



# Quality Manual

Revision 27

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Conforms to ISO 9001:2015

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## 0.0 Revision History and Approval

Rev.	Nature of changes	Approval	Date
21	Conversion to ISO 9001:2015	R. Hudgell	11/14/18
22	Updating ISO 9001 revision year.	J. Lusczek	12/3/2020
23	Update: Page 4 changed from 9 to 12 branches; page 6 delete Annex A; page 7 updated top level processes; page 7 delete Appendix A; page 9 changed to correct motto	J. Lusczek	1/29/2021
24	Updated section 1.0 and top level processes.	J. Lusczek	3/10/2021
25	Updated multiple sections.	J. Lusczek	1/3/2022
26	Updated multiple sections.	J. Lusczek	1/31/2023
27	Removed "VA 8000" from top-level processes list.	J. Lusczek	8/10/2023

## 1.0 Welcome to Hughes Peters

Hughes Peters is a multi-regional distributor of interconnect, passive and electromechanical products with value-added services which provide solutions to our partnered customers. Corporately located in Dayton, Ohio, Hughes Peters has twelve branch locations, which covers 23 states. Hughes-Peters also has two Value-Added and two inventory-distribution centers (Dayton, Ohio and Orlando, Florida). To meet customer requirements, Hughes Peters is ISO 9001:2015 certified and the Value Added work is developed from customer provided drawings.



## 2.0 About The Hughes Peters Quality Manual

This manual is prepared for the purpose of defining the company’s interpretations of the ISO 9001:2015 international standard, as well as to demonstrate how the company complies with that standard. This manual presents “Notes” which are used to define how Hughes Peters has tailored its management system to suit its purposes. These are intended to clarify implementation approaches and interpretations for concepts which are not otherwise clearly defined in ISO 9001:2015. *Notes appear in italics, with gray background.* Where subordinate or supporting documentation is reference in this manual; these are indicated by ***bold italics***.

## 3.0 Terms and Definitions

Hughes Peters adopts the following terms and definitions within its Quality Management System. Where no definition is provided, the company typically adopts the definitions provided in ***ISO 9000: Quality***

**Management – Fundamentals and Vocabulary.** In some cases, specific procedures or documentation may provide a different definition in the context of that document; in such cases, the definition will supersede those provided for in this Quality Manual or ISO 9000.

### **General Terminology**

**Document** – written information used to describe how an activity is done.

**Record** – captured evidence of an activity having been done. The term “form” is sometimes used instead of “record.”

### **Risk-Based Thinking Terminology**

**Risk** – Negative effect of uncertainty

**Opportunity** – Positive effect of uncertainty

**Uncertainty** - A deficiency of information related to the understanding or knowledge of an event, its consequence, or likelihood. (Not to be confused with measurement uncertainty.)

### **Nonconforming Product Terminology**

**Rework:** Efforts to bring nonconforming product into conformance through additional operations that do not alter the original design of the product.

**Repair:** Efforts to bring nonconforming product into conformance through additional operations that alter the original design of the product; this may be through the addition of material not specified in the original design, or through altering pre-existing design features.

**Scrap:** The discard of nonconforming product in lieu of rework or repair.

## **4.0 Context of the Organization**

### **4.1 Understanding the Organization and Its Context**

Hughes Peters has reviewed and analyzed key aspects of itself and its partners to determine the strategic direction of the company. This requires understanding internal and external issues that are of concern to Hughes Peters and its interested parties (per section 4.2 below); the interested parties are identified per the document **Context of the Organization Log (COTO Log)**. Issues are monitored and updated as appropriate, as well as discussed during Management Reviews. The **COTO Log** also contains risk analysis (sometimes referred to as the Risk Register). More information on context can be found in section 5.3 of this manual. Although the company monitors internal and external issues and makes adjustments accordingly throughout the year, the records are only updated annually.

### **4.2 Understanding the Needs and Expectations of Interested Parties**

The issues determined per section 4.1 above are identified through an analysis of risks facing Hughes Peters and its interested parties. “Interested parties” are those stakeholders who receive our products or who may be impacted by them, or those parties who may otherwise have a significant interest in our company. These parties are identified per the document **COTO Log**.

