# Quality Manual

Performance Seals, Inc.
4540 S. Pinemont, Suite 122
Houston, TX 77041

This manual complies with the requirements of the ISO 9001:2008 International Standard.

# Table of Contents

# 1.0 Scope and Exclusions

## Scope

This Quality Manual contains policies implemented at Performance Seals, Inc. 4540 S. Pinemont, Suite 122 Houston, TX 77041.

This manual pertains to processes relating to: Customer Service, Purchasing and Receiving, and Order Fulfillment of seals and o-ring part distribution for the Aerospace, Automotive, Oil & Gas, Life Sciences, and Semiconductor industries.

The manual and related quality system documentation are written to comply with the requirements of ISO 9001:2008.

## Exclusions

The organization has two exclusions:

7.3 Design and Development
Justification: Performance Seals, Inc. does not design or develop products for our customers.

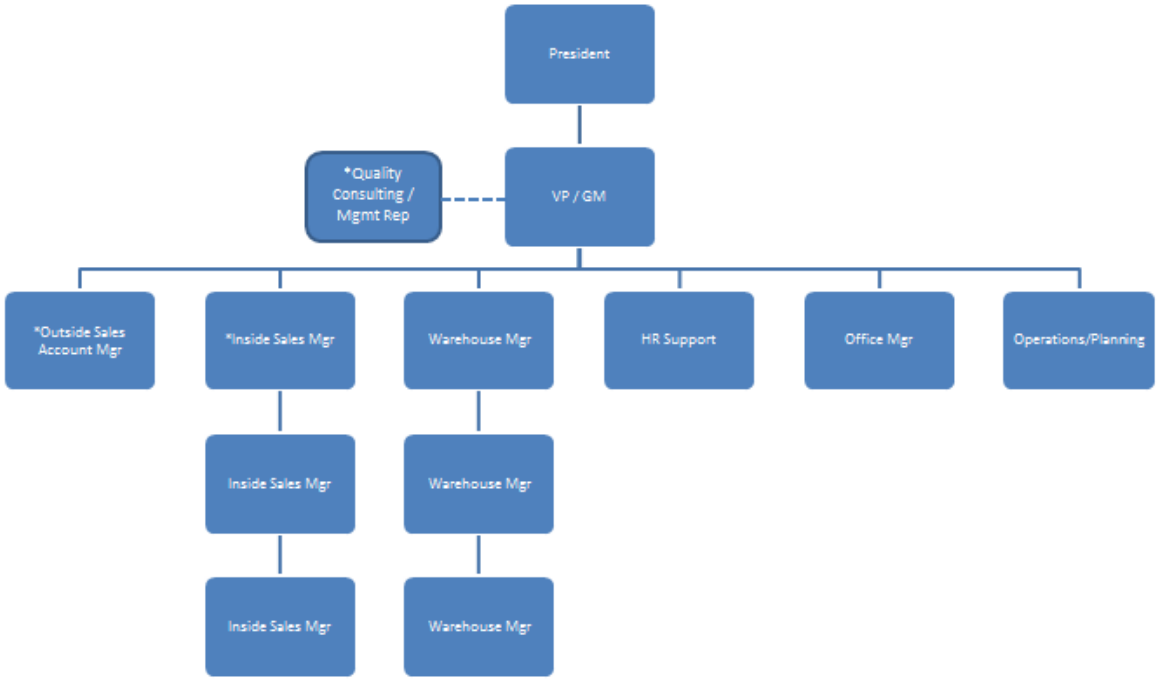
7.5.2 Validation of processes for production and service provision
Justification: Performance Seals, Inc. does not have any processes where deficiencies become apparent only after the product is in use.

# 2.0 Company

## Company Overview

Performance Seals, Inc. is a wholesale industrial supplier specializing in O-Seals & O-Rings plastic seals, rubber seals, metallic seals, seal mechanical, diaphragm seals, seal kits, mast boots, gaskets, packing and glands, gaskets and seals. Also, related motion and control products.

