enterprise Street – Brea, CA 92821 1 Industrial Park Road – Essex, CT 06426 (headcount included for CA, remote personnel)	USA USA USA	CA or Main
10601 State Street, Suite 1 – Tamarac, Florida 33321	USA	FL, PBI, or MIA
J Keplerweg 16 2408 AC, Alphen a/d Rijn Boerhaaveweg 5-7 2408 AD Alphen a/d Rijn Boerhaaveweg 13 2408 AD Alphen a/d Rijn	Netherlands	AMS
37 Woolmer Way – Bordon, Hampshire GU35 9QE	United Kingdom	PTFD or UK
1501-4 China Aerospace Centre, 143 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong 6/F., D.J. Building, 173 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong	Hong Kong	HKG
15 Changi North Street 1, Unit #01-30, 498765	Singapore	SIN

SECTION 3 TERMS AND DEFINITIONS

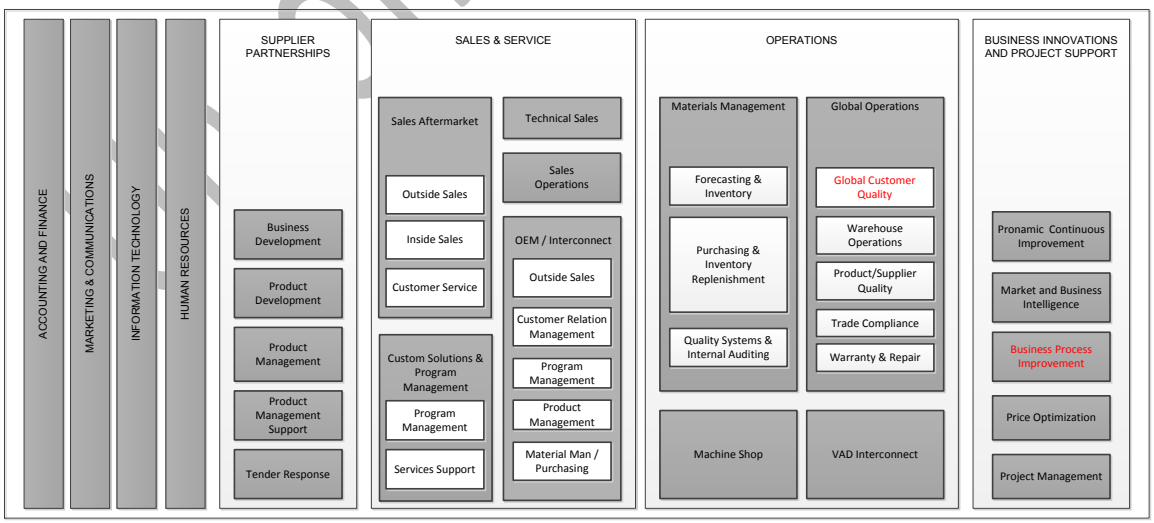
a. **Quality Systems Community (QSC) Team:** Top management has created a QSC Team whose members shall meet periodically to discuss issues pertaining to the quality management system. Members of the QSC Team will consist of representation of all PROPONENT departments/organizations. The Corporate Quality Systems Manager provides guidance and resources as necessary and will chair the QSC Team meetings on behalf of top management.
b. **Quality Systems**: This term refers to the processes and personnel designated as responsible in the governing policies, procedures, and/or work instructions.
c. **Top Management:** Personnel designated with titles such as Director, Vice President, President, CEO, COO, CFO, or other upper level executives.
d. **Airworthiness Certificate**: A document issued by the cognizant civil aviation authority (e.g., EASA Form 1, FAA Form 8130-3) that certifies that the part has been manufactured, overhauled, or repaired in accordance with, and conforms to, the applicable airworthiness regulations.

e. **Certificate of Conformity:** A document that certifies product conformity to process, design and/or specification requirements; commonly referred to as a "Certificate of Conformance".
f. **Test Report:** Objective evidence provided by either the manufacturer or a certified testing facility that the product conforms with specific design requirements or properties.
g. **Suspected Unapproved Part:** A product that might not have been or is suspected of not having been produced in accordance with applicable laws and regulations.
h. **Counterfeit Part:** A product produced or altered to imitate or resemble a product without authority or right to do so, with the intent to mislead or defraud by passing the imitation as original or genuine.
i. **Risk:** An undesirable situation or circumstance that has both a likelihood of occurring and a potentially negative consequence.
j. **Special Requirements:** Those requirements identified by the customer, or determined by PROPONENT, which have high risks to being achieved, thus requiring their inclusion in the risk management process. Factors used in the determination of special requirements include product or process complexity, past experience and product or process maturity. Examples of special requirements include performance requirements imposed by a customer that are at the limit of the industry capability, or requirements determined by PROPONENT to be at the limit of its technical or process capabilities.
k. **Critical Items:** Those items (e.g., functions, parts, software, characteristics, processes) having significant effect on the product realization and use of the product; including safety, performance, for, fit, function, producibility, service life, etc.; that require specific actions to ensure they are adequately managed. Examples of critical items include safety critical items, fracture critical items, mission critical items, key characteristics, etc.

SECTION 4 CONTEXT OF THE ORGANIZATION

4.1 Understanding the Organization and its Context

Annually the Board of Directors evaluates the company's position in the market, and reviews the organization, strategic direction, and KPIs. See section 6 for the planning.



4.2 Understanding the Needs and Expectations of Interested Parties

Customers

Beside customer unique requirements, customers specify requirements which flow from the aviation approval they hold.

Most of these requirements are part certification requirements specified in the applicable FAA and/or EASA aviation regulations.

Government

Government regulations that affect the quality management system are;

- Regulations on Health and Safety,
- Regulations on the use of Substances or Chemicals,
- Aviation regulations as published by the FAA, EASA,
- IATA Dangerous Goods Regulations (DGR), and
- US Export Regulations

Employees

Employees developing and defining processes and describing them in procedures and instructions.

Note:
Suppliers have been considered but because they don't require Proponent to meet specified quality management system requirements, they are not considered to be an Interested Party.

4.3 Determining the Scope of the Quality Management System

The scope of the QMS certifications for each warehouse location are available by viewing the current certification available on the Proponent website.

4.4 Quality Management System and Its Processes

Proponent utilizes the process approach when developing, implementing, and improving the effectiveness of the quality management system and to enhance customer satisfaction by meeting customer requirements.

For Proponent to function effectively, it has determined and manages numerous linked activities. An activity or set of activities using resources, and managed to enable the transformation of inputs into outputs, can be considered as a process. Often the output from one process directly forms the input to the next.

The application of a system of processes within Proponent, together with the identification and interactions of these processes, and their management to produce a desired outcome, can be referred to as the "process approach".

Proponent has identified and will manage the following key processes to determine the effectiveness of the overall system:

Key Processes	KP-QSP	KP-PRD	KP-VAD	KP-S&S	KP-OPS	KP-IAP	KP-MM	KP-P&SQ
Brea-3120/3051	X	X		X	X	X	X	X
CT				X			X	
FL			X	X	X		X	X
UK			X	X	X			X
AMS				X	X		X	X
Spain				X				
Hong Kong				X	X			X
China				X				
SIN				X	X			

When used properly, this approach emphasizes the importance of:

a. Understanding and meeting requirements
b. The need to consider processes in terms of added value
c. Obtaining results of process performance and effectiveness, and
d. Continual improvement of processes based upon objective measurement.

The Proponent model of our process-based quality management system shown in Figure 1 illustrates the process linkages presented in various of this document. This illustration shows that customers play a significant role in defining requirements as inputs. Monitoring of customer satisfaction requires the evaluation of information relating to customer perception as to whether Proponent has met the customer requirements.