This information is then used by senior management to determine the company’s strategic direction. This is defined in records of the Management Reviews as needed, and is periodically updated as conditions and situations change.

### 4.3 Determining the Scope of the Quality Management System

Based on an analysis of the above issues of concern, interests of stakeholders, and in consideration of its products and services, the scope of the management system is the work done at the addresses below. Hughes Peters, Inc. is a distributor of electronic components and a provider of value added processes. One of the major factors of Hughes-Peters' success in the highly competitive electronic industry is the value they place on their employees. Hughes-Peters goes the extra mile to motivate their employees by involving them in various activities. This positive work environment demonstrates to the employees that they are valued by the company. The employees in turn strive to produce the highest quality product. Also, Hughes Peters is an employee stock ownership plan (ESOP) company; this incentives all employees to improve the company which enhances customer satisfaction.

Product Design is a permissible exclusion as Hughes-Peters, Inc. is not responsible for product design. All Value Added work is derived from customer provided drawings and schematics. Supporting procedures regarding the use of customer drawings can be found in the **Quality Policy Manual**.

The quality system applies to all processes, activities, and employees of the following locations within the company:

8000 Technology Blvd Huber Heights, Ohio 45424 937-235-7100	8060 Technology Blvd Huber Heights, Ohio 45424	4494 John Young Pkwy Orlando, FL 32804

The following part of ISO 9001 was determined to be not applicable to Hughes Peters:

- Section 8.3 (Design and development of products and services): Hughes Peters produces Value Added assemblies based upon customer provided specifications and technical drawings. Hughes Peters does not design, develop, or initiate development changes without direction from the customer. Verification and validation are based upon customer provided specifications and are measured and inspected according to the latest revision provided by the customer.

### 4.4 Quality Management System and Its Processes

#### 4.4.1 Process Identification

Hughes Peters adopted a process approach for its quality management system. By identifying the top-level processes within the company, and then managing each one discretely, this reduces the potential for nonconforming products discovered during final processes or after delivery. Instead, nonconformities and risks are identified in real time, by actions taken within each of the top-level processes.

*Note: not all activities are considered "processes" – the term "process" in this context indicates the activity has been elevated to a higher level of control and management oversight. The controls indicated herein are applicable only to the top-level processes identified.*

The following are the identified top-level processes for Hughes Peters:

- Sales
- Quality
- Warehouse (Receiving, Picking, Shipping)
- Purchasing
- 8060 Value Added Assembly

- 4494 Value Added Assembly
- HR
- IT / Document Control

Each top-level process may be supported by other activities, such as tasks or sub-processes. Each has criteria and methods which ensure effectiveness; and can be procedures, instructions, turtle diagrams, decision trees (or process maps), etc. These documents define the following:

- applicable inputs and outputs
- sequence and interaction of these processes
- monitoring and measuring of key performance indicators
- critical and supporting resources
- responsibilities and authorities
- risks and opportunities
- evaluations as needed

#### **4.4.2 Process Controls & Objectives**

Each process directly or indirectly supports at least one objective or key performance indicator (KPI) which determines the process' ability to meet the quality objective. The Paynter chart is the monthly record of the KPIs. KPIs can be put into three categories: on time deliveries, quality levels as in returns, and internal cabling which is an internal measurement.

*Note: some processes have multiple objectives and multiple metrics. This is determined by the nature of the process, it's impact on products and associated risks.*

*Note: Whereas ISO 9001 discusses process measurements and "quality objectives" as separate concepts, Hughes Peters combines them; i.e., quality objectives are used to control the processes. Additional objectives may be assigned, but these will also be used to measure process effectiveness.*

Throughout the year, metrics data is measured and gathered by process owners or other assigned managers, in order to present the data to Senior Management. The data is then analyzed by Senior Management in order that they may set goals and/or make adjustments for the purposes of long-term continual improvement. Much of this raw data can be found in the Axiom Software – Electronic Parts Distribution System (EPDS) and is backed up on a regular basis.

Specific quality objectives for select processes are defined in the monthly Paynter Chart.