## Company Organizational Chart (Authority Structure)



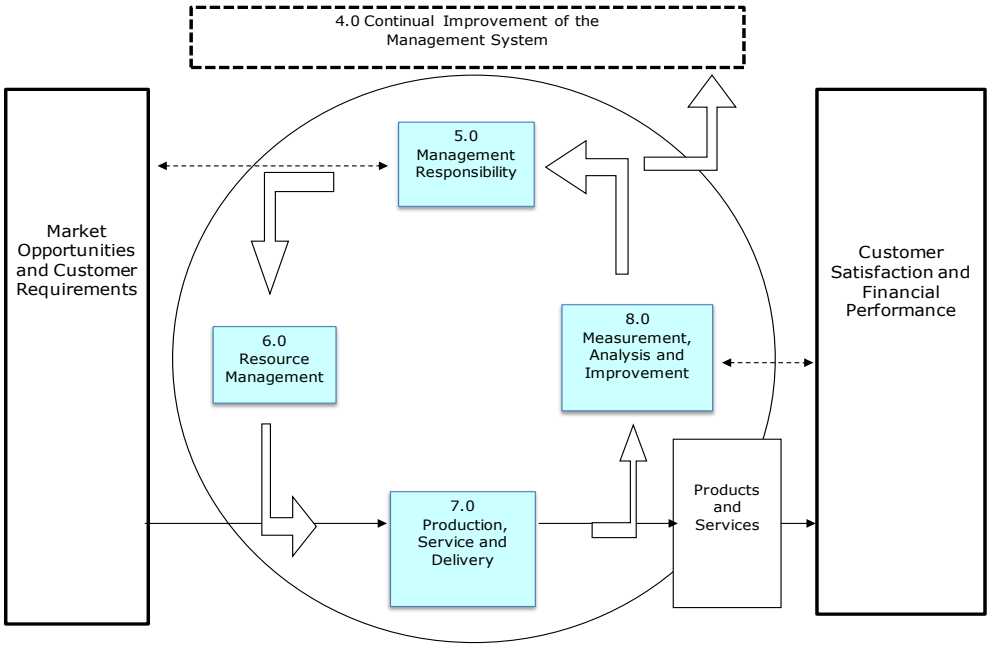

*Management Representatives

# 3.0 Terms and Definitions

Throughout this Quality Manual, the term "organization" refers to Performance Seals, Inc.

Quality Management System (QMS) refers to a system that considers the three main components: quality control, quality assurance and quality improvement. Quality management is focused not only on product or service quality, but also the means to achieve it. A QMS, therefore, uses quality assurance and control of processes, as well as products/services to achieve more consistent quality.

**ISO 9001 Quality Management System Model**



# 4.0 Quality Management System

## 4.1 General requirements

The organization has established, documented, implemented and currently maintains a quality management system. We continually improve its effectiveness in accordance with the requirements of ISO 9001.

