IBS Electronics, Inc.

****

***

Quality Policy Manual
ISO9001:2000

Ver 6.0

Controlled Copy

IBS Electronics, Inc.
3506-D W. Lake Center Dr.
Santa Ana, Ca 92704 U.S.A.
714.751.6633
800.527.2888
714.751.8159 FAX
.
E-mail: ibs@ibselectronics.com
Internet: http://www.ibselectronics. com

Title: **Table of Contents**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **A**

Title: **Table of Contents Ref Documents**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **A**

Reference Documents:

ISO 10005	*Quality management - Guidelines for quality plans*
ISO 9001-2000	*Quality management systems-Requirements*
ISO 9000-2000	*Quality management systems-Fundamentals and vocabulary*
ISO 9004-2000	*Quality Management systems-Guidelines for performance improvements*
ISO 10011	*Guidelines for Auditing Quality Systems*
ISO10013	*Guidelines for developing quality manuals*
ISO9004-2000	*Quality management systems-Guidelines for performance improvements*

Title: **Table of Contents IBS Information**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 3 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **A**

IBS Electronics, Inc. Information

IBS Electronics, Inc. established in 1980, is a growing electronic components distributor serving OEM customers, contract manufacturing and brokers that inquire

tailored inventory ,
industrial,
commercial,
mil-specs and aerospace components,
fast order processing, competitive pricing,
same day shipping,
technical and cross reference support,
just-in-time program,
value added services,
and total support.

This quality policy manual is issued and controlled by IBS management. The policies defined in this manual is designed to meet the ISO 9001-2000 requirements.

Signed at Santa Ana, California

Signature in File: _____In File_____ Date:11/22/06
GM, CEO, President

Signature in File: _____In File_____ Date:11/22/06
Operation Manager

Signature in File: _____In File_____ Date:11/22/06
Quality Manager, Quality Rep.

Title: **Quality Management System**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **B**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section is to specify *IBS*'s requirements for a Quality Management System (QMS) in order to demonstrate its ability to consistently provide *product* that meets *customer* requirements, and aims to enhance customer satisfaction.

- IBS excludes element 7.3, Design and development, because IBS does not perform the activities.
- IBS excludes element 7.5.4, customer supplied properly, because IBS does not perform the activities.
- IBS excludes element 7.5.2, Validation of processes for production and service provision, because IBS does not perform the activities.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 1.0, 4.1, 5.3, 5.4.1

2.2 *Quality System Procedure – 1.2 Quality System Procedure*

2.3 *Quality System Procedure – 2.7 Standard Procedure Format*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Scope

4.1.1 IBS Electronics operates a quality system to meet the requirements of ISO 9001-2000. The quality system is described in this manual and all employees are to follow the elements of its content.

4.1.2 The mission statement of IBS Electronics is:

TO BE THE RECOGNIZED COMPONENT DISTRIBUTOR SPECIALIST IN DOMESTIC AND OVERSEAS TO ACHIEVE CUSTOMER SATISFACTION

The purpose of this manual is to provide:

1. A coordinated and systematic approach to quality throughout IBS Electronics.

2. Guidance for the planning of all activities related to quality.

3. Guidance for IBS employees in defining their roles in quality.

4. An overview of IBS quality system for customers and suppliers.

4.2 Quality Management System - General (4.1)

4.2.1 IBS has established, documented and implemented a Quality Management System and continually improves its effectiveness in accordance with the requirements of the ISO 9001-2000 Standards. IBS has:

a) identified the processes needed for its QMS and their application throughout the company.

b) determined the sequences and interaction of these processes.

c) determined the criteria and methods needed to ensure that both the operation and control of these processes are effective.

d) ensured the availability of resources per section H, and information necessary to support the operation and monitoring of these processes.

e) established criteria and means to effectively operate, monitor, measure, analyze and control the processes including improvement of quality management system effectiveness and improvement of these processes per section R and S.

f) implemented actions necessary to achieve planned results and continued improvements of these processes.

