Cupples' J&J Co, Inc

PRECISION FABRICATION DIVISION

Quality Manual

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Company Profile:

Cupples J & J Co. Incorporated, founded in 1966, is a privately held corporation with locations in Jackson, Tennessee and Dyersburg, Tennessee. Cupples J&J Company has five divisions and approx 150 employees in the Jackson location providing services including general machine shop, production machining, production fabrication, general fabrication and industrial field services. The Dyersburg location is a single division providing the same services with approximately 40 employees.

Cupples J&J Company's goal is to be a diverse manufacturing support operation which can be a "One Stop Shopping Place for Industrial Service Needs".

Approval:

President of
Cupples J & J Co. Inc. : James Cupples
(Signature on File)

Designated Management
Representative: Allen McMinn
(Signature on File)

Revision History:

Revision	Change Description	Revision Date
0	Initial Release ISO 9001:1994	04/27/2006
1	Complete re-write to ISO 9001:2008 (E)	TBD

Distribution List

See Document Control Administrator for Controlled Quality System Documents.

Any Quality System Documentation Outside of Cupples is Uncontrolled.

Quality Manual

Section 1: Scope:

1.1 General

The Cupples quality manual establishes policies, procedures and requirements of the Precision Fabrication Division's Quality Management System. This system is structured to comply with ISO 9001:2008. Our Quality System utilizes eight basic principles for managing and obtaining objectives for improved performance of the organization. They are:

- Customer Focus – Demonstrating the ability to meet customer needs, applicable statutory and regulatory requirements while continually striving to meet future needs and expectations;
- Leadership – Creating and maintaining the internal environment where people become fully involved in achieving Cupples' objectives;
- Involvement of People – All levels of the organization involvement enabling their abilities used for the company's benefit;
- Process Approach – Efficiently managing interrelated resources to manage the processes;
- System Approach to Management – Identifying, understanding and managing interrelated process as a system;
- Continual Improvement – A permanent objective of Cupples;
- Factual Approach to Decision Making – Based upon the analysis of data and information;
- Mutually Beneficial Supplier Relationships – Mutually beneficial relationships to enhance the ability of both to create value.

1.2 Application

The following requirements are not applicable to Cupples' operations. Our system excludes:

- Product Design- We provide manufacturing services and products to customer-provided specifications and/or industrial specifications.
- Service - Our system does not require warranty and after market support.
- These excluded activities have no affect on Cupples' ability to provide products and services meeting customer, statutory and regulatory requirements.

Section 2: Normative Reference

2.0 Quality Management System References

These documents were consulted during the preparation of Cupples' Quality Management System:

- American National Standard ISO 9001:2008 (E),
  Quality Management Systems – Requirements.
- American National Standard ISO 9000:2005,
  Quality Management Systems – Fundamentals and Vocabulary.
- American National Standard ISO 9004:2000, Quality Management Systems – Guidelines for Performance Improvements.

Section 3: Definitions

3.0 Quality Management System Definitions

The terms and definitions given in ISO 9000 apply to Cupples' Quality Management System. Any differences or addition to terminology in Cupples' system are stated below.

Section 4: Quality Management System

4.1 General Requirements

Cupples' documented Quality Management System is maintained and continually improved by:

- Determining the application of processes throughout the organization;
- Determining the sequences and interactions of processes;
- Determining criteria and methods to ensure operations and control of the processes are effective;
- Ensuring the availability of resources and information to achieve planned results and the continual improvement of these processes;
- Monitoring, measuring where applicable, and analyzing our processes;
- Implementing actions to achieve planned results and the continual improvement of the processes.

Cupples manages the processes in accordance with the requirements of ISO 9001-2008.

Our system includes control of processes outsourced affecting product conformity. The type and extent of controls applied to outsourced processes is identified in section 7.4 of this manual.

4.2 Documentation Requirements

4.2.1 General

Our Quality Management System documentation includes:

- Quality Policy and Objectives;
- This Quality Manual;
- Procedures and records;
- Documents and records determined to be necessary for the effective planning, operating, and controlling of processes;

For a list of procedures, see Appendix A at the end of this manual.

We ensure personnel have access and are aware of relevant procedures and records in the Quality Management System documentation.

4.2.2 Quality Manual

This Quality Manual describes the Cupples Precision Fabrication Division's Quality Management System. The scope and permissible exclusions of the QMS are described in section one. A reference to lower level procedures is located in Appendix A. The Process Flow Diagram at the end of section four provides a description of the interactions between the processes and the Quality Management System.