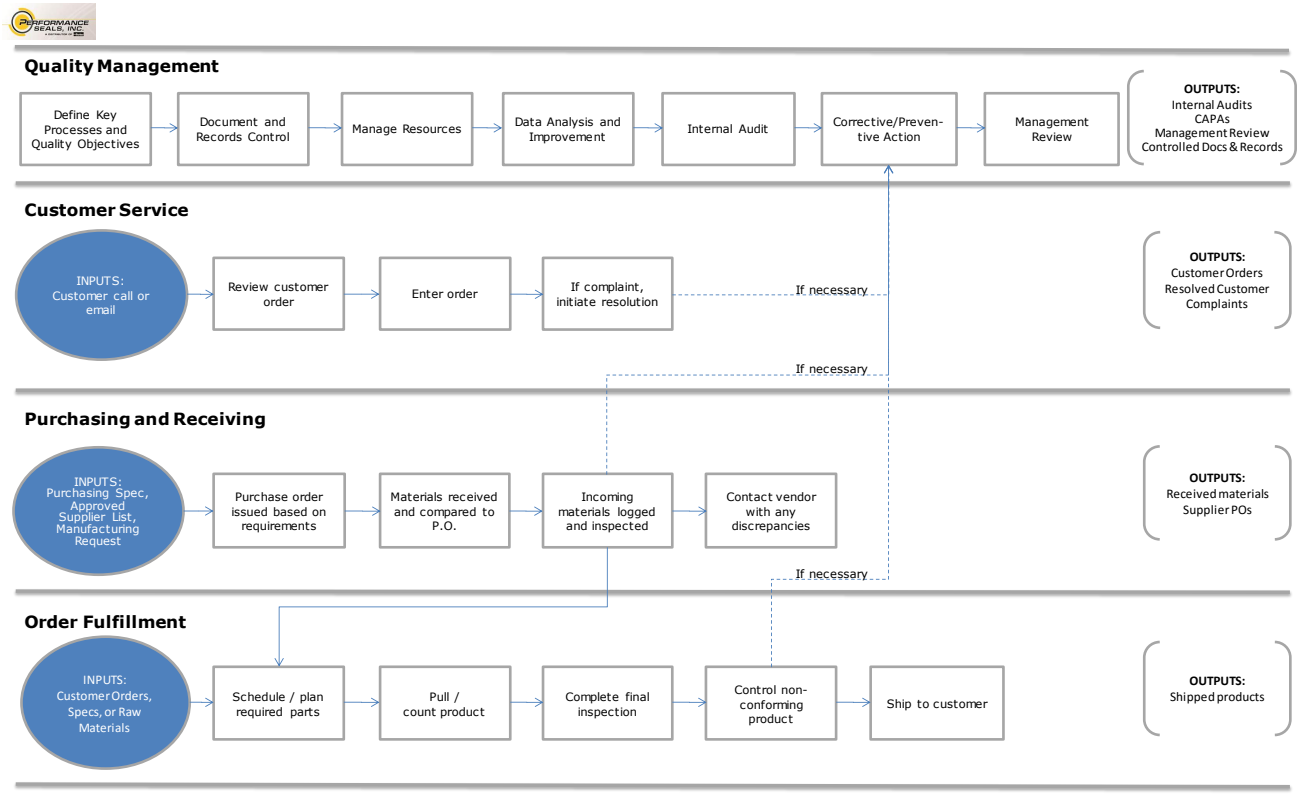
The organization:
- has determined the processes needed for the quality management system and their application throughout the organization,
- determined the sequence and interaction of these processes,
- determined criteria and methods needed to ensure that both the operation and control of these processes are effective,
- ensures the availability of resources and information necessary to support the operation and monitoring of these processes,
- monitors, measures where applicable, and analyzes these processes, and
- implements actions necessary to achieve planned results and continual improvement of these processes.

These processes are managed by the organization in accordance with the requirements of ISO 9001.

The Key Business Processes of the organization are:
- Quality Management
- Customer Service
- Purchasing and Receiving
- Order Fulfillment

The following page provides a Process Map showing the sequence and interactions of these processes.

## Process Map




Where the organization chooses to outsource any process that affects product conformity to requirements, the organization ensures control over such processes. The type and extent of control to be applied to these outsourced processes are defined within the quality management system.

## Outsourced Processes

| Outsourced Process | Provider | Controls |
|---|---|---|
| Calibration Services | Various | Calibration Certificates and Stickers |
| Document Control System | Various | Contract / SOW |
| IT Services as required | Various | Contract |
| Quality Consulting/Internal Auditing | Various | Contract |
| Temporary Employees | Various | Invoicing/AP |

## 4.2 Documentation Requirements

### 4.2.1 General

The quality management system documentation includes:
- documented statements of a quality policy and quality objectives,
- a quality manual,
- documented procedures and records required by ISO 9001, including Document Control, Record Control, Internal Audit, Control of Nonconforming Product, Corrective and Preventive Action,
- documents, including records, determined by the organization to be necessary to ensure the effective planning, operation and control of its processes.