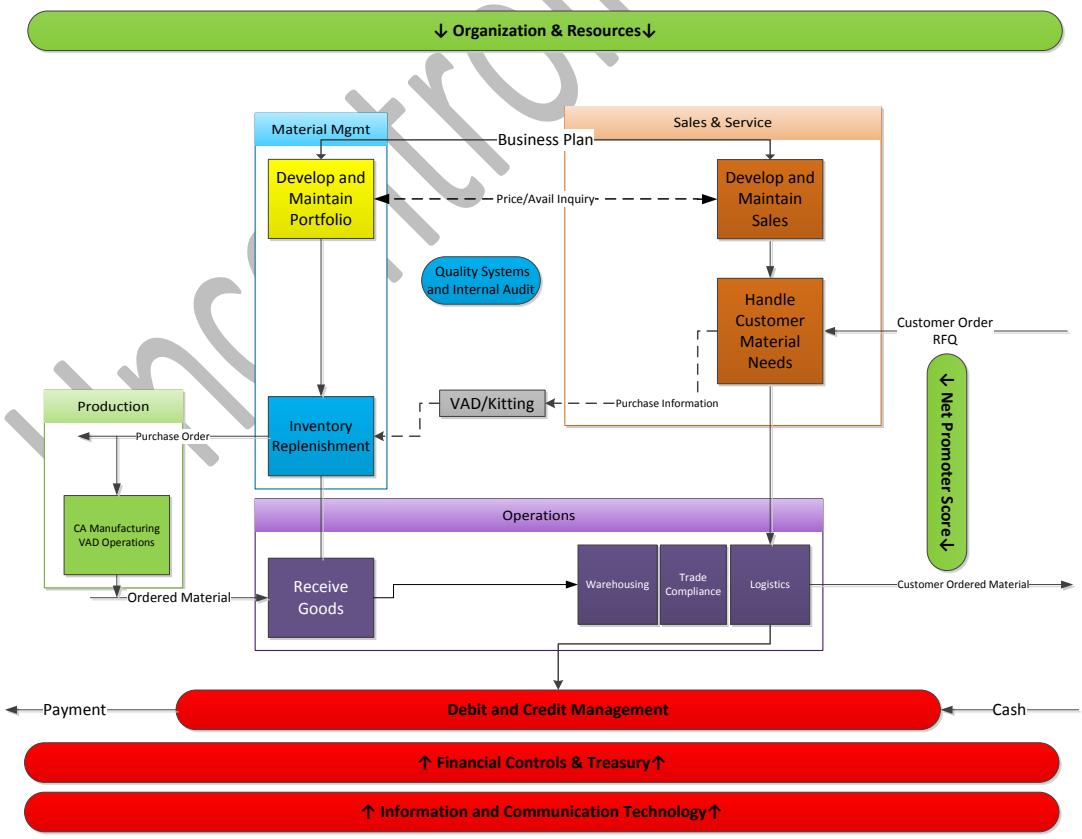
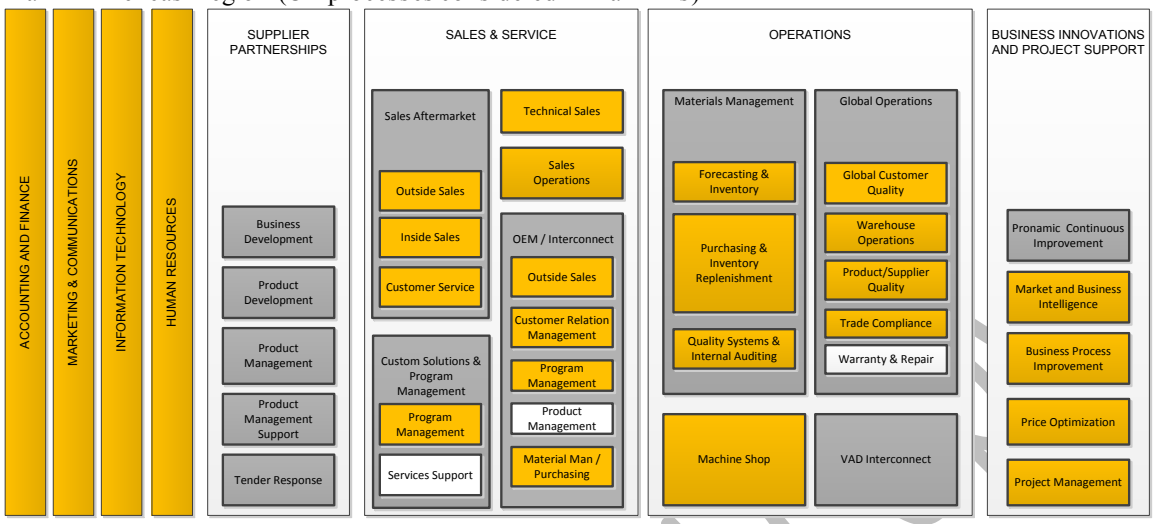


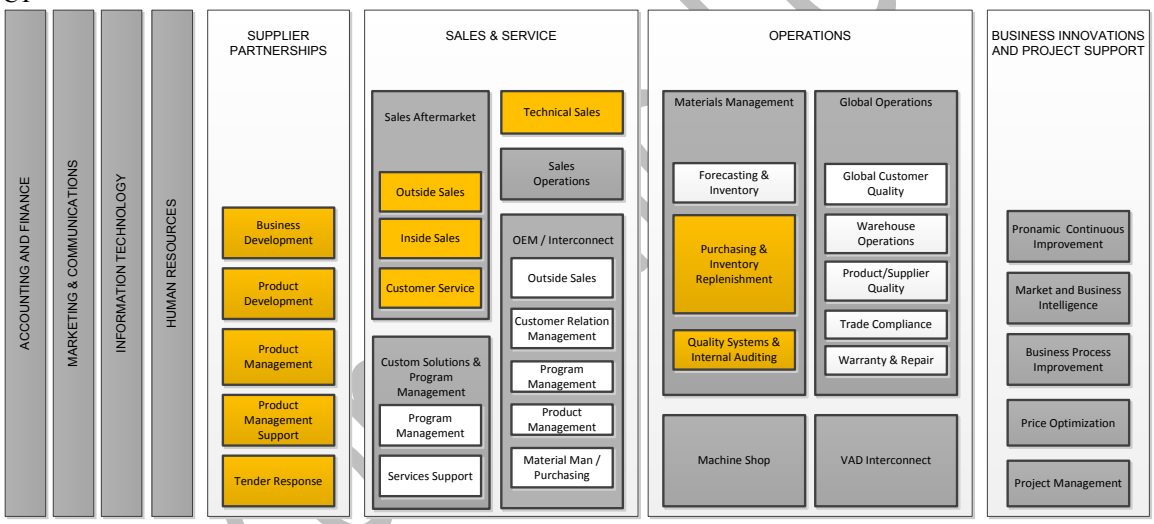
Figure 2 – Model of Process-Based Quality Management System

APPLIES AT LOCATION SHOWN THIS COLOR

Main – Americas Region (CT processes considered in Main KPs)



CT



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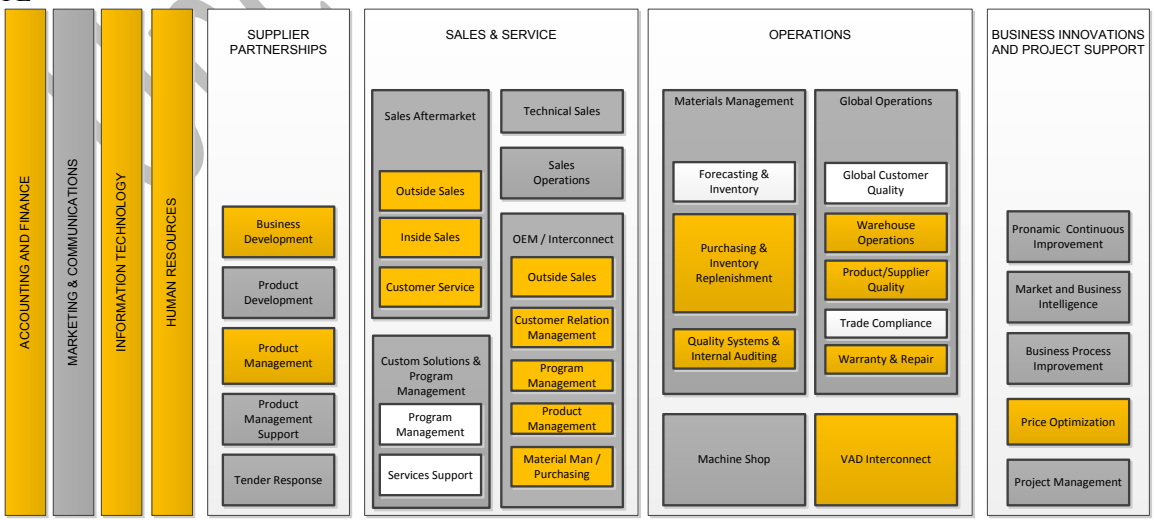
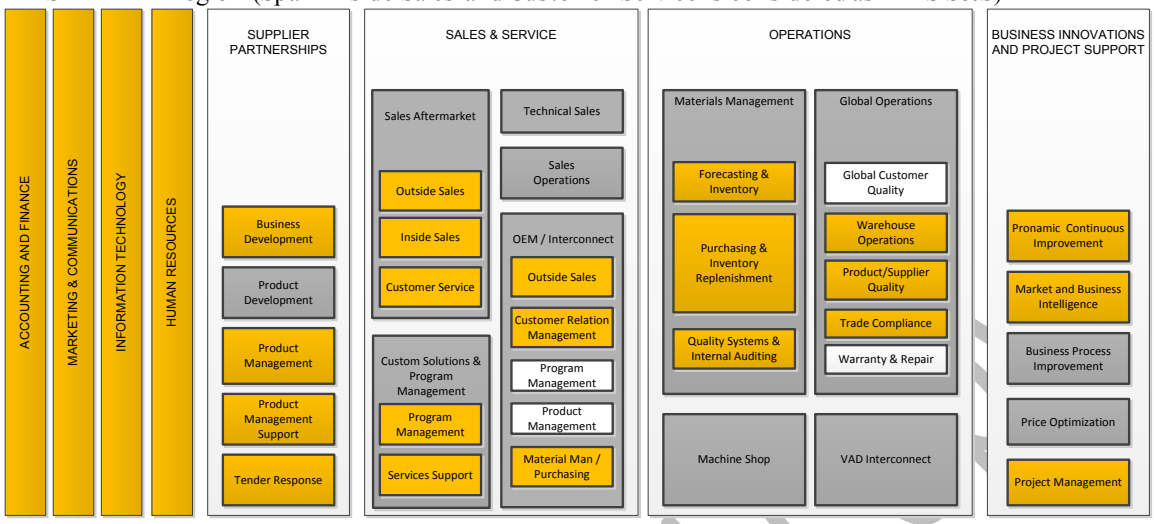
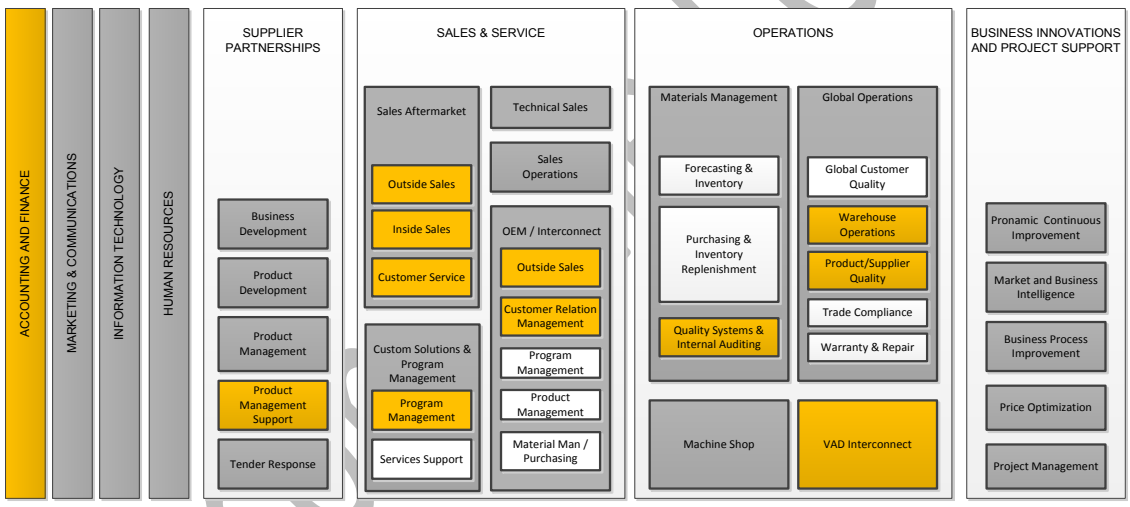