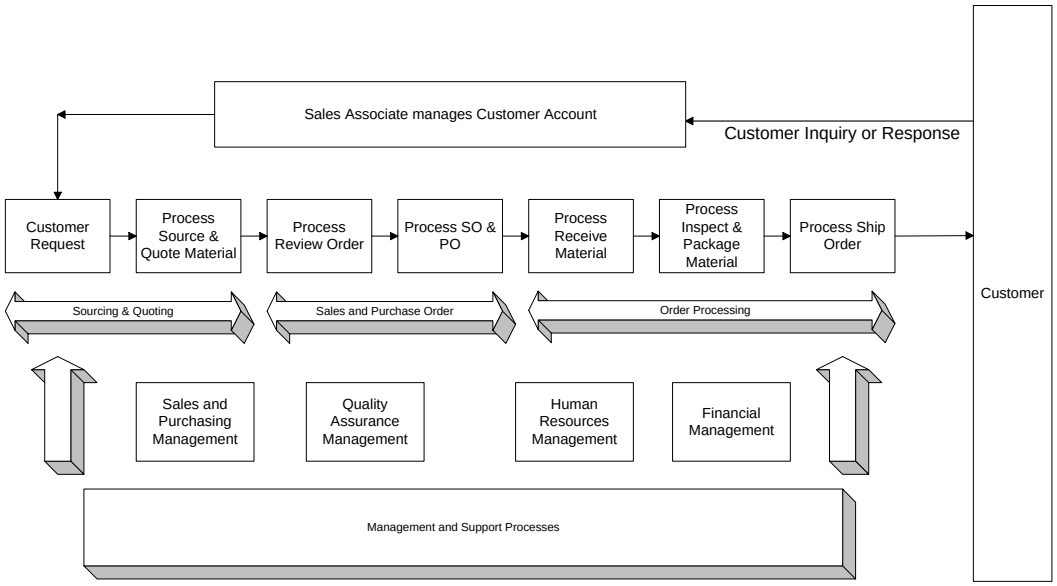
4.2.2 IBS does identify, outsource and ensure drop shipment process affecting product with these requirements, Should any other process be outsourced IBS will identify them and ensure control over such processes.

4.2.3 The following Key Processes have been identified and documented:

a) Sourcing and Quoting
b) Sales and Purchase Order
c) Order Processing
d) Sales and Purchasing Management
e) Quality Assurance Management
f) Human Resource Management
g) Financial Management

The interrelationship sequences and interactions are described on enclosed diagram and detailed in section H. Supporting documentation and records are developed as required.

4.2.4 The diagram on next page shows interaction of processes for IBS Electronics:



Process Map Diagram
Operation Management

4.3 Quality Policy (5.3)

4.3.1 The following quality policy, established by the management of IBS, has been presented to all employees to be part of their orientation for Quality System.

Title: **Quality Management System**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 5 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **B**

Applicability: This section is applicable to all *IBS Electronics* operations.

IBS Electronics' quality policy is committed to provide quality parts and services that satisfy our customers' expectations on time, every time.

4.3.2 This policy is accomplished through educating all employees who are parts of one IBS team on:

1.0 Total Customer Satisfaction
2.0 Commitment to Continual Improvement of the effectiveness of quality management system. (5.3b)
3.0 All Employees Participation

4.4. Quality Policy Implementation

4.4.1 This quality manual documents IBS quality system. It defines the organizational structure, quality responsibilities and practices used to implement quality related activities.

4.4.2 The quality system interacts with all employees from sales through final inspection and customer support. It encourages continual improvement of processes. Customer 's requirements are an integral part of quality system.

4.5 Quality Objectives (5.4.1)

4.5.1 Objective evidences are documented records and all actions performed daily by IBS employees's work-related to the IBS quality system. These are satisfactory proof of the established quality system. The overall quality objectives are as follows:

- continual improvement of quality system
- customer satisfaction
- maintain ISO 9001:2000 program
- conforming to customer's requirements
- record of on time delivery

4.5.2 Measurement objectives

- measurement of effectiveness of improvements by gathering and analyzing internal audit report and audit data
- measurement of customer satisfaction by gathering and analyzing customer survey response data.
- measurement of on time delivery by gathering and analyzing sales performance and delivery history data.
- measurement of meeting customer's requirement by gathering and analyzing customer returns and customer repeat business data

5.0 RESPONSIBILITIES

5.1 It is the responsibility of top management to ensure that the quality policy is implemented and understood by all of IBS Electronics' employees..

6.0 RECORDS

6.1 Records of Quality Objectives are a part of Management Review process.

Title: **Planning**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 1
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **C**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the planning of IBS Electronics, Inc.' s QMS and quality objectives.

2.0 REFERENCE DOCUMENTS

2.4 ISO 9001:2000 Clause 5.4.2

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QUALITY MANAGEMENT SYSTEM REQUIREMENTS

4.1 Quality Management System Planning (5.4.2)

4.1.1 The sales, finance and operation managements define the requirements and the quality representative documents the procedures.

4.2 Plan Summary

4.2.1 IBS Electronics operates a quality system to meet the requirements of ISO 9001-2000. The quality system is described in this manual and all employees are to follow the elements of its content. Planning is accomplished during management review and other management meetings. Four primary groups shapes IBS quality system: Sales, Operation, Finance and Quality as described in section E.