### 4.2.2 Quality Manual

The organization has established and currently maintains a quality manual that includes:
- the scope of the quality management system, including details of and justification for any exclusions,
- the documented procedures established for the quality management system, or reference to them, and
- a description of the interaction between the processes of the quality management system.

The Management Representative is responsible for maintaining the quality manual.

### 4.2.3 Document Control

Documents required by the quality management system are controlled. Records are a special type of document and are controlled according to the requirements given in section 4.2.4.

A documented procedure has been established (see Control of Documents Procedure) to define the controls needed:
- to approve documents for adequacy prior to issue,
- to review and update as necessary and re-approve documents,
- to ensure that changes and the current revision status of documents are identified,
- to ensure that relevant versions of applicable documents are available at points of use,
- to ensure that documents remain legible and readily identifiable,
- to ensure that documents of external origin determined by the organization to be necessary for the planning and operation of the quality management system are identified and their distribution controlled, and
- to prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose.

The Management Representative is responsible to maintain the Document Control Procedure, to ensure that relevant versions are available at points of use, to remove obsolete documents, and to control external documents. Documents are reviewed and approved, including re-approval as required, by the appropriate functional manager.

### 4.2.4 Control of Records

Records established to provide evidence of conformity to requirements and of the effective operation of the quality management system shall be controlled.

A documented procedure has been established (see Control of Records Procedure) to define the controls needed for the identification, storage, protection, retrieval, retention and disposition of records.

Records are legible, readily identifiable and retrievable.

The Management Representative is responsible to maintain the Records Control Procedure.

# 5.0 Management Responsibility

## 5.1 Management Commitment

Top management provides evidence of its commitment to the development and implementation of the quality management system and continually improve its effectiveness by:

- communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements,
- establishing the quality policy,
- ensuring that quality objectives are established,
- conducting management reviews, and
- ensuring the availability of resources.

Top management includes the following members: President, Vice President, Warehouse Manager, and Management Representatives

## 5.2 Customer Focus

Top management ensures that customer requirements are determined and met with the aim of enhancing customer satisfaction.

## 5.3 Quality Policy

Top management ensures that the quality policy:

- is appropriate to the purpose of the organization,

- includes a commitment to comply with requirements and continually improve the effectiveness of the quality management system,
- provides a framework for establishing and reviewing quality objectives,
- is communicated and understood within the organization, and
- is reviewed for continuing suitability.

The stated quality policy is as follows:

*"Performance Seals, Inc. is committed to superior quality through continual improvement in our internal processes and customer service; with a focus on accountability in excellence for all customers."*

The Management Representative is responsible for ensuring the quality policy is reviewed during the Management Review process.

## 5.4 Planning

### 5.4.1 Quality Objectives

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

The Vice President is responsible for defining, establishing, maintaining, and changing quality objectives through Management Review.

### 5.4.2 Quality management system planning

Top management ensures that:
- the planning of the quality management system is carried out in order to meet the requirements given in section 4.1, as well as the quality objectives, and
- the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented.

## 5.5 Responsibility, Authority and Communication

### 5.5.1 Responsibility and authority

Top management ensures that responsibilities and authorities are defined and communicated within the organization. This is achieved through an organization chart (ref. pg 5).

### 5.5.2 Management Representative

Top management has appointed a member of management who, irrespective of other responsibilities, has responsibility and authority that includes:

- ensuring that processes needed for the quality management system are established, implemented and maintained,
- reporting to top management (insert appropriate management team designation) on the performance of the quality management system and any need for improvement, and
- ensuring the promotion of awareness of customer requirements throughout the organization.