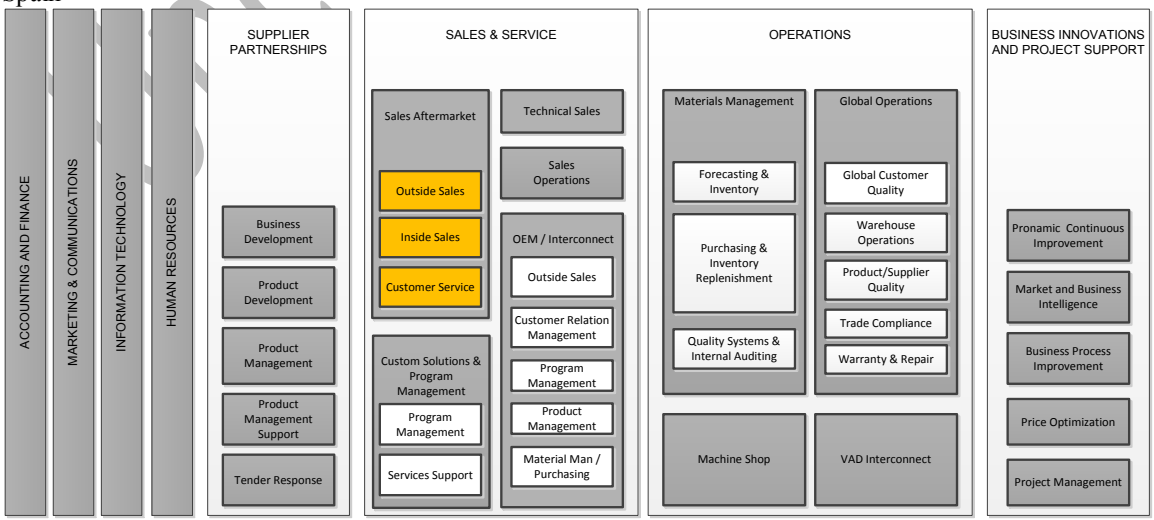
AMS – EMEA Region (Spain Inside Sales and Customer Service is considered as AMS S&S)



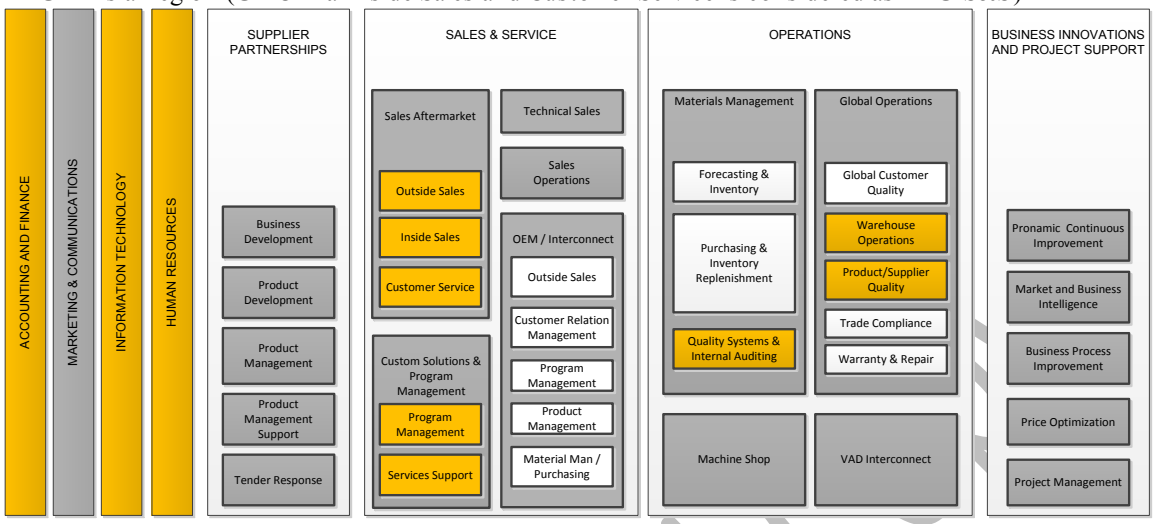
UK



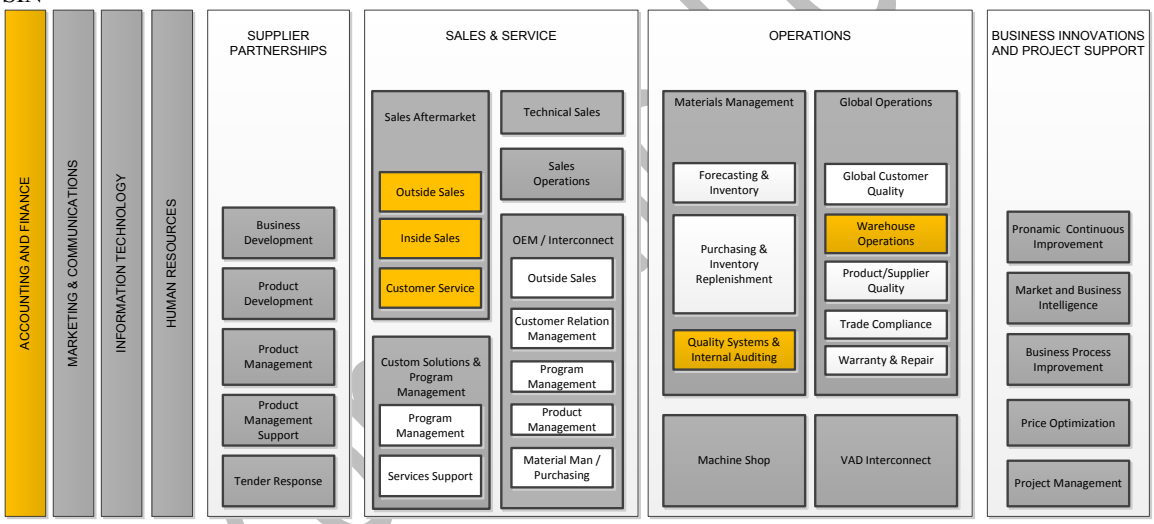
Spain



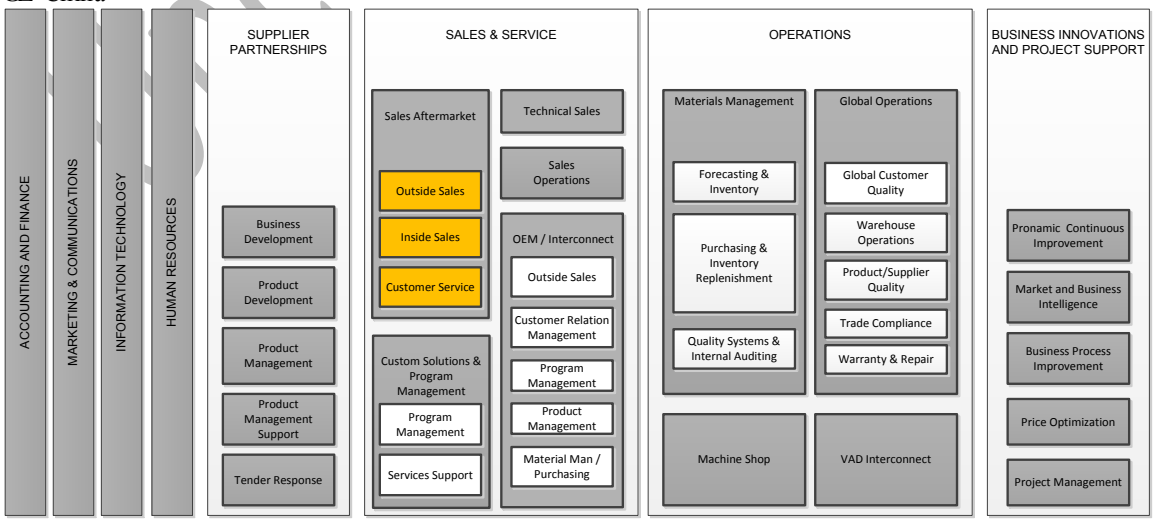
HKG – Asia Region (GZ China Inside Sales and Customer Service is considered as HKG S&S)



SIN



GZ China



SECTION 5 LEADERSHIP

5.1 Leadership and Commitment

General

Proponent Senior Leadership demonstrates leadership and commitment with respect to the quality management system (QMS) by:

- Taking accountability for the effectiveness of the quality management system
- Ensuring a quality policy and quality objectives are established and compatible with the context and strategic direction of the organization
- Promoting the process approach and risk-based thinking
- Ensuring that resources needed for the QMS are available
- Communicating the importance of effective quality management and of conforming to the QMS requirements
- Ensuring the QMS achieves its intended results
- Engaging, directing, and supporting persons to contribute to the effectiveness of the QMS
- Promoting improvement
- Supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility

Customer Focus

One of the key success factors to ensure the continuity of the company is continues fulfill customer needs and requirements. Because customers are driving the requirements of the operation, management is committed to ensure that customer's needs and expectations are understood by the organization, converted into sales order requirements, and fulfilled in an economical and viable manner.