When a process does not meet a goal, or an unexpected problem is encountered with a process, the corrective and/or preventive action processes are implemented to research and resolve the issue. In addition, opportunities for improvement are sought and implemented, for the identified processes.

## **5.0 Leadership**

### **5.1 Leadership & Commitment**

#### **5.1.1 General**

Senior Management of Hughes Peters provides evidence of its leadership and commitment to the development and implementation of the management system and continually improving its effectiveness by:

- a) taking accountability of the effectiveness of the management system;



- b) ensuring that the **Quality Policy** and quality objectives are established for the management system and are compatible with the strategic direction and the context of the organization;
- c) ensuring the integration of the management system requirements into the organization's other business processes, as deemed appropriate
- d) promoting awareness of the process approach and risk based thinking;
- e) ensuring that the resources needed for the management system are available;
- f) communicating the importance of effective quality management and of conforming to the management system requirements;
- g) ensuring that the management system achieves its intended results;
- h) engaging, directing and supporting persons to contribute to the effectiveness of the management system;
- i) promoting continual improvement;
- j) Supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

### **5.1.2 Customer focus**

Senior Management of Hughes Peters adopts a customer-first approach which ensures that customer needs and expectations are determined, converted into requirements and are met with the aim of enhancing customer satisfaction.

This is accomplished by assuring:

- a) customer and applicable statutory and regulatory requirements are determined, understood and consistently met;
- b) the risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed;
- c) the focus on enhancing customer satisfaction is maintained.

## **5.2 Policy**

Senior Management has developed the Quality Policy that governs day-to-day operations to ensure quality.

The Quality Policy was released as a standalone statement and was communicated and implemented throughout the organization.

The Quality Policy of Hughes Peters (or motto) is as follows:

**“The Biggest Little Distributor in the USA”**

## **5.3 Organizational Roles Responsibilities and Authorities**

Senior Management has assigned responsibilities and authorities for all relevant roles in the company. These are communicated through the combination of the Organizational Chart and job descriptions.

In addition, the following overall QMS responsibilities and authorities are assigned as follows:

Responsibility	Assigned To
Ensuring that the management system conforms to applicable standards	Quality Manager
Ensuring that the processes are delivering their intended outputs	Department Manager
Reporting on the performance of the management system and providing opportunities for improvement for the management system	Quality Manager
Ensuring the promotion of customer focus throughout the organization	All Department Managers and Upper Management
Ensuring that the integrity of the management system is maintained when changes are planned and implemented	Quality Manager
Use of the mark (HSB, IAF, and IAS)	Quality Manager

The Quality Manager has been assigned the ISO role of Management Representative when having a single point of contact to represent the Hughes Peters quality system is useful or required by customer or regulations. Other duties of the Management Representative may be defined herein or within other documented procedures. Currently, Hughes Peters does not use the “use of the mark” on documents. If this were to change, Hughes Peters would follow the terms in the Exhibit A of the HSB Registration Services Certification Agreement and would be the responsibility of the Management Representative.

## 6.0 Planning

### 6.1 Actions to Address Risks and Opportunities

*Note: Hughes Peters views “uncertainty” as neutral, but defines “risk” as a negative effect of uncertainty, and “opportunity” as a positive effect of uncertainty. Hughes Peters has elected to manage risks and opportunities separately, except where they may overlap. Formal risk management may not be utilized in all instances.*

Hughes Peters considers risks and opportunities when taking actions within the management system, as well as when implementing or improving the management system; likewise, these are considered relative to products and services. Further information can be found in the **COTO Log**.

### 6.2 Quality Objectives and Planning to Achieve Them

As part of the adoption of the process approach, Hughes Peters utilizes its process objectives as the main quality objectives for the Quality Management System. These include on time deliveries, quality levels as in returns, and internal cabling which is an internal measurement. Additional product-related quality objectives may be defined in customer drawings, work instructions or other customer requirements. The process objectives have been developed in consideration that they:

- a) be consistent with the quality policy;
- b) be measurable;
- c) take into account applicable requirements;
- d) be relevant to conformity of products and services and to enhancement of customer satisfaction;
- e) be monitored;
- f) be communicated;
- g) Updated as appropriate.