4.2.3 Control of Documents

Quality Management System documents are controlled in accordance with the appropriate document control procedure. They define the processes to:

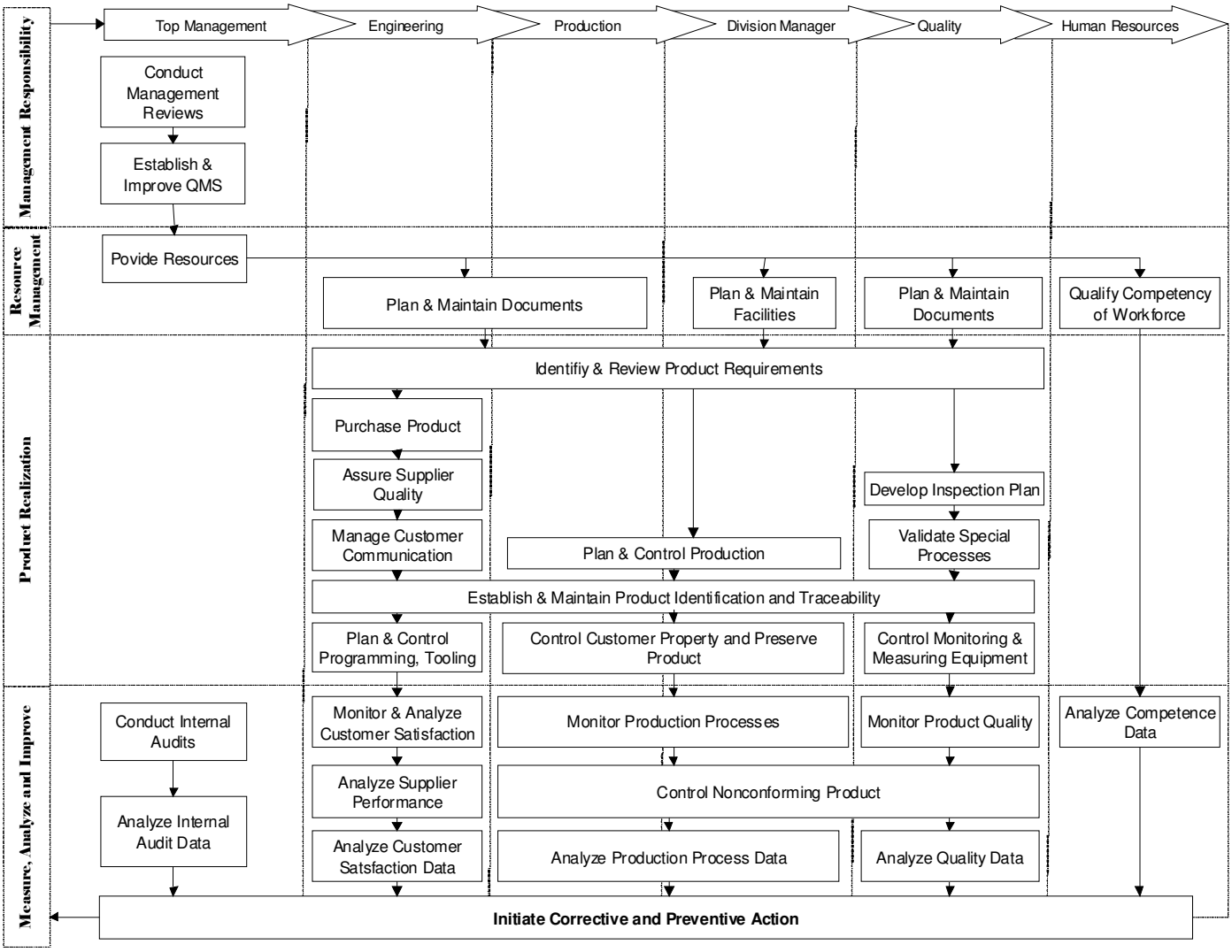
- Review, revise, and approve/re-approve documents prior to issue;
- Ensure changes and current revision status are identified;
- Ensure versions of applicable documents are available at points of use;
- Ensure documents remain legible and readily identifiable;
- Ensure documents of external origin are identified and distribution controlled;
- Prevent the unintended use of obsolete documents retained for legal and/or knowledge-preservation purposes and these are suitably identified;
- And, ensure customer furnished documents determined to be necessary for planning and operation of the Quality Management System are identified and controlled.

4.2.4 Control of Records

Records are maintained according to the procedure for Control of Quality Records. Our quality records remain legible, readily identifiable and retrievable. Stored records are identified, protected, and retrievable. Records are retained in accordance with the Master List of Records or as specified by contractual requirements. After records are retained for the designated time, they are dispositioned in accordance with customer requirements.