The focus on customer satisfaction is demonstrated by the fact that management decided that the Net Promoter Score (NPS) it is one of the company's key performance indicators.

The needs and expectations of the individual customer are mapped by collecting information on the customer's market position, during contacts with the customer and during the acceptance of customer orders. We fulfill the needs and expectations of the individual customer by established procedures. With the NPS tool we collect additional information on what customers expect from the services provided by Proponent.

Proponent is aware that customer satisfaction starts with a high level of product conformity and on-time delivery.

5.2 Policy

5.2.1 Establishing the Quality Policy

The Quality Policy is developed and occasionally reviewed to assure it is appropriate to the purpose and context of the organization and supports the current strategic direction as decided by Senior Leadership.

5.2.2 Communicating the Quality Policy

Proponent regularly communicates the established quality policy in regular communication from the CEO/President and through periodic communications distributed internally.

Quality Policy

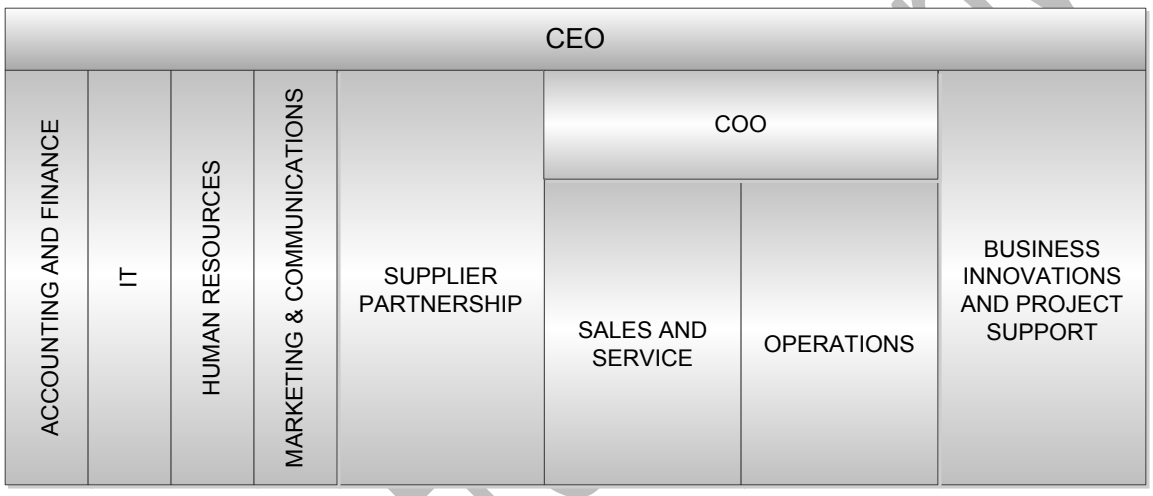
We aspire to be a trusted partner to our customers and suppliers, delivering innovative solutions in an engaging work environment.

We embrace continuous improvement and will employ metrics to measure our progress and ensure we are meeting expectations of customers, suppliers, and employees.

We will fully satisfy the requirements of the AS9100/AS9120 standard(s) and will comply with all governmental regulations and industry requirements.

5.3 Organizational Roles, Responsibilities, and Authorities

The company's processes are broken down to the organizational functional columns, see figure below. Each functional column is responsible for an assigned part of the company's operational or supporting processes.



Business Innovation and Project Support

The role of the Business Innovations & Project Support is to support the company goals by improving the quality of the way we work, the information we use, the decisions we take and to drive innovation through positive change in everything we do. This results in the following activities:

- Identification of improvement potential in the company
- Initiate innovations and stimulate innovative behavior
- Support improvement and innovation projects (small and big)

The function can be divided into six sub functions with different activities and responsibilities.

Project Management improves the project management skills in the organization and offers project management support for company projects.

Business Process Improvement improves our operational processes and supports the daily operations with this. The BPI uses Value Stream Mapping (VSM) as well as other tools to get to the process improvement. The BPI Manager acts upon request of functional business owners or just on his/her own initiative.

Market & Business Intelligence finds new intelligence market data sources, researches data and create relevant and actionable insights for the Proponent community. Also responsible for building a combined business intelligence data warehouse.

EPIC/CI (Pronamic) implements improved ways of working according to the LEAN principles resulting in continuous improvement and empowered employees who can improve their own way of working.

Pricing Optimization is committed to the long-term development of an analytical, intelligence-based pricing strategy to increase gross margin, market share & process efficiency.

Supplier Partnerships

Supplier Partnership is assigned to the process Develop and Maintain Product Portfolio. This process is broken up into the following 3 sub-processes or teams.

Business Development
Develop, maintain broad industry contacts, maximize right place at right time, raise company profile,
Find and deliver new distribution opportunities, build our direct-to-mfg product access and portfolio,
Lead efforts to develop a portfolio growth strategy,
Collaborate internally to develop complimentary BD targets, new capability/business models attractive to potential supplier-partners, and
Corporate supplier development – broaden division specific relationships into broader corporate relationships.

Product Management
Manage relationships with existing supplier-partners, negotiate favorable terms of business,
Manage and report financial performance of product lines,
Analyze market and competitive landscape, identify strategies and opportunities to grow,
Establish the strategic price policy for product lines,
Develop and deliver product/supplier campaigns through Customer Solutions team,
Train Customer Solutions on product/market/opportunity, and
Implementation of new product lines.

Product Management Support
Price management – maintain all systempricing, maximize inventory coverage, available cost data, etc.,
Collecting and registering part data like shelf life data, interchangeability, export classification codes.
Data integrity – ensure proper part setup, quality of data,
Technical support – field questions to support customer orders, capture/distribute available data to support transactional business, and

Sales and Service

Sales and Service is responsible for the process of developing and maintaining customer relationships that drive revenue activities. This process includes the sub-processes; business development, sales engagement, customer account management, quoting, order processing, Post-order follow up and customer complaint management.

The sales organization is split into two primary disciplines: aftermarket and OEM-Interconnect customer segments. The aftermarket sales teams are divided into three geographical teams: EMEA, the Americas and Asia-Pacific.

Sales and Solutions includes the OEM-Interconnect group and the group Custom Solutions. The OEM-Interconnect group focus on worldwide support to OEM and Interconnect customers, including larger aerospace manufacturers (e.g. Airbus and Boeing) as well as Tier I distributors (e.g. KLX).

The Custom Solutions group is supportive to all sales teams and groups when it relates to offering service programs like VMI, kitting and other complex customer specific service programs.

Technical Sales assists our inside and outside sales team with the development of sales opportunities that require a level of product knowledge that the current I and O sellers may not possess.

Sales Operations refers to the unit, role, activities and processes within a sales organization that support, enable, and drive front line sales and service teams to sell and support the customer better, faster, and more efficiently.
A critical link between the development and the execution of the sales and service strategies.
We are here to help bring a mature and scalable system to selling and servicing while learning more about our customers and engaging them in new ways.

Operations

Within Operations there are three main groups: Global Operations, Materials Management and Machine Shop. Within Proponent the following processes are assigned to these groups;

Global Operations

Warranty and Repair – Manage and perform all warranty and repair services as required by our customers and suppliers (based upon specific product lines as identified by Proponent).

Trade Compliance
Support tariff classification of parts in the system,
Support Product Management Support in classifying parts, and
File for export licenses.
Work with local, state and federal trade officials, as needed

Warehouse Operations
Stocking and Picking
Shipping
Kitting of component parts
VAD manufacturing
Assembly of interconnect products
Maintaining cost benefits with carriers/freight forwarders
Supports materials management in selecting transit outside of regular shipments.

Product & Supplier Quality
Receiving and Incoming Inspection,
Non-conformance handling,
Inbound product quality inspection
Supplier Performance Management

Materials Management

Purchasing & Inventory Replenishment
Maintain replenishment cycles for stock parts,
Respond to quote & order requests for order as needed parts,
Purchasing,
Supplier Non-conformance handling,
Review & manage safety stock levels, and
Coordinating internal company transfers.
Maintaining certain supplier relationships

Quality Systems & Internal Auditing ensures certification of the company's management systems related to Quality, Environment, and FAA approval against international standards, as expected by customers and suppliers. Internal audits will demonstrate compliance and where possible recommendations for improvements.

Forecasting & Inventory
Calculating order - and stock levels based upon a forecast.
Managing stock with respect to Shelf life
Analyzing inside and outside information to predictively model stoking trends and behaviors necessary to fulfill the mission of Materials Management which is to have the right parts, in the right place, at the right time

Machine Shop
Manufacturing of build-to-print "flyaway" commercial aviation and space related components
Assembly of certain subcomponents (e.g. hose assemblies)
Management of subcontractors and suppliers relevant to the manufacture of assemble of components noted above.

Marketing & Communications

Marketing & Communications is tasked with developing, implementing, and maintaining communications strategies. The department has two major functions – one internal and one external - in support of this goal.

Marketing is tasked to raise the company's brand presence and affirms our position as a trusted partner for external audiences. The Marketing team works to build partner loyalty by collaborating with customer- and supplier-facing departments to provide messaging tools, as well as managing broad marketplace messaging to elevate the brand.
The team develops collateral in support of Sales and Supplier Development communications. In addition, the team is responsible for creating digital marketing initiatives, coordinating tradeshows and events, and developing marketing campaigns that differentiate the brand and effectively position the company for long-term success.

Internal Communications ensures that there is clarity and continuity in our communications for our global employees. As an international company with over 500 employees across 12 sites, we need effective and consistent messaging in order to succeed. The Communications team is tasked with conveying company values and ongoing initiatives through corporate newsletters, brand initiatives, meeting recaps, and internal marketing campaigns that aid in building company culture.

Information Technology

The processes of IT can be split in 3. They relate to the following activities;

Business Systems Development develops and/or enhances business systems, either internally or though management of outside development resources. The team includes programmers and business analysts.