Process quality objectives are defined in the minutes of Management Reviews or in the Paynter chart. The planning of process quality objectives are defined in section 4.4.

### **6.3 Planning of Changes**

Changes to the quality management system and its processes are carried out in a planned manner. This is usually done during the Management Review but will always include Senior Management. This doesn't include minor updates (i.e. documentation updates, form revisions, and adding or deleting quality notes in EPDS).

## **7.0 Support**

### **7.1 Resources**

#### **7.1.1 General**

Hughes Peters determines and provides the resources needed:

- a) to implement and maintain the management system and continually improve its effectiveness
- b) to enhance customer satisfaction by meeting customer requirements

Resource allocation is done with consideration of the capability and constraints on existing internal resources, as well as needs related to supplier expectations. Resources and resource allocation are assessed during Management Reviews.

#### **7.1.2 People**

Senior management and Process Owners ensure sufficient staffing for the effective operation of the management system, as well its identified processes. Staffing agencies are utilized as needed.

#### **7.1.3 Infrastructure**

Senior management determines, provides and maintains the infrastructure needed to achieve conformity to product requirements. Infrastructure includes, as applicable:

- a) buildings, workspace and associated facilities;
- b) process equipment, hardware and software (including software updates);
- c) supporting services such as transport;
- d) Information and communication technology.

#### **7.1.4 Environment for the Operation of Processes**

Hughes Peters provides a clean, safe and well-lit working environment needed to achieve conformity to product requirements. Specific environmental requirements for products are determined during quality planning and are documented in subordinate procedures, work instructions, or other job documentation. Human factors are considered to the extent that they directly impact on the quality of products. Sometimes changes to the "work place environment" is documented in the corrective action log. Physical factors such as social and psychological are further defined in the ***Employee Handbook***.

### 7.1.5 Monitoring and Measuring Resources

Where equipment is used for critical measurement activities, such as inspection and testing, these shall be subject to control and either calibration or verification; see the procedure ***Calibration and Testing***.

*Note: Calibration and measurement traceability is not employed for all measurement devices. Instead, Hughes Peters determines which devices will be subject to calibration based on its processes, products and services, or in order to comply with specifications or requirements. These decisions are also based on the importance of a measurement, and considerations of risk, and customer requirements.*

### 7.1.6 Organizational Knowledge

Process Owners determine the knowledge necessary for the operation of its processes and to achieve conformity of products and services. Industry standards are found in the Requirements and Acceptance for Cable and Wire Harness Assemblies (also known as IPC 620). Multiple IPC 620 books are available for reference in the Value Added and Quality departments. This may include knowledge and information obtained from:

- a) internal sources such as lessons learned, subject matter experts, and/or intellectual property;
- b) external sources such as standards, academia, conferences, and/or customers or suppliers.

This knowledge shall be maintained, and made available to the extent necessary. When addressing changing needs and trends, Hughes Peters shall consider its current knowledge and determine how to acquire or access the necessary additional knowledge.

## 7.2 Competence

Employees performing work affecting product quality are competent based on appropriate education, training, skills and/or experience. Temporary employees may work on Hughes Peters assemblies based upon training and close supervision. Training records for current, full-time employees can be found in the Training Charts folder in the Quality drive. Some Hughes Peters employees are Certified IPC Trainers, and as such they can train other Hughes Peters' employees on-site in a timely manner.

## 7.3 Awareness

Training and subsequent communication ensure that staff are aware of:

- a) the quality policy (stated in the ***Quality Policy Manual*** in HP Tools);
- b) relevant quality objectives (posted and emailed Paynter charts);
- c) their contribution to the effectiveness of the management system, including the benefits of improved performance;
- d) the implications of not conforming with the management system requirements.

## 7.4 Communication

Senior Management of Hughes Peters ensures internal communication takes place regarding the effectiveness of the management system. Communications may include the Paynter chart, sales/budgeting emails, Value Added dry erase boards, are "state of the company" speeches. Regular communications are done weekly, monthly and quarterly. Audiences can vary from all full-time employees to only certain managers. Internal communication methods include:

- a) use of corrective and preventive action processes to report nonconformities, mitigate risk, and/or suggestions for improvement

- b) use of the results of analysis of data (ex. Paynter Chart)
- c) meetings (periodic, scheduled and/or unscheduled) to discuss aspects of the QMS
- d) use of the results of the internal audit process which may require internal corrective action
- e) company meetings with all employees
- f) internal emails
- g) memos to employees
- h) Hughes Peters “open door” policy which allows any employee access to Senior Management for discussions on improving the quality system

## 7.5 Documented Information

The management system documentation includes both documents and records.