Quality records from our suppliers are considered part of our record control.

Sequence and Interaction of Quality Management System Processes



Section 5: Management Responsibility

5.1 Management Commitment

Top management is actively involved in development and implementation of the Quality Management System. They are continuously pursuing improvements in the Quality Management System.

Their leadership and commitment actions include:

- Communicating the importance of meeting customer, statutory, and regulatory requirements;
- Establishing the quality policy and objectives;
- Conducting quarterly management reviews;
- And ensuring resource availability.

For details on Cupples' organizational structure refer to Appendix B.

5.2 Customer Focus

Cupples determines current and possible future customer needs and ensures these are met while aiming to enhance customer satisfaction.

5.3 Quality Policy

Top management communicates the quality policy to all employees.

"Continuous Improvement is every employee's approach in fulfilling internal and external customers' expectations."

The policy:

- Applicable to internal and external customers;
- Is committed to continuous improvement;
- Provides a framework for establishing and reviewing quality objectives;
- Is reviewed for continuing suitability.

5.4 Planning

5.4.1 Quality Objectives

Our Quality objectives are established to support Cupples' efforts to achieve our quality policy. Objectives are reviewed at the Management Meetings. As objectives are addressed they are communicated to lower levels and become more specific in nature.

Quality objectives are measurable, and reviewed against performance goals at each management review meeting.

A list of Quality Objectives is maintained by the Management Representative.

5.4.2 Quality Management System Planning

Top Management ensures the quality management system continues to meet the requirements of ISO 9001. Planned changes to the Quality Management System are effectively implemented for continuous compliance.

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and Authority

Top management ensures that responsibilities and authorities are defined and communicated throughout the organization.

5.5.2 Management Representative

Quality System Management Representative Appointment

The Quality Manager is appointed as the Management Representative who, irrespective of other responsibilities, has the authority, responsibility and organizational freedom to resolve matters pertaining to:

- Processes for ensuring Cupples' quality management system is established, implemented and maintained in accordance with the established procedures;
- Reporting the quality management system performance to fellow management for review as a basis for improvement;
- Ensures the awareness of customer requirements throughout the organization;
- Quality.

5.5.3 Internal Communication

Top Management communicates the effectiveness of the quality management system through the use of, but not limited to:

- Departmental and Management meetings;
- Use of Company bulletin boards.

5.6 Management Review

5.6.1 General

Top Management conducts quarterly Management Review Meetings. It assesses the continuing suitability, adequacy and effectiveness of the Quality Policy and Quality Objectives. These meetings identify opportunities for improvement and needed changes.

- Meeting records are maintained.

5.6.2 Review Input

Reviews are based on:

- Audit results
- Customer feedback
- Process performance and product conformity
- Status of preventive and corrective actions
- Follow-up actions from previous management reviews
- Changes affecting the quality management system
- Recommendations for improvement

5.6.3 Review Output

Management identifies decisions and actions resulting from the quality management meetings relating to the following:

- Improvement of the effectiveness of the quality management system and its processes
- Improvement of product related to customer requirements
- Resource needs

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Section 6: Resource Management

6.1 Provision of Resources

Resource assessments are initiated through, but not limited to, management reviews, business planning and quality system performance reviews

Cupples identifies and provides adequate resources for the assignment of trained personnel:

- To implement, maintain, and continually improve the effectiveness of the quality management system
- Enhance customer satisfaction by meeting customer requirements

6.2 Human Resources

6.2.1 General

Personnel directly or indirectly performing work or other tasks affecting conformity to product requirements are competent based upon their education, training, and/or experience.

6.2.2 Competence, Training and Awareness

Qualifications are reviewed upon hire, when an employee changes positions or the requirements for a position change. The effectiveness of training is evaluated through testing results, certification of training completion, and acceptance of conforming product.

Cupples maintains documented procedures for identifying training needs and provides for the training of all personnel performing activities affecting conformity to product requirements.

Where applicable, Cupples provides training or takes other actions to achieve necessary competence of personnel.

All employees are trained on the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.

Training records for personnel are on file.

6.3 Infrastructure

Cupples determines the infrastructure needed to achieve product conformity. The infrastructure has been provided, and includes:

- Buildings, workspace, utilities;
- Process equipment;
- And supporting services.

6.4 Work Environment

Cupples' working environment needed to achieve product conformity is maintained based upon planning activities of product realization.