Helpdesk management is taking care of daily user support, help with hardware and software issues, and the management of user requests.

Infrastructure takes care of servers, data and storage networks, and phone systems. Ensures backups are performed and systems are maintained and ensures networks and systems can support the business going forward.

Accounting and Finance

Accounting and Finance facilitates long-term sustainable growth of the company. This is accomplished in four key areas:

Processing
Processing transactions effectively and efficiently
Supporting
Providing timely and relevant reporting, analysis and advice to support effective decision making
Safeguarding
Safeguarding the company's assets through balanced controls and risk management
Financing
Ensuring the company has sufficient, cost-effective financing in place

Human Resources

Through strategic partnerships and collaboration with all functional departments, the Human Resources department attracts, develops and retains a high performing workforce and fosters a healthy, safe, and productive work environment for employees in order to maximize individual and organizational potential and position the organization as an employer of choice. The processes assigned to Human Resources are:

- monitoring available competences, and championing career and professional growth; Continually (support of) Improving individual and organizational efficiency and effectiveness
- identifying and reporting potential risks with respect to the deployment of staff and / or succession,
- monitoring applicable laws and regulations related to staff and labor environment and when applicable, taking measures to ensure the company complies,
- maintaining and publishing the HR Policy Manual / Staff Regulations,
- maintaining the employee files, which include the training records,
- initiating, - and monitoring progress of -, the assessment of employee performance,
- monitoring sick leave of employees and when needed, taking initiatives to get people back to work,
- Monitoring various HR (K)PI's and if needed take action on this,
- Development of leadership skills

Besides, Human Resources supports managers with the fulfilling of vacancies, onboarding, termination, and advise on employee related issues.

Management Representative

The COO is appointed to be the Management Representative. The Management Representative has the following responsibilities:

- Ensuring that the quality management system remains in compliance with the requirements of AS9100, AS9120, and FAA AC 00-56 and its integrity is maintained,
- Informing the Senior Team on the status and performance of the quality management system and identified opportunities for improvement,
- ensuring the promotion of awareness of customer focus throughout the organization,
- promoting continuous compliance with the quality management system requirements within the Senior Team.

Being a member of the Senior Team, the Management Representative has the organizational freedom and unrestricted access to the other Senior team members to resolve quality related issues.

When required, the Management Representative has the authority to intervene and to initiate actions.

SECTION 6 PLANNING

The Board of Directors meet quarterly. During the meetings, the financial statements and industry developments are reviewed along with topics that are reviewed annually.

The annual topics concern:

- Budget
- Organization
- Personnel development and succession planning
- ESOP (Employee Stock Ownership Plan)
- Reviewing industry trends
- Assessing risks and opportunities
- Strategic Planning
- Key Performance Indicators
- Audit Committee report
- Infrastructure

The main activities of management have been planned in a management planning. The planning ensures that objectives and budgets are set in time and reviews and assessments are conducted.

6.1 Actions to Address Risks and Opportunities

Risk is an integrated part of the way strategies are set and decisions are taken by management. The same applies for opportunities. As well management as the Business Development departments are continues on the lookout for opportunities to increase business.

- The Senior Team looks for strategic opportunities,
- Outside Sales and Inside sales look for sales opportunities,
- Business Development and Product Development look product Portfolio opportunities, and
- The Business Innovation teams are set up to capture opportunities to improve the organization.
- Internal Audits
- Pronamic

The Board of Directors use a Porter forces analysis to determine the risks and opportunities in the market and with respect to the internal organization a SWOT analysis is used. With the results of the analysis and SWOT the company's strategies are set. for the next years.

Besides risk being taken into account when a decision is made with a large financial impact, several other measures have been taken and implemented to mitigate risks that have been identified.

- A Code of Conduct to prevent employees from behavior that could bring the company into a vulnerable and liable position.
- Processes have been worked out and described to limit errors made by employees and to ensure that matching errors between workflows are prevented.
- Automation of operational processes to reduce the risk on errors due to manual handling,

- Implementing an Export Compliance system to reduce the risk on a violation of export regulations,
- Analysis of customer complaints to identify risk areas within the operation.
- Having different insurances in place and review these yearly as a measure of damage control in case an unlikely and unwanted occurrence happens.
- Measures taken to reduce the down time of business essential computer systems in case of a disaster or serious failure.

Key Performance Indicators

The company has set seven corporate key performance indicators to monitor the health of the combined company. Each month the KPI's are measured, reviewed, and discussed within the Senior Team.

The corporate Key Performance Indicators are:

1.	Growth	(Gross Margin US$)
2.	Labor Productivity	(Margin US$ / Labor US$)
3.	Return on Inventory	(Margin US$ / Inventory US$)
4.	Customer Satisfaction	(Net Promoter Score)
5.	Employee Engagement	(Employee NPS)
6.	Supplier Development	(Supplier NPS)
7.	Innovation Culture	(Innovation NPS)

6.2 Quality Objectives and Planning to Achieve Them

Quality objectives have been established for the various key processes defined by Proponent. These are documented on the key process turtle diagrams.

Quality and Delivery Performance

In addition to the KPI's described sect. 6.1 above Quality (product conformity) and Delivery Performance are measured and monitored each Proponent warehouse location.

6.3 Planning of Changes

Changes developed for the quality management system will be planned and communicated prior to execution. These changes will be communicated to our Quality System Registrar, customers, and suppliers as applicable in a timely manner. Significant change to the QMS certification status or scope of certification will be communicated to our customers within 48 hours and other interested parties as applicable. Appropriate communication with leadership and process owners in regard to purpose, the availability of resources required for an effective implementation, and the allocation or re-allocation of responsibility and authority.

SECTION 7 SUPPORT

7.1 Resources

The resources, needed for the realization of the company's goals and targets and to carry through set policies and strategic initiatives, are identified and provided for.

Applicable government regulations and good workmanship practices shall be taken into account.

The Senior Team members and the Site Managers have the responsibility and authority for the identification and provision of resources.

Resources may include, but not limited to, any of the following:

- Human resources
- Financial resources
- Training
- Company guidelines
- Authorizations
- Facilities
- Communication systems
- Information systems
- Office furniture
- Warehouse equipment
- External Information sources

During the Management Review the participants determine if sufficient resources have been made available to the organization and if resources need to be added to improve the functioning of the quality management system.

Infrastructure

All employees will have at their disposal the necessary facilities to accomplish their tasks in a proper, safe and effective manner.

All Proponent facilities are kept in a safe, efficient and clean manner. The workspace shall be adequate to accommodate task to be performed and organized in such a way to optimize the quality level of the work to be performed.

Site Managers have the responsibility and the authorization to maintain the buildings, to take measures to prevent unauthorized access, to identify and to provide warehouse equipment and office utilities taking into account the company's house-style.

Decisions on occupying new buildings or radical changes of used buildings are made only with the agreement of the Senior Team.

Warehouses are equipped with racks, bins, transport equipment and other warehouse equipment to stock and to handle parts and materials according to regulations of the aviation industry and taking into account workers safety.

Warehouses are accessible to authorized employees only.

The IT department maintains the communication and information system (hardware and software) supporting the Proponent processes and supports the organization by developing new applications within the current systems and retrieving data in a requested format.
Based upon customer requirements, organizational needs and business developments, the Senior Team decides to invest in new systems.

Budgets are available for subscriptions on external information sources.

Environment for the Operation of Processes

A clean and a well-organized, well-managed, facility contributes to a safe, efficient and effective work place. Management and the HR department keep an open eye to see if the work to be done is not causing an over-stress situation with employees.

Work environment factors include, but are not limited to:

cleanliness,	security,	space,
temperature,	safety,	light,
humidity,	ergonomics,	circulating air.

The physical plant layout and the control of the work environment factors is a responsibility of the Site Manager. In consultancy with the department managers the best possible work environment is created for the individual work places.

Monitoring and Measuring Resources

Proponent has determined and provided resources necessary to ensure valid and reliable results when monitoring or measuring is used to verify conformity of its products and services to requirements. Continued use and fitness for this purpose is accomplished per TGC-650 when tools or equipment are used to verify conformity.

In addition, suitable monitoring and measurement activities are carried out as a review of the effectiveness of the various key processes identified in section 4.4.

7.2 Competence and Training

To ensure effective operation of the quality system, Proponent management maintains an ongoing training program that ensures that personnel performing work affecting product quality shall be competent on the basis of appropriate education, training, skills, and experience. The training program is described in Proponent procedure CTP-075 Company Training Procedure.

7.3 Awareness

Personnel doing work that is controlled by Proponent systems and processes are made aware of policies, objectives, their contribution to the QMS and benefits of improved performance, implications of not conforming with the QMS requirements, relevant QMS documented information and changes, their contribution to product or service conformity, product safety, and the importance of ethical behavior. The following are some of the methods that are regularly used:

- Training
- Meetings
- Internal communications
- Intranet sites and web based solutions

7.4 Communication

General

Effective communication is central for the success of the company. Our goal is to have an effective exchange of information and a continues dialog with the employees.

Beside different meetings at different management levels and the Quarterly Reviews, the employees are informed by the joint newsletter ENGAGE.
Sharepoint provides the employees information on the organization they can look up.

By bilateral meetings with their manager and the Employees survey the employees can share information important to the them with management.

Internal Communication

As a means to promote communication regarding quality, top management has created a Quality Systems Community (QSC) Team whose members shall meet periodically to discuss issues pertaining to the quality management system. Members of the QSC Team will consist of representation of all Proponent processes.

External Communication

To accomplish the goal of being a Proponent to our customers as well as our suppliers, we have established requirements regarding method and timing of external communications. This communication criteria are as follows:

- The method of communication externally to all suppliers and customers shall be in English.
- External providers shall inform Proponent within 24 hours of discovery of suspected nonconforming product or material having been shipped regardless of destination.
- Proponent shall inform its customers within 24 hours of discovery of suspected nonconforming product or material having been shipped regardless of destination.
- External providers shall inform Proponent of any changes in its certification, registration, or accreditation within 48 hours of receiving notification of the change.
- Proponent shall inform its Customers of any changes in its certification, registration, or accreditation within 48 hours of receiving notification of the change.