The appointed management representative is the Outside and Inside Sales Account Managers who also serve as the liaison to external parties on matters relating to the quality system.

### 5.5.3 Internal communication

Top management ensures that appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the quality management system. This is achieved by scheduled meetings, email announcements, and training.

## 5.6 Management Review

Top management reviews the organization's quality management system, at planned intervals four times annually, to ensure its continuing suitability, adequacy and effectiveness. This review includes assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives.

Records from management reviews are maintained by the Management Representative.

The input to management review includes information on:

- results of audits,
- customer feedback,
- process performance and product conformity,
- status of preventive and corrective actions,
- follow-up actions from previous management reviews,
- changes that could affect the quality management system, and
- recommendations for improvement.

The output from the management review includes:

- any decisions and actions related to improvement of the effectiveness of the quality management system and its processes,
- improvement of product related to customer requirements, and
- resource needs.

A minimum of three of the following individuals attend Management Reviews: President, Vice President, Warehouse Manager, and Management Representatives

# 6.0 Resources Management

## 6.1 Provision of Resources

The organization determines and provides the resources needed to implement and maintain the quality management system and continually improve its effectiveness and to enhance customer satisfaction by meeting customer requirements. Resource needs are discussed during management review.

## 6.2 Human Resources

### 6.2.1 General

Personnel performing work affecting conformity to product requirements are deemed competent on the basis of appropriate education, training, skills and experience. Vice President is responsible for assessing competence. Competency requirements are verified by resume.

### 6.2.2 Competence, training and awareness

The organization:

- determines the necessary competence for personnel performing work affecting conformity to product requirements,
- where applicable, provides training or takes other actions to achieve the necessary competence,
- evaluates the effectiveness of the actions taken,
- ensures that personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives, and
- maintains appropriate records of education, training, skills and experience.

Vice President is responsible to determine competency requirements and to oversee the training process. Training requirements are defined in management review.

Vice President maintains appropriate records of education, training, skills, and experience.

As of the initial release of this document, all current employees are considered to be competent.

## 6.3 Infrastructure

The organization determines, provides and maintains the infrastructure needed to achieve conformity to product requirements.

Infrastructure includes, as applicable:
- buildings, workspace and associated utilities,
- process equipment (both hardware and software), and
- supporting services (such as transport, communication or information systems).

Scheduled maintenance, including data backup, is performed on the following:

- Scales
- LAN back-up daily

## 6.4 Work Environment

The organization determines and manages the work environment needed to achieve conformity to product requirements. The Vice President is responsible to identify and control work environment requirements.

# 7.0 Product / Service Realization

## 7.1 Planning of Product /Service Realization

The organization plans and develops the processes needed for product realization.

Planning of product realization is consistent with the requirements of the other processes of the quality management system.

In planning service realization, the organization determines the following, as appropriate:
- quality objectives and requirements for the service,
- the need to establish processes and documents, and to provide resources specific to the service,
- required verification, validation, monitoring, measurement, inspection and test activities, specific to the service and the criteria for service acceptance,
- records needed to provide evidence that the realization processes and resulting service meet requirements.

The output of this planning is in a form suitable for the organization's method of operations. Planning output includes customer purchase order, PSI sales order, and PSI open order report.

Inside and Outside Sales is responsible for planning product or service provision and for maintaining associated records.

## 7.2 Customer-related Processes

### 7.2.1 Determination of requirements related to the service

The organization determines:
- requirements specified by the customer, including the requirements for delivery and post-delivery activities,
- requirements not stated by the customer but necessary for specified or intended use, where known,
- statutory and regulatory requirements applicable to the service, and
- any additional requirements considered necessary by the organization.

Inside and Outside Sales is responsible for determining all customer requirements, whether specified; not stated, but necessary; or statutory and regulatory. Requirements are determined by customer purchase orders.