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Section 7: Product Realization

7.1 Planning of Product Realization

Cupples plans and develops the processes needed for product realization. The product planning process is consistent with the requirements of the other processes of the quality management system. During this planning, personnel determine (as appropriate):

- The quality objectives and requirements for the product;
- Processes, documentation and resources to support operation and maintenance, specific to the product;
- Required verification, validation, monitoring, measurement, inspection and test activities specific to the product, and criteria for product acceptance;
- Records needed to provide evidence that products meet requirements;

7.2 Customer-Related Processes

7.2.1 Determination of Requirements related to the Product

Cupples determines customer requirements to include:

- Specified requirements including those for delivery and post-delivery activities
- Those not stated by the customer but necessary for specified use of known and intended use
- Statutory and regulatory requirements applicable to the product
- Additional requirements considered necessary by the organization

7.2.2 Review of Requirements related to the Product

Cupples reviews requirements related to the product before order commitment.

Our review ensures:

- Product requirements are defined;
- Differences between the contract, order, or tender requirements are resolved;
- Our ability to meet the defined requirements;
- The risk associated with new technology and/or short delivery time scale is evaluated.

Records of review activities are maintained showing the results and actions.

When the customer provides no documented statement of requirements, Cupples confirms these requirements prior to acceptance.

Changes to product requirements are communicated to relevant personnel and documents are amended.

7.2.3 Customer Communication

Cupples uses an effective process for communicating with customers relating to:

- Product Information
- Enquiry's, contracts and order handling, including amendments
- Customer Feedback, including customer complaints

7.3 Design and Development

See Section 1: Scope for exclusion to this requirement.

7.4 Purchasing

7.4.1 Purchasing Process

Cupples ensures purchased products are conforming to specified purchase requirements. The type and extent of control is dependent on the affect of the purchased product on subsequent product realization and/or the finished product.

Suppliers are evaluated and selected based on their ability to supply product meeting Cupples' requirements. Criteria for selection, evaluation and re-evaluation are defined in the procedure for Purchasing Process. Records of these evaluations and any actions arising from these evaluations are maintained.

7.4.2 Purchasing Information

Purchasing data describes the product to be acquired including, where applicable:

a) requirements for approval or qualification of product, procedures, processes, equipment,

b) requirements for qualification of personnel,

c) and quality management system requirements;

Cupples ensures the adequacy of specified purchasing requirements prior to release to the supplier.

7.4.3 Verification of Purchased Product:

Cupples purchased products verification methods may include:

- Obtaining objective evidence of the product's quality from suppliers (e.g. accompanying documentation, certificates of conformity, test reports, statistical records, process control);
- Inspection and audit at supplier's premises;
- Review of the required documentation;
- Inspection of products upon receipt;

When Cupples or its customer performs verification at its supplier's premises, the intended verification arrangements and product release methods are stated in the purchasing information.

7.5 Production and Service Provision

7.5.1 Control of Production and Service Provision

Cupples plans and carries out production provisions 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.

7.5.2 Validation of Processes for Production Provision

Cupples validates any processes for production provision where subsequent monitoring or measurement cannot verify the resulting output and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered. Validation demonstrates the ability of these processes to achieve planned results.

Cupples' documented process for validation includes:

- Defined criteria for review and approval of the processes
- Approval of equipment and qualification of personnel
- Use of specific methods and procedures
- Requirements for records
- Revalidation

7.5.3 Product Identification and Traceability

Cupples' system provides for:

- Identification to be maintained throughout product realization;
- Identifying product status with respect to monitoring and measurement requirements throughout product realization;
- When traceability is required, controlling the unique identification of the product and maintaining records.

7.5.4 Control of Customer-Supplied Product:

Cupples exercises care with customer property while it is under their control or being used by the organization. Cupples controls, maintains, safeguards and stores customer-supplied product provided for incorporation into the product. Customers are notified and records maintained for customer property which is lost, damaged, or otherwise found unsuitable for use.

7.5.5 Preservation of Product

Cupples preserves the product, including constituent parts, during internal processing and delivery to the intended destination in order to maintain conformity to requirements. This preservation includes identification, handling, storage, packaging and protection.

7.6 Control of Monitoring and Measuring Equipment

Cupples has determined the monitoring and measurement to be undertaken and the monitoring and measuring equipment needed to provide evidence of conformity of product to determined requirements.

A documented procedure outlines the process used to ensure that monitoring and measuring can be and is carried out in a manner that is consistent with the monitoring and measurement requirements.