Meetings

Board of Directors Meeting.
The Board meets quarterly to discuss the strategic issues, budget and other issues, which have a major impact on the company's operation.

Senior Team Meeting.
The Senior Team meeting is held every week. Participants of the Senior Team meeting are the CEO and the VP's of the functional columns.
Topics of the Senior Team meeting are, but not limited to:

- corporate business activities,
- key performance indicators,
- financial performance,
- integration of Proponent,
- business opportunities,
- potential risks.

Quarterly Review
Each quarter the CEO informs all employees on the financial and operational performance of the organization, on the realization of the goals and targets set for the combined company, and on the strategic initiatives the company is working on. The Quarterly Review is held by means of a presentation.

7.5 Documented Information

The Proponent Quality Management System has been documented using this Corporate Quality Manual as a road map to the key processes, additional supporting quality manuals, and procedures.

Work instructions and forms are provided as needed and may be referenced in the procedure and found electronically in the web based document management system.

Creating and Updating

When documents required by the QMS are either created or updated, our web based document management system will be utilized to track and control the update and intended implementation of the documents.

Control of Documented Information

Proponent uses a web based software system to control, update, and inform key personnel of documented information required by the QMS and/or the standards in which it subscribes. Authorities and access are provided using this same system and oversight to assure suitability to the required standard or existing QMS.

Procedures: DCM-600, QRP-725

SECTION 8 OPERATION

8.1 Operational Planning and Control

Proponent has planned, implemented, and control the processes needed to meet the requirements for the provision of products and services, and to implement the actions determined in clause 6 by:

a. Determining the requirements for the products and services;
b. Establishing criteria for the processes and acceptance of products and services;
c. Determining resources needed to achieve conformity to the product or service requirements, including meeting on-time delivery of products and services;
d. Implementing control of processes in accordance with the criteria;
e. Determining, maintaining, and retaining documented information to the extent necessary;
    - To have confidence that Proponent processes have been carried out as planned;
    - To demonstrate the conformity of products and services to their requirements;
f. Engaging representatives of affected organization functions for operational planning and control;
g. Determining products and services to be obtained from external providers;
h. Establishing the controls needed to prevent the delivery of nonconforming products and services to the customer.

The accomplishment of these criteria in this section are further detailed in the procedures identified in this section.

Procedure: POR-300, PQO-400, QRP-725, VAD-100

8.1.1 Operational Risk Management

Proponent has established, implemented, and maintained a process for managing risk to the achievement of applicable requirements, that includes as appropriate to Proponent and the product. This may not apply in the global distribution related processes of Proponent.

Procedures: BCP-050, CRP-900, POR-300, MSP-700, VAD-100

8.1.2 Configuration Management

Proponent has established, implemented and maintains a configuration management process that is appropriate to the organization and our products and services. This is further detailed in QMS procedures identified in this section.

Procedures: DCM-600, PRD-040, PQO-400, IAP-500, CRP-900, VAD-100

8.1.3 Product Safety

Proponent captures the need for planning, implementation, and control of processes needed to assure product safety during the entire product life cycle, as appropriate to the organization and the product. This process does not apply to the global distribution related processes of Proponent.

Procedures: CRP-900

8.1.4 Prevention of Counterfeit Parts

In order to prevent that Proponent purchases counterfeit parts, Proponent purchases from known suppliers and requests full traceability to be demonstrated by the packing lists and certificates coming with the parts or material.

A training course provides awareness and guidelines to the employees to recognize possible counterfeit parts and how these parts come into the supply chain.

Procedures: CUP-450

8.2 Requirements of Products and Services

Proponent has developed a process to determine the requirements for products and services and include as needed the timely and effective resolution of any customer notification of defective product or processes and customer complaints. These are further detailed in the procedures identified in this and subsequent sub sections under this subject.

Procedures: CRP-900, CRP-901

8.2.1 Customer Communication

Proponent makes every effort to be timely and responsive to customers in communications on the following subjects:

a. Providing information relating to products and services;
b. Handling enquiries, contracts, or orders, including changes;
c. Obtaining customer feedback relating to products and services, including customer complaints;
d. Handling and controlling customer property; establishing specific requirements for contingency actions, when relevant.

Procedures: CRP-900, CRP-901

8.2.2 Determining the Requirements for Products and Services

Proponent determines the requirements for products and services and defines them, including applicable statutory and regulatory requirements, as well as those considered as necessary by the organization.

Procedures: CRP-900, CRP-901

8.2.3 Review of the Requirements for Products and Services

Proponent assures capability to meet the requirements for products and services offered to a customer, by completing a review prior to committing to supply products and services to the customer. This review is further defined in QMS procedure or instruction and involves applicable functions of the organization.

If the review determines that some customer requirements cannot be met or can only partially be met, Proponent negotiates a mutually acceptable requirement with the customer.

Procedures: CRP-900, CRP-901

8.2.4 Changes to Requirements for Products and Services

In the event of changes to requirements for products and services; Proponent assures that relevant personnel are made aware of the changed requirements, and relevant documented information is amended.

Procedures: CRP-900, CRP-901

8.3 Design and Development of Products and Services

Proponent develops customer services compliant to contractual requirements, that simplify the acquisition of product from our portfolio, and enable our supplier partners to offer their products to a broader customer base. These services utilize inherit flows native to our ERP and processes developed for our distribution platform.

Proponent has evaluated the requirements related to the design and development of products, and has determined that design and development of product is not applicable to the scope of the documented Quality Management System.

Procedures: DCM-600

8.4 Control of Externally Provided Processes, Products, and Services

Proponent maintains responsibility for the conformity of all externally provided processes, products, and services, including from sources identified by the customer. Proponent ensures, when required, that customer-designated or approved external providers, including process sources (e.g., special processes), are used. Additional details describing this process and the subsequent sub sections of this subject are included in the QMS procedures provided.

Procedures: POR-300, PQO-400, SQM-410, CRP-900, CRP-901, QRP-725, CAP-350, CUP-450

8.4.1 General

Proponent assures that externally provided products and services conform to specified purchase requirements and maintains responsibility for the conformity of all externally provided processes, products and services, including from sources defined by the customer.

Proponent assures, when required, that customer-designated or approved external providers, including process sources (e.g., special processes) have been used.

Proponent identifies and manages risks associated with the external provision of processes, products, and services, as well as the selection and use of external providers.

Proponent requires that external providers apply appropriate controls to their external providers, to ensure the requirements are met.

Proponent has developed processes capable of fulfilling the following needs to maintain proper control of its external providers:

a) maintain a register of its suppliers that includes approval status (e.g., approved, conditional, disapproved) and the scope of the approval (e.g., product type, process family),

b) periodically review supplier performance; the results of these reviews shall be used as a basis for establishing the level of controls to be implemented,

c) define the necessary actions to take when dealing with suppliers that do not meet requirements,

d) ensure where required that both Proponent and suppliers use customer approved special process sources,

e) define the process, responsibilities and authority for the approval status decision, changes of the approval status and conditions for a controlled use of suppliers depending on the supplier's approval status, and

f) Determine and manage the risk when selecting and using suppliers, and

g) Implement controls to prevent the purchase of counterfeit and suspected unapproved products. (Distribution only)

Procedures: POR-300, PQO-400, SQM-410, CRP-900, QRP-725, CAP-350, CUP-450, NCM-360

8.4.2 Type and Extent of Control

Proponent assures that externally provided processes, products, and services do not adversely affect our ability to consistently deliver conforming products and services to our customers.

We accomplish this by making sure externally provided processes remain within the control of our quality management system, and the controls that we intend to an external provider as well as those that will apply to the resulting output are defined.

Procedures: POR-300, PQO-400, SQM-410, CRP-900, QRP-725, CAP-350, CUP-450

8.4.3 Information for External Providers

Proponent ensures the adequacy of requirements prior to communicating with external providers. External providers are informed of Proponent, Customer, and product or service requirements by our purchase order general terms and conditions, selected quality clauses, and specific information included on the purchase order.

Procedures: POR-300, PQO-400, SQM-410, CRP-900, QRP-725, CAP-350, CUP-450

8.5 Production and Service Provision

Procedures: PQO-400, TGC-650, QRP-725, MSP-700, OFP-175

8.5.1 Control of Production and Service Provision

Proponent executes production and service provisions under controlled conditions defined in documented information suitable for these processes. Adequate monitoring and measuring resources are available and appropriate monitoring and measurement activities have been implemented.

Procedures: PQO-400, TGC-650, QRP-725, MSP-700, OFP-175

8.5.2 Identification and Traceability

Proponent uses suitable means to identify outputs when it is necessary to ensure the conformity of products and services.

Proponent maintains the identification of the configuration of the product and services in order to identify any differences between the actual configuration and the agreed configuration.

Proponent identifies the status of outputs with respect to monitoring and measurement requirements throughout production and service provision.

Proponent controls the use of acceptance authority media (e.g., stamps, electronic signatures, passwords).

Where traceability is a requirement, PROPONENT shall control the unique identification of the product and maintain records.

Proponent maintains identification and traceability of the outputs by suitable means (e.g., labels, bar codes, or other) *from receipt; during splitting, storage, packaging, and preservation operations; and until delivery (including subcontracted handling or packaging operations).*

Procedures: PQO-400, CCD-095, SCI-625, PRD-040, MSP-700, OFP-175, QRP-725

8.5.3 Property Belonging to Customers or External Providers

PROPONENT exercises care with property belonging to customers or external providers while it is under PROPONENT control or is being used by PROPONENT. PROPONENT has means to identify, verify, protect and safeguard customer or external providers property provided for use or incorporation into the product. If any customer or external provider property is lost, damaged, or otherwise found to be unsuitable for use, this shall be reported to the customer or external provider and records maintained.