### 7.2.2 Review of requirements related to the service

The organization reviews the requirements related to the service. This review is conducted prior to the organization's commitment to supply a product to the customer (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) and ensures that:
- product requirements are defined,
- contract or order requirements differing from those previously expressed are resolved, and
- the organization has the ability to meet the defined requirements.

Requirements are reviewed by sales order entered to mirror purchase order requirements.

Records of the results of the review and actions arising from the review are maintained. Inside and Outside Sales is responsible for the review and for maintaining the records.

Where the customer provides no documented statement of requirement, the customer requirements are confirmed by the organization before acceptance. Confirmation of verbal orders is done by customer requirements, email, or fax confirmation sent to the customer as required.

Where product requirements are changed, Inside and Outside Sales ensures that relevant documents are amended and that relevant personnel are made aware of the changed requirements.

### 7.2.3 Customer communication

The organization determines and implements effective arrangements for communicating with customers in relation to:

- product information,
- enquiries, contracts or order handling, including amendments, and
- customer feedback, including customer complaints.

Product information is communicated via Material Reports per compound, design guides, catalogue, and sales visits to customers. Product information is maintained by Inside and Outside Sales or supplier.

Customer inquiries, contracts, orders, etc. are received by phone, email, or fax

Customer feedback is recorded and managed by emails from customers, phone calls, or meetings.

## 7.3 Design and Development

"Exclusion". See the note in section 1.0 above

## 7.4 Purchasing

### 7.4.1 Purchasing process

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

The organization evaluates and selects suppliers based on their ability to supply product in accordance with the organization's requirements. Criteria for selection, evaluation and re-evaluation are established.

| Criteria | Selection | Evaluation/ Re-evaluation |
|---|---|---|
| Customer specified supplier | x | |
| Project completion | | X |
| Technical specifications | x | X |
| Price and availability | x | X |
| Product quality | | X |
| On time delivery | | X |

Records of the results of evaluations and any necessary actions arising from the evaluation are maintained in receiving inspection records, customer feedback, and management reviews.

The Vice President is responsible for controlling the purchasing process and for maintaining appropriate records. Approved suppliers are listed in accounts payable system records in our computer-based order fulfillment system.

As of the initial release of this document, all current suppliers in good standing are considered to be approved.

### 7.4.2 Purchasing information

Purchasing information describes the product to be purchased, including where appropriate:
- requirements for approval of product, procedures, processes and equipment,
- requirements for qualification of personnel, and
- quality management system requirements.

Purchasing information is communicated to suppliers via the use of purchase orders, drawings/specifications, or contracts.

The organization ensures the adequacy of specified purchase requirements prior to communication to the supplier.

### 7.4.3 Verification of purchased product

The organization establishes and implements the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements. Purchased product is verified by count/quality confirmation.

Where the organization or its customer intends to perform verification at the supplier's premises, the organization states the intended verification arrangements and method of product release in the purchasing information.

## 7.5 Production and service provision

### 7.5.1 Control of production and/or service provision

The organization plans and carries out production and service provision under controlled conditions. Controlled conditions include, as applicable:

- the availability of information that describes the characteristics of the product,
- the availability of work instructions, as necessary,
- the use of suitable equipment,
- the availability and use of monitoring and measuring equipment,
- the implementation of monitoring and measurement, and
- the implementation of product release, delivery and post-delivery activities.

The Vice President is responsible for controlling all phases of product or service provision and for maintaining appropriate records.

### 7.5.2 Validation of processes for production and service provision

"Exclusion". See the note in section 1.0 above

### 7.5.3 Identification and traceability

Where appropriate, the organization identifies the product by suitable means throughout product realization. Products are identified by means of BIN, part number, and quantity.

The organization identifies the product status with respect to monitoring and measurement requirements throughout product realization.

Where traceability is a requirement, Inside and Outside Sales control the unique identification of the product and maintains records. Traceability is documented by use of batch number, cure date, C of C, Country of Origin, NAFTA (as required), Harmonized Tariff Code (as required) or ECCN number (as required).