Where necessary to ensure valid results, measuring equipment is:

a) 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.

b) Adjusted or re-adjusted as necessary;

c) Identified in order to determine its calibration status;

d) Safeguarded from adjustments that would invalidate the measurement result;

e) Protected from damage and deterioration during handling, maintenance and storage;

In addition, Quality assesses and records the validity of the previous measuring results when the equipment is found not to conform to requirements. Cupples takes appropriate action on the equipment and any product affected.

Records of the results of calibration and verification are maintained.

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.

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Section 8: Measurement, Analysis and Improvement

8.1 General

Cupples plans and implements the monitoring, measurement, analysis and improvement processes as needed

- Demonstrating conformity to product requirements
- Ensuring conformity of the quality management system, and
- Continually improving the effectiveness of the quality management system.

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

8.2 Monitoring and Measurement

8.2.1 Customer Satisfaction

One measurement of the performance of the quality management system utilized is monitoring information relating to customer perception ensuring fulfillment of customer requirements. Methods used for determination of customer satisfaction include, but are not limited to, analysis of customer quality and delivery data, results of customer audits and review of customer feedback and/or email.

8.2.2 Internal Auditing

Cupples conducts internal audits at planned intervals verifying the quality management system:

- Conforms to planned arrangements, to the requirements of ISO 9001 and established quality management system requirements;
- Is effectively implemented and maintained;

Internal audits are scheduled based upon status and importance of the activity audited, and results of previous audits. The audit criteria, scope, frequency, methods, responsibilities and requirements for planning and conducting audits, and for recording and reporting results, are defined and documented in the Internal Auditing procedure.

Auditors are independent of those having direct responsibility for the activity being audited.

Records of audits and their results are maintained according to the procedure for Internal Auditing.

Recorded audit results are brought to the area manager's attention having responsibility. They take timely corrective action to eliminate deficiencies and their causes. Follow-up audit activities verify, report and record the effectiveness of the actions taken.

8.2.3 Monitoring and Measurement of Processes

Cupples 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, as appropriate.

8.2.4 Monitoring and Measurement of Product

Cupples monitors and measures product characteristics to verify the fulfillment of product requirements at appropriate stages of the product realization process.

Conformity acceptance criteria are maintained and records indicate the person authorizing release of product to the customer. The release of product and delivery do not proceed until all planned arrangements are satisfactorily completed, unless otherwise approved by a relevant authority and, where applicable, by the customer.

8.3 Control of Nonconforming Product

Product not conforming to specified requirements is prevented from unintended use or delivery. Non-Conforming material is reviewed, dispositioned, and disposition authority is specified in the lower level procedure.

When applicable, nonconforming product is dealt with one or more of the following ways:

a) Taking action to eliminate the detected nonconformity;
b) Authorizing its use, release or acceptance under concession by a relevant authority and where applicable, by the customer ;
c) Taking action to preclude its original intended use or application;
d) Taking action appropriate to the effects, or potential effects, of the nonconformity when nonconformance is detected after delivery or use has started.

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

Cupples maintains records of the nature of nonconformities and any subsequent actions taken, including concessions obtained.

8.4 Analysis of Data

Cupples determines, collects and analyses data demonstrating the suitability and effectiveness of the quality management system. We evaluate where continual improvement of the quality management system can be made. Data includes data generated as a result of monitoring and measurement from other relevant sources.

Analysis of data provides information relating to:

- Customer satisfaction
- Conformance to product requirements
- Characteristics and trends of processes and products including opportunities for preventive action
- Suppliers

8.5 Improvement

8.5.1 Continual Improvement

Cupples relentlessly pursues its own improvement retaining its position as a strong, prosperous company. Cupples continually improves the effectiveness of the quality management system through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review. Every manager has the responsibility to continually improve their area of responsibility and to contribute to the improvement of the company as a whole.

8.5.2 Corrective Action

Corrective Actions are issued to eliminate the causes and recurrence of nonconformities and are dealt with to a degree appropriate to the magnitude of problems and comparable with the risks encountered.

Corrective actions include:

a) The effective handling of customer complaints and reports of product non-conformities;
b) Investigation of the cause of non-conformities relating to product, process, and quality system;
c) Evaluating the need for action to ensure that nonconformities do not recur;
d) Determining and implementing action needed;
e) Records of the results of the actions taken:
f) Reviewing the effectiveness of corrective action taken;

8.5.3 Preventive Action

Cupples 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.

Preventive Action includes:

a) Determining potential nonconformity's and their causes;
b) Evaluating the need for action to prevent occurrence of nonconformities;
c) Determination and implementing the action needed;
d) Records of results of action taken;
e) Reviewing the effectiveness of preventive action taken.