Procedures: PQO-400, QRP-725

8.5.4 Preservation

PROPONENT preserves the outputs during production and service provision, to the extent necessary to maintain conformity to requirements. As applicable, preservation of product shall include identification, handling, packaging, storage and protection. Preservation shall also apply to the constituent parts of a product.

Preservation of product shall also include, where applicable in accordance with product specifications and/or applicable statutory and regulatory requirements, provisions for:

a) Cleaning,

b) prevention, 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, and

f) special handling for hazardous materials.

Procedures: OFP-175, HAZMAT Manual

8.5.5 Post-Delivery Activities

Proponent post-delivery activities associated with products and services are planned for and met, by determining the extent of these activities by considering the following;

a. statutory and regulatory requirements;
b. potential undesired consequences associated with its products and services;
c. the nature, use, and intended lifetime of its products and services;
d. customer requirements;
e. customer feedback;
f. product/customer support (e.g., queries, training, warranties, maintenance, replacement parts, resources, obsolescence).

When Proponent is aware of problems after delivery, appropriate action is taken including investigation and reporting.

Procedures: PQO-400, QRP-725, CRP-900, CAP-350, DCM-600

8.5.6 Control of Changes

Proponent reviews and controls changes for production and service provision, to the extent necessary to ensure continuing conformity to requirements. Qualified personnel based on experience are defined in the web based work flow management system. Documented results of these reviews and authorizations are recorded.

Procedures: CRP-900, PQO-400, MSP-700, OFP-175

8.6 Release of Products and Services

Proponent has implemented planned arrangements, at appropriate stages, to verify that the product and service requirements have been met.

The release of products and services to the customer will not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, as applicable, by the customer.

Procedures: OFP-175, POR-300, PQO-400, SQM-410, CRP-900, QRP-725, CAP-350, CUP-450, TGC-650, MSP-700

8.7 Control of Nonconforming Outputs

Proponent ensures that outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery. Nonconforming outputs include suspect unapproved, unapproved, counterfeit, and nonconforming product or service generated internally, received from an external provider, or identified by a customer.

Procedures: NCM-360

SECTION 9 PERFORMANCE EVALUATION

9.1 Monitoring, Measurement, Analysis, and Evaluation

9.1.1 General

Proponent has planned and implemented monitoring, measurement, analysis, and improvement processes needed

a. To demonstrate conformity to product requirements,
b. To ensure conformity of the quality management system and QMS processes, and
c. To continually improve the effectiveness of the quality management system and it's processes.

Procedures: MRP-025, PQO-400, SIP-425, IAP-500

9.1.2 Customer Satisfaction

As one of the measurements of the performance of the quality management system, PROPONENT monitors information related to customer perception and as to whether PROPONENT has met customer requirements. Information to be monitored and used for the evaluation of customer satisfaction shall include, but is not limited to:

a) product conformity,
b) on-time delivery performance,
c) customer complaints and
d) corrective action requests.
e) NPS

Procedures: CRP-900, MRP-025

9.1.3 Analysis and Evaluation

PROPONENT collects and analyzes appropriate data to demonstrate the suitability and effectiveness of the quality management system and to evaluate where continual improvement of the effectiveness of the quality management system can be made. This shall include data generated as a result of monitoring and measurement and from other relevant sources.

The analysis of data shall provide information relating to:

a. Conformity of products and services;

b. The degree of customer satisfaction;

c. The performance and effectiveness of the quality management system;

d. If planning has been implemented effectively;

e. The effectiveness of actions taken to address risks and opportunities;

f. The performance of external providers;

g. The need for improvement to the quality management system.

Procedures: MRP-025

9.2 Internal Audit

PROPONENT conducts internal audits at planned intervals to determine whether the quality management system:

a) conforms to the planned arrangements, to the requirements of the international standard and to established PROPONENT Quality Systems requirements, and

b) is effectively implemented and maintained.

An audit program is planned, taking into consideration the status and importance of the processes and areas to be audited, as well as the results of previous audits.

The audit criteria, scope, frequency, and methods are defined and auditors are selected for their overall knowledge of the QMS and Proponent business processes. Auditors shall not audit their own work.

A documented procedure IAP-500 defines the responsibilities and requirements for planning and conducting audits, establishing records and reporting results.

Records of the audits and their results shall be maintained.

The management responsible for the area being audited shall ensure that any necessary corrections and corrective actions are taken without undue delay to eliminate detected nonconformities and their causes. Follow-up activities shall include the verification of the actions taken and the reporting of verification results.

9.3 Management Review

The Senior Team members, Site Managers of stock holding sites, and Corporate Quality Systems personnel conduct a management review on the quality management system at least once a year. Based upon the review of pre-defined data and results of different analysis the meeting decided if:

- the quality system is sufficiently implemented and maintained,
- the quality system is adequate and effective and fits the expectations and requirements of the market,
- the quality policy statement is adequate,
- risks are sufficiently addressed,
- sufficient resources are available,
- the measures to capture opportunities for improvement are sufficiently.

Details are described in the procedure (MRP-025) on Management Reviews.

SECTION 10 IMPROVEMENT

10.1 General

Proponent determines and selects appropriate opportunities for improvement and implements necessary actions to meet customer requirements and enhance customer satisfaction.

Procedures: MRP-025

10.2 Nonconformity and Corrective Action

Proponent reacts to the notification of a nonconformity by appropriately acting to control and correct it, as well as dealing with the consequences. The source of these nonconformities may be internal and/or external subsequently requiring corrections that are appropriate to prevent recurrence.

Procedures: NCM-360, CAP-350, IAP-500

10.3 Continual Improvement

Proponent works toward continually improving the suitability, adequacy, and effectiveness of the quality management system. We do this by considering the results of analysis, outputs from management review, to determine if there are needs or opportunities that are to be addressed as part of continual improvement.

Improvement activities that have been implemented are monitored and evaluated for the effectiveness of the results.

Procedures: MRP-025, PAP-340

SECTION 11 NOTES

11.1 Revision Indicator

Revision to editorial or technical information in this document will be shown in 'red' text at the time of implementation. Those changes will return to automatic on subsequent revision to this document.

11.2 References

Proponent FAA Quality System Manual

11.3 Revision History

Revision Number	Revision Date	Pages/Section Revised	Comments
1	9/26/86	Page ii	Added revision 1.
		Section 1.2	Clarification of forms.
		Section 2.1	Deleted document number.
		Section 2.2	Clarification of Supplier Surveillance and deletion of last paragraph.
		Section 2.3	Clarified submittal of samples to independent labs.
		Section 3.0	Changed name of stores to Material Stock Control.
		Section 3.1	Clarified material/part issuance.
		Section 3.2	Deleted reference to DAC document.
		Section 5.0	Clarified inspection planning.
		Section 5.3	Editorial changes.
		Section 7.2	Changed calibration cycle.
		Section 8.0	Changed drawing status card to drawing file jacket.
		Section 9.0	Editorial changes.
		Section 9.1	Editorial changes and defining "use as is" disposition.
		Section 13.0	Updating forms.
2	10/11/86	Section 9.1	Clarifying "use as is" discrepant material/part is to be returned to vendor or scrapped.
3	1/10/89	Section 11.2	Inspection records will be maintained: was 2 years, is now 4 years.
		Section 13.0	Replaced receiving inspection report with new form.
4	8/17/89	Section 14.0	Expanded facility layout to include 3051 E. Enterprise
5	4/2/90	Section iii	Added D.M.I.R.
		Section 7.2	Calibration cycle was three months, is six months.
		Section 9.0	Add NCR document.
		Section 9.2	No MRB authority.
6	3/21/91	Section 1.0	Added Part J.
		Section 6.0	Added new stamps and Section 6.3.
		Section 7.0	Added Section 7.4.
		Section 13.0	Added new inspection form.
7	7/23/91	Section 7.0	Revised to add reference to Procedural Manual.
		Section 7.1	Was N.B.S., is N.I.S.T.
8	1/2/92	Section 3.2	Added Part A.
		Section 9.2	Clarified "No MRB."
		Section 12.0	Added Section 12.2.
9	2/18/93	Section 1.2 B	Added reference to Procedural Manual PTS-750.
		Section 9.2	Added production certificate to Type Certificated.
10	10/5/93	All Sections	Reformatted and rewritten.
11	12/16/94	All Sections	Reformatted to WordPerfect 6.0.
		Section iii	Revised organizational chart: QA Manager to report to Company President.
		Section 8	Added Section 8.4, Intellectual property and proprietary rights.
12	11/9/95	Section I	Added: "Federal Aviation Administration" Editorial changes.
		Section ii	Part 2C - changed manual to "controlled manual."
		Section iii	Revised organizational chart to include Production department.
		Section 1	Editorial changes and removed last (*) in Part 1.2.1. Changed Section 1.3 and 1.4. Included Section 1.5.