### 7.5.4 Customer property

The organization exercises care with customer property while it is under the organization's control or being used by the organization. The organization identifies, verifies, protects and safeguards customer property provided for use or incorporation into the product. If any customer property is lost, damaged or otherwise found to be unsuitable for use, the organization shall report this to the customer and maintain records. Customer property can include intellectual property and personal data.

Customer property includes drawings and other customer documentation. Customer property is controlled by means of electronic filing or attached to sales order / quote.

The Vice President is responsible for controlling and recording customer property. Inside and Outside Sales is responsible for all communication with the customer regarding their property.

### 7.5.5 Preservation of product

The Warehouse Manager is responsible for preserving the product during internal processing and delivery to the intended destination in order to maintain conformity to requirements. As applicable, this preservation includes identification, handling, packaging, storage and protection. Preservation also applies to the constituent parts of a product.

Special handling techniques are shelf-life controls.

## 7.6 Control of monitoring and measuring equipment

The organization determines the monitoring and measurement to be undertaken and the monitoring and measuring equipment needed to provide evidence of conformity of product to

determined requirements. The organization establishes processes to ensure that monitoring and measurement can be carried out and are carried out in a manner that is consistent with the monitoring and measurement requirements. The Vice President is responsible for all aspects related to the system of controlling monitoring and measurement.

Where necessary to ensure valid results, measuring equipment is:

- calibrated or verified, or both, at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification is recorded,
- adjusted or re-adjusted as necessary,
- identified in order to determine its calibration status,
- safeguarded from adjustments that would invalidate the measurement result,
- protected from damage and deterioration during handling, maintenance and storage.

In addition, the organization assesses and records the validity of the previous measuring results when the equipment is found not to conform to requirements. The organization takes appropriate action on the equipment and any product affected. Records of the results of calibration and verification are be maintained.

Equipment requiring calibration and/or verification are scales.

When used in the monitoring and measurement of specified requirements, the ability of computer software to satisfy the intended application is confirmed. This is undertaken prior to initial use and reconfirmed as necessary.

# 8.0 Measurement, analysis and improvement

## 8.1 General

The organization plans and implements the monitoring, measurement, analysis and improvement processes needed:

- to demonstrate conformity to product requirements,
- to ensure conformity of the quality management system, and
- to continually improve the effectiveness of the quality management system.

This includes determination of applicable methods, including statistical techniques, and the extent of their use. The Management Representative is responsible for systems related to monitoring, measurement, analysis and improvement.

## 8.2 Monitoring and measurement

### 8.2.1 Customer satisfaction

As one of the measurements of the performance of the quality management system, the organization monitors information relating to customer perception as to whether the organization has met customer requirements.

Customer satisfaction is monitored by means of customer interviews.

The methods for obtaining and using this information are determined by Inside and Outside Sales.

### 8.2.2 Internal audit

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

- conforms to the planned arrangements, to the requirements of ISO 9001 and to the quality management system requirements established by the organization, and
- is effectively implemented and maintained.

An audit program has been 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. This selection of auditors and conduct of audits ensures objectivity and impartiality of the audit process. Auditors do not audit their own work. Contract Internal Auditors used when deemed necessary (see section 4.1)

A documented procedure has been established (see Internal Audit Procedure) to define the responsibilities and requirements for planning and conducting audits, establishing records and for reporting results. Records of the audits and their results are maintained. The Management Representative is responsible to oversee the internal auditing system and for maintaining appropriate records.

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

### 8.2.3 Monitoring and measurement of processes

The organization applies suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods demonstrate the ability of the processes to achieve planned results. When planned results are not achieved, correction and corrective action is taken by the appropriate personnel, to ensure conformity of the product.

Methods for monitoring and measuring of processes include internal audits, quality performance data, quality objectives.