5.0 RESPONSIBILITIES

5.1 The Quality policy, established by management of IBS Electronics, has been presented to all employees to be part of their orientation for quality system.

6.0 RECORDS

6.1 The Records for QMS planning are maintained through documented evidence.

Title: **Management Responsibility**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **D**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes top management's responsibilities with regard to the continual improvement of IBS' Quality Management System and the enhancement of customer satisfaction.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clauses 5.1, 5.2 and 5.5.3

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Management Commitment (5.1)

4.1.1 IBS management provides evidences of commitment to the QMS, and to continual improvement of the effectiveness of the QMS, by

- communicating to all employees the importance of meeting customer requirements.
- establishing the quality policy, and ensuring that this policy is understood by all employees.
- ensuring that the quality objectives are established.
- conducting management reviews
- ensuring the availability of resources

4.2 Customer Focus (5.2)

4.2.1 IBS management ensures that customer requirements are met. Customer requirements are identified in section J, para 4.1, 4.2 and 4.3 and customer satisfaction is covered in section P, para 4.1.

Title: **Management Responsibility**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **D**

Applicability: This section is applicable to all *IBS Electronics* operations.

4.3 Internal Communication (5.5.3)

4.3.1 IBS management provides evidence of commitment to the QMS, and to continual improvement of the effectiveness of the QMS. IBS management ensures that appropriate communication processes are established and that communication takes place regarding the effectiveness of the QMS

4.3.2 This task is accomplished by IBS newsletter published monthly or quarterly, scheduled top management meeting and by e-mails and correspondences from management to employees. Daily morning sales/purchasing meeting are also part of internal communication.

5.0 RESPONSIBILITIES

5.1 IBS management is responsible to ensure customer focus and internal communication is implemented.

6.0 RECORDS

6.1 The quality records are documented within this QMS.

Title: **Organization Responsibility**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **E**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section defines the responsibilities and authorities of IBS personnel for implementing and maintaining the Quality Management System (QMS).

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clauses 5.5.1 and 5.5.2

2.2 *Quality System Procedure – 1.3 Organization Responsibility*

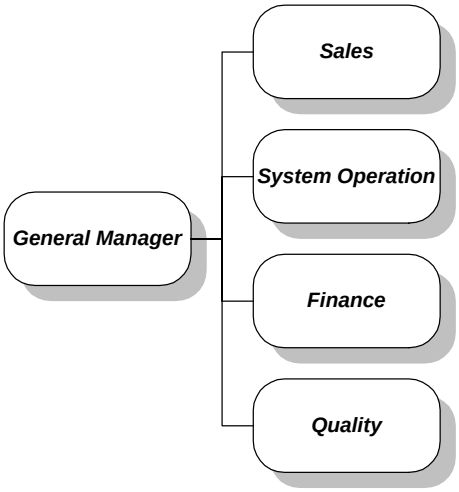
3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Responsibility and Authority (5.5.1)

4.1.1 The responsibility, authority and interrelation of employees who manage, perform and verify quality is shown on the IBS chart in this section (see also IBS organization chart).



4.1.2 For purposes of this section IBS is composed of primary special groups: Sales, Finance, Operation and Quality. The responsibilities of all areas as follows:

- sales:: domestic and international sales, post sales customers maintenance.
- finance (accounting): general book keeping , ledgers and internal audits
- system operation:: purchasing, receiving, storage and shipping of the parts.
- quality: quality records, audits, corrective actions and inspection

4.1.3 IBS leadership has committed to providing adequate resources. and personnel sufficient to obtain the quality program goals. Audit group is the vehicle for verifying the success of the quality system. Audit group consists of quality rep and internal auditor.

4.2 Management Representative (5.5.2)

4.2.1 The Quality Representative (Management Representative) is responsible to the General Manager for leading, monitoring and auditing all quality related activities and for reporting on all quality matters.

4.3 Quality Assurance Manager

4.3.1 The Quality Assurance Manager is a management representative for ISO 9001-2000. Quality Management System. The responsibilities are described in paragraph 4.2 and 5.0.

5.0 RESPONSIBILITIES

5.1 The President/General Manager has the overall responsibility for the definition of, and adherence to, the quality policy and through the Quality Representative, for the authorization and implementation of the quality system.

5.2 The quality of IBS parts and services depends on each group effectively performing tasks that contributes to, or affects, quality.

5.3 The manager of each group is responsible for the work performed by each member and for ensuring that the members of each group are appropriately qualified for their assigned level of authority and responsibility.

5.3 The Quality Representative has the authority and responsibility for ensuring that the