Revision Number	Revision Date	Pages/Section Revised	Comments
		Section 2	Added K2-100 to Part 2.1 and removed Form QC201, On-site Survey Report." Part 2.3.3 - added "First time supplier, etc., and changed Prime to Production Certificate Holder. Added forms QC K2-100a and K2-100b.
		Section 3	Part 3.1.2 - Editorial changes. Part 3.2 - Changed, Material Selection: to Pick Ticket.
		Section 4	Part 4.1 - added K2-100.
		Section 5	Part 5.1.3 - revised.
		Section 6	Part 6.2 - revised.
		Section 7	Part 7.3.4 - editorial changes.
		Section 8	Added Form QC602, "Drawing Sign-out Form."
		Section 9	Added Form QC905, "Nonconforming Material Notification" and Part 9.1.3. Part 9.2.5 - revised to "beyond use."
		Section 12	Part 12.2.1 - added "Principal Inspector" Part 12.2.2 - revised. Added Forms QC400 and QC550, audit sheets for Receiving Inspection and Final Shipping Inspection. Revised Part 12.3.2 and Part 12.3.6.
		Section 14	Added new QC forms.
13	5/97	All Sections	Was Quality Assurance, is Quality Systems. Completely rewritten to bring into compliance with ISO9000.
	12/98		Complete Review of Manual done. On 12/98 there are no changes to the Quality Manual at this time.
14	3/10/99	Several Sections	Changes to the following sections were made on 3/10/99. The Approval Page, Table of Contents, Introduction, Section 2, Section 7, Section 10, Section 11, Section 13, and Section 15.
15	3/10/00	All Section, Less Sec 19	Reformatted all sections except 19. Updated Table of Contents, Modified Introduction, Minor changes made to content of all sections, except 19.
16	5/17/00	Approval Page, Introduction, Sec's 1,2,5,14, And 17	Removed "Director of Quality Systems" and replaced with "Quality Systems Facilitator, Lead Auditor, or Data Control and Distribution Supervisor" as applicable.
17	08/27/01	All Sections	Format changed – Was: "ACTIONS AND METHODS" heading, changed to: "POLICY". Revised Sections 5, 9, 14, 16, 17 to meet AS9100 requirements.
18	05/14/02	Approval page, Sec 2	Revised Sec 2 to add AS9100 and D6-82479 req'ts. Revised entire QM to reflect the new KAPCO|VALTEC Logo.
19	07/03/03	Entire QM	Reformatted QM to AS9100:2000 Rev A Format (8 Elements) Not Released, used for preliminary audit evaluation purposes.
20	07/24/04	Entire QM	Minor revisions per preliminary audit evaluation.
21	01/26/04	Entire QM	Removed all BGP references, except BGP 1.91, removed "SPC" objective from Sec 4.2.1.2.

Revision Number	Revision Date	Pages/Section Revised	Comments
22	7/17/06	Entire QM	The changes are as follows: 1. All three sites have been added under this single Quality Manual. 2. All procedural references have been removed, replaced by a statement in 4.2.2 referencing the matrix below. 3. A matrix has been created to identify all procedural references, based upon site. (See QD-9000M) 4. The FAA-PMA portion of the Valtec QM is being relocated to a FAA-PMA Procedure, and is referenced in the Matrix. 5. Exceptions are taken to Design and Servicing (Revised Wording to Section 7.3, 7.5.1.5)
23	12/01/06		Added references to FAA Addendum in Sections 1.1 and 4.2.1, Revised Section 7.3, Added FAA Addendum.
24	03/30/09	Entire QM	1. Editorial and format changes. 2. Updated cover and footers, included site and HQ relationships. 3. Added Table of Contents. 4. All applicable sections have been updated in accordance with AS9120 and QS Memo 010. Additional text has been noted in italic text. 5. Changed name and logo to KAPCO, removed all references to KAPCO|VALTEC. 6. Added AMS Site and Site index in Section 1.1 7. Updated FAA Addendum to include AMS Site. 8. Changed FAA Procedure to FAA-100 in FAA Addendum (This Revision was not approved by the FAA CA MIDO office and was not released for use)
25	07-08-2009	Entire QM	Revised QM Sections 1.1, 2.0, 4.1, 4.2, 5.5, 6.2, 6.3, 6.4, 7.1, 7.2, 7.5, 7.6, 8.2, 8.4, and 8.5 to incorporate ISO9001:2008 requirements.
26	08-05-2009	QM p3, p17, p22, p25, and p31	Revised Section 1.0 to remove BG Site, and identify other buildings at the Corp HQ Site and add reference to FAA AC 00-56a, and correct/clarify exclusions. Revised Section 7.1, 7.5.1, 7.5.2, and 7.5.3 to correct/clarify exclusion justification. Removed AMS exclusion identified within Section 8.2.4.1.

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27	4/26/2011	Cover Page, section 1.1, 1.2, 3.1, 4.2, 7.3, 8.5.3	Added Santa Clarita Site, and updated location to the AMS Facility. Added SC Site to Section 1.2 Updated Section 1.1 to remove "FAA Fabrication Inspection System" references and replaced with FAR 21 Quality Management System Requirements, updated 4.2.1f, 7.3 to remove and replace all references to the "FAA Addendum" to the KAPCO PMA-QSM. Removed FAA Addendum. Revised Section 8.5.3 to correct terminology and replace "preventative" with "preventive" 3.1 updated from "JAA Form 1" to "EASA Form 1" Revised Sec 5.6.1 to incorporate QS Memo #011 and revise to an annual Mgt Review.
28	09/01/2011	As defined	1. Revised to incorporate FAR Part 21 requirements Removed FAA Addendum. Added FAR Part 21.137 to Section 1.1. 2. Revised to incorporate AS9100 Rev C, and AS9120:2009 Policy Requirements. Various changes throughout the entire document – too numerous to list. 3. Revised all references within section 8.5.3 from "Preventative" to "Preventive". 4. Updated to add procedural references to each section, removed reference to QD9000M Procedural Matrix. 5. Updated to correct CT address to match OASIS DB and Registration certificates. 6. Revised Cover page to reflect "Controlled" Document via KAPCO Document Management when accessed electronically.
29	06-15-2012	Cover Page, Section 1.1, 1.3.1, and 4.1.	1. Revised section 4.1 to better define "Outsourced processes". 2. Revised AMS Address due to relocation on "Title page" and Section 1.1. 3. Revised Section 1.3.1, to remove the 'and Service" exclusion under Section 7.5.1. 4. Revised Section 1.1 to permit site designation "Main" for the CA Site location. 5. Revised Section 4.1 to removed AMS procedure reference to ICR-202, added ICA-201. 6. Revised titles in "Document Approvals" section on Cover Page. 7. Removed "SC" site references from each section, as SC is a part of the CA or Main Site.

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30	04/18/2013	Cover Page	Quality Manual structure revised, Defined scope of Tier I, IIa, IIb, and III. Created Quality Manuals for each Tier. Requirements relocated to Tier I, IIa, IIb, and III Quality Manuals.
31	1/17/2014	Signature page, Section 1.1, 1.1.1, Section 4, All page numbering	Updated Section 1.1 Scope to include d.b.a.'s, added Coast Air to the list of d.b.a.'s, Revised Section 1.1.1, Added the revised Quality Policy to Section 4. Corrected page numbering system.
32	8/5/2014	Signature Page	Updated approval signatures block to add MIA and SIN site locations. Updated entire document to reflect new logo and d.b.a. Kapco Global. Updated AMS location. All changes identified in Red Font.
33	04/14/2015	Page 1, site locations; page 2, signature block; page 12 section 1.3	Removed Santa Clarita site from site locations list. Removed Rick Crislip from signature block and added Doug Creelman. Added list of key processes to section 1.3.
34	12/23/2015	Cover page, site locations; page 2 signature block, sect. 1.1 SC site	Revised site locations cover page, remove Wellington and Miami, add Tamarac. Added Kevin Stibich as Corporate Quality Systems Manager and deleted SC site in sect. 1.1. Removed Paul Ferri, Managing Director AMS site. Removed Terry Vieira, Managing Director Mia site.
35	11/4/2016	Cover page, site location	Revised the AMS site address location and removed the 3101 Enterprise location of KG Brea.
36	11/10/2017	ALL	Revised entire QMS Manual to comply with 9100D and 9120B requirements. Corrected current titles and added new Proponent logo.
37	02/01/2018	Fig. 2 pg 13, sect. 8.3	Revised interactions map adding KP blocks. Added COO to approvals. Revised section 8.3 for product design. Revised KG dba to Proponent throughout document.
38	3/22/2018	4.1, 4.2, 5.3	Revised sect. 5.3 Operations description and diagram in sect 4.1, added employees as an interested party in sect 4.2.
39	7/17/2018	0.1, 1.0, 6.3, 7.3, 4.4	Added in sect. 7.3 external communications, revised sect. 6.3 planning of changes, revised CA Site Leader and removed VP Order Fulfillment, removed SXB (France) location from scope, quality system approvals and document review and approval.
40	11/10/2018	Table 1, 1.0, 4.1, 4.4, 9.3, 7.3, 7.5, 8.1, 8.1.1, 8.1.2, 8.1.3, 8.2, 8.2.1, 8.2.2, 8.2.3, 8.2.4, 8.4, 8.4.1, 8.4.2, 8.4.3, 8.5, 8.5.1, 8.5.2, 8.5.3, 8.5.4, 8.5.5, 8.5.6, 8.6, 8.7, 9.1.1, 9.1.2, 9.1.3, 9.2, 10.1, 10.2, 11.2	Use of trade marked logo on cover page, 0.1 General and Tier Definition/Scope, Terms and Definitions, Update table 1, sect. 1 scope adding Hong Kong & Alphen, 4.1 context of the organization and process maps, sect 4.4 QMS & it's processes, removed site leader approvals. Update and add description for sections paragraphs in sections 7, 8, 9, 10, and 11 and removing reference to Tier IIa, IIb, and Tier III Quality System Manuals.

Revision Number	Revision Date	Pages/Section Revised	Comments
41	12/6/2018	7, 9, 17, 25	Revised remaining references KG/AD to Proponent. Removed CT site location from the site certification strategy and headcount is included as Brea (Corporate Office). Revised JAA Form 1 to EASA Form 1, and replaced organizations with processes in QSC.
42	1/11/2019	Sect. 2 scope on page 9	Added address locations for Netherlands and Hong Kong warehouses.
43	7/16/2019	Pg 10, 13, 14, 15, 17, 25	Update sect. 4.1 Global Customer Quality, 4.4 to current organization and processes. Revised graphic sect. 5.3. Update Sales & Service description with Technical Sales and Sales Operations. Updated Business Innovation organization removing Customer Experience and replacing with Business Process Improvement. Update sect. 7.2 for training and competence.