### 8.2.4 Monitoring and measurement of product

The organization monitors and measures the characteristics of the product to verify that product requirements have been met. This is carried out at appropriate stages of the product realization process in accordance with the planned arrangements.

Methods for monitoring and measuring of products or service include internal audits and inspection results.

Evidence of conformity with the acceptance criteria is maintained. Records indicate the person(s) authorizing release of product for delivery to the customer. Product and service release is indicated by means of approvals on appropriate documents, marking or labeling the released products, or work order sign-offs.

The release of product and delivery of service to the customer does not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.

## 8.3 Control of nonconforming product /service

The organization ensures that product which does not conform to product requirements is identified and controlled to prevent its unintended use or delivery. A documented procedure has been established (see Control of Nonconforming Product Procedure) to define the controls and related responsibilities and authorities for dealing with nonconforming product.

Where applicable, the organization deals with nonconforming product by one or more of the following ways:

- by taking action to eliminate the detected nonconformity;
- by authorizing its use, release or acceptance under concession by a relevant authority and, where applicable, by the customer;
- by taking action to preclude its original intended use or application;
- by taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started.

When nonconforming product is corrected, it is subject to re-verification to demonstrate conformity to the requirements.

Records of the nature of nonconformities and any subsequent actions taken, including concessions obtained, are maintained.

## 8.4 Analysis of data

The organization determines, 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 includes data generated as a result of monitoring and measurement and from other relevant sources.

The analysis of data provides information relating to:

- customer satisfaction,
- conformity to product requirements,
- characteristics and trends of processes and products including opportunities for preventive action, and
- suppliers

Data analysis is conducted by means of management review.

The Management Representative is responsible for determining the data requirements and for coordinating with other departments to collect and subsequently analyze the data in order to make improvements.

## 8.5 Improvement

### 8.5.1 Continual improvement

The organization continually improves the effectiveness of the quality management system using the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

### 8.5.2 Corrective Action

The organization takes action to eliminate the cause of nonconformities in order to prevent their recurrence.

Corrective actions are appropriate to the effects of the nonconformities encountered.

A documented procedure has been established (see Corrective and Preventive Action Procedure) that defines requirements for:

- reviewing nonconformities (including customer complaints),
- determining the causes of nonconformities,
- evaluating the need for action to ensure that nonconformities do not recur,
- determining and implementing action needed,
- recording and maintaining records of the results of action taken, and
- reviewing the effectiveness of the corrective action taken.

The Management Representative is responsible for maintaining the procedure and the associated records.

### 8.5.3 Preventive Action

The organization determines action to eliminate the causes of potential nonconformities in order to prevent their occurrence.

Preventive actions are appropriate to the effects of the potential problems

A documented procedure has been established (see Corrective and Preventive Action Procedure) to define requirements for:

- determining potential nonconformities and their causes,
- evaluating the need for action to prevent occurrence of nonconformities,
- determining and implementing action needed,
- recording and maintaining the results of action taken, and
- reviewing the effectiveness of the preventive action taken.

The Management Representative is responsible for maintaining the procedure and the associated records.

## 9.0 Reference Documents

Control of Documents Procedure
Control of Records Procedure
Control of Nonconforming Product Procedure
Corrective/Preventive Action Procedure
Internal Audit Procedure
ISO 9001:2008 Standard (External)

## 10.0 Change Log

| Revision # | Document Revision Date | Description of Change | Approval(s) |
|---|---|---|---|
| 000 | 02/16/12 | Initial Release | Frank Grizzaffi |
| 001 | 01/17/13 | Business model changes for MR freq, Org Chart update, typo corrections, ref docs | Frank Grizzaffi |
| 002 | 1/30/13 | Added President to Org Chart and Top Management | Jerry Spillane |
| 003 | 11/29/16 | Remove reference to durometer gage from section 7.6. Remove target of quarterly from section 5.6. Revise Peachtree in 7.4.1 to computer-based order fulfillment system. | Greg Grizzaffi |