*Note: the ISO 9001:2015 standard uses the term “documented information”; Hughes Peters does not use this term, but instead relies on the terms “document,” “record,” and “form” to avoid confusion. In this context the terms are defined by Hughes Peters as provided for in section 3.0 above. Documents and records undergo different controls as defined herein.*

The extent of the management system documentation has been developed based on the following:

- a) The size of Hughes Peters
- b) Complexity and interaction of the processes
- c) Competence of personnel

Much of this documented information and records can be found in EPDS. Documents required for the management system are controlled in accordance with procedure **Document Control**. The purpose of document control is to ensure that staff have access to the latest, approved information, and to restrict the use of obsolete information. Documented procedures are established, documented, implemented and maintained.

A documented procedure **Control of Records** has been established to define the controls needed for the identification, storage, retrieval, protection, retention time, and disposition of quality records. The Cross Reference of Records Matrix is the form for this information and is updated periodically by the Management Representative.

These controls are applicable to those records which provide evidence of conformance to requirements; this may be evidence of product requirements, contractual requirements, procedural requirements, or statutory/regulatory compliance. In addition, quality records include any records which provide evidence of the effective operation of the management system.

## 8.0 Operation

### 8.1 Operational Planning and Control

Hughes Peters plans and develops the processes needed for realization of its products. Such planning considers the information related to the context of the organization (see section 2.0 above), current resources and capabilities, as well as product requirements. Such planning is accomplished through:

- a) determining the requirements for the product (decided by the customers)
- b) establishing criteria for the processes and the acceptance of the product

- c) determining the resources needed to achieve conformity to the product requirements;
- d) implementing control of the processes in accordance with the criteria;
- e) Determining, maintaining and retaining documented information to the extent necessary to have confidence that the processes have been carried out as planned and to demonstrate the conformity of products to their requirements.

Any process performed by a third party is considered an “outsourced process;” like the use of Tool Testing Lab, Inc. for calibration and verification of certain tools. Outsourced processes and the means by which Hughes Peters controls them are determined by Management (usually the Operations team).

## **8.2 Requirements for Products and Services**

### **8.2.1 Customer Communication**

Hughes Peters has implemented effective communication with customers in relation to:

- a) providing information relating to products;
- b) handling enquiries, contracts or orders, including changes (HP Tools – Design Change);
- c) obtaining customer feedback relating to products and services, including customer complaints;
- d) handling or controlling customer property;
- e) Establishing specific requirements for contingency actions, when relevant.

### **8.2.2 Determining the Requirements Related to Products and Services**

During the intake of new business Hughes Peters captures:

- a) requirements specified by the customer, including the requirements for delivery and post-delivery activities;
- b) requirements not stated by the customer but necessary for specified or intended use, where known;
- c) statutory and regulatory requirements related to products;
- d) any additional requirements determined by Hughes Peters.

These activities are defined in greater detail in the procedure ***Quoting and Orders***.

### **8.2.3 Review of Requirements Related to Products and Services**

Once requirements are captured, Hughes Peters reviews the requirements prior to its commitment to supply the product. This review ensures that Hughes Peters has the capability and capacity to meet:

- a) customer requirements, including requirements for delivery and post-delivery activities;
- b) any requirements not stated by the customer, but necessary when known;
- c) requirements determined necessary by Hughes Peters itself;
- d) related statutory and regulatory requirements;
- e) any contract or order requirements differing from those previously expressed (i.e., from a previous Hughes Peters quote).

These activities are defined in greater detail in the procedure ***Quoting and Orders***.

## **8.2.4 Changes to Requirements for Products and Services**

Hughes Peters updates all relevant requirements and documents when the requirements are changed, and ensures that all appropriate staff are notified; see the documented procedure ***Change Management***. Also, there is a standardized processes for changes originating from the customer.

## **8.3 Design and Development of Products and Services**

Not Applicable for Hughes Peters at this time. All designs are from customer-supplied documents.

## **8.4 Control of Externally Provided Processes, Products and Services**

Hughes Peters ensures that purchased products conform to specified purchase requirements. The type and extent of control applied to the supplier and the purchased products or services are dependent on the effect on subsequent product realization or the final product.

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

Purchases are made via the release of formal purchase orders and/or contracts which clearly describe what is being purchased. Received products or services are then verified against requirements to ensure satisfaction of requirements. Suppliers who do not providing conforming products or services may be requested to conduct formal corrective action.

Further information are in the documents ***Purchasing*** and the ***Wireless Warehouse Manual***.

## **8.5 Production and Service Provision**

### **8.5.1 Control of Production and Service Provision**

To control its provision of products, Hughes Peters considers, as applicable, the following:

- a) the availability of documents or records that define the characteristics of the products (customer drawings and schematics) as well as the results to be achieved;
- b) the availability and use of suitable monitoring and measuring resources;
- c) the implementation of monitoring and measurement activities;
- d) the use of suitable infrastructure and environment;
- e) the appointment of competent persons, including any required qualifications;
- f) the validation and revalidation of special processes if applicable (see below);
- g) the implementation of actions to prevent human error;
- h) the implementation of release, delivery and post-delivery activities.

At this time, Hughes Peters does not utilize any in-house “special processes” where the result of the process cannot be verified by subsequent monitoring or measurement. Any such special processes are sent to outside suppliers as needed; or is the responsibility of the supplier.

### **8.5.2 Identification and Traceability**

Where appropriate, Hughes Peters identifies its products or other critical process outputs by suitable means. Such identification includes the status of the products with respect to monitoring and

measurement requirements. Unless otherwise indicated as nonconforming, pending inspection or disposition, or some other similar identifier, all products shall be considered conforming and suitable for use. If unique traceability is required by contract, regulatory, or other established requirement, Hughes Peters controls and records the unique identification of the product (Hughes Peters internally created “lot number” is unique to that particular shipment).

The documented procedure ***Identification and Traceability*** defines these methods in detail.

### **8.5.3 Property Belonging to Customers or External Providers**

Hughes Peters exercises care with customer or supplier property while it is under the organization's control or being used by the organization. Upon receipt, such property is identified, verified, protected and safeguarded. If any such property is lost, damaged or otherwise found to be unsuitable for use, this is reported to the customer or supplier and records maintained.

For customer intellectual property, including customer furnished data used for design, production and/or inspection, this is identified by customer and maintained and preserved to prevent accidental loss, damage or inappropriate use.

This activity is defined in greater detail in the document ***Customer Property***.

### **8.5.4 Preservation**

Hughes Peters preserves conformity of product or other process outputs during internal processing and delivery. This preservation includes identification, handling, packaging, storage, and protection. Preservation also applies to the constituent parts of a product.

The documented procedure ***Preservation Procedure*** defines the methods for preservation of product.

### **8.5.5 Post-Delivery Activities**

As applicable, Hughes Peters conducts the following activities which are considered “post-delivery activities”:

- Customer Satisfaction Follow Up
- Periodic Quality Reviews
- Monitor Customer Complaints and Subsequent Corrective Actions

Post-delivery activities are conducted in compliance with the management system defined herein. In determining the extent of post-delivery activities that are required, Hughes Peters considers:

- a) statutory and regulatory requirements;
- b) the potential undesired consequences associated with its of products;
- c) the nature, use and intended lifetime of its of products;
- d) customer requirements;
- e) customer feedback (i.e. scorecards and customer complaints).

### **8.5.6 Control of Changes**

Hughes Peters reviews and controls both planned and unplanned changes to processes to the extent necessary to ensure continuing conformity with all requirements. Documents are changed in accordance with procedure ***Document Control***.



## 8.6 Release of Products and Services

Acceptance criteria for products are defined in appropriate subordinate documentation. Reviews, inspections and tests are conducted at appropriate stages to verify that the requirements have been met. This is done before products are released or services are delivered. When applicable, the appropriate stages are inspecting a first article (and model if built), inspecting a first piece of a lot, work in process (i.e. inspection of a crimp before heat shrink tubing covers the crimp), and final inspections. Each process utilizes different methods for measuring and releasing products. These methods are defined in **Process Definition** document.

## 8.7 Control of Nonconforming Outputs

Hughes Peters ensures that products or other process outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery. The controls for such non-conformances are defined in **Control of Non-Conforming Product**. Non-conforming issues are recorded in the customer complaint and corrective actions logs in EPDS, as needed.

## 9.0 Performance Evaluation

### 9.1 Monitoring, Measurement, Analysis and Evaluation

#### 9.1.1 General

Hughes Peters has determined which aspects of its quality management system that must be monitored and measured, as well as the methods to utilize and records to maintain, within this Quality Manual and subordinate documentation.

Monitoring and measurement of the processes, as defined in section 4.4 above, ensure that the Senior Management evaluates the performance and effectiveness of the quality management system itself.

#### 9.1.2 Customer Satisfaction

As one of the measurements of the performance of the management system, Hughes Peters monitors information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information include:

- recording customer complaints
- product rejections or returns (i.e. customer complaints, material returns, and corrective actions)
- repeat orders for product
- changing volume of orders for product
- trends in on-time delivery
- obtain customer scorecards from certain customers

The corrective and preventive action system shall be used to develop and implement plans for customer satisfaction improvement that address deficiencies identified by these evaluations, and assess the effectiveness of the results.

### 9.1.3 Analysis and Evaluation

Hughes Peters analyzes and evaluates the data and information arising from monitoring and measurement in order to evaluate:

- a) conformity of products (customer complaint and corrective action logs);
- b) the degree of customer satisfaction (from customer scorecards);
- c) the performance and effectiveness of the quality management system (Paynter chart);
- 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 improvements to the quality management system.

Statistical techniques used may be defined in appropriate documented procedures; in all cases, the methods are based on established standards or are otherwise determined to be statistically valid. The Quality Manager reviews this data with Sales, Quality Inspectors, and Senior Management for continuous improvement purposes.

### 9.2 Internal Audit

Hughes Peters conducts internal audits at planned intervals to determine whether the management system conforms to contractual and regulatory requirements, to the requirements of ISO 9001, and to management system requirements. Audits also seek to ensure that the management system has been effectively implemented and is maintained. These activities are defined in the document ***Procedure – Quality – Internal Audit***.

### 9.3 Management Review

The Senior Management Team reviews the management system annually, to ensure its continuing suitability, adequacy and effectiveness. The review includes assessing opportunities for improvement, and the need for changes to the management system. Management review summary and action items will be stated in the ***Management Review Meeting and Minutes***. Records from management reviews are maintained for at least one year.

## 10.0 Improvement

### 10.1 General

Hughes Peters uses the management system to improve its processes, products and services. Such improvements aim to address the needs and expectations of customers as well as other interested parties, to the extent possible.

Improvements can come from:

- a) conformity of products and services;
- b) the degree of customer satisfaction;
- c) the performance and effectiveness of the management system;
- d) the effectiveness of planning;

- e) the effectiveness of actions taken to address risks and opportunities;
- f) the performance of external providers;
- g) other improvements to the management system.

Managers also define, complete, and review yearly projects. These projects result in continuous improvement which saves the company time and money; and are reviewed in the OPS meeting.

## **10.2 Nonconformity and Corrective Action**

Hughes Peters takes corrective action to eliminate the cause of nonconformity in order to prevent recurrence. Likewise, the company takes preventive action to eliminate the causes of potential nonconformities in order to prevent their occurrence. These activities are done through the use of the formal Corrective Action system, and are defined in the document ***Corrective & Preventive Action***.

## **10.3 Continual Improvement**

As part of Management Reviews and discussed in personal performance reviews, Hughes Peters works to continually improve the suitability, adequacy and effectiveness of the quality management system. Customer feedback (i.e. a customer scorecard) is a good source of information for continual improvement.

All of these quality efforts stated in this document support Hughes Peters in its desire to be “The Biggest Little Distributor in the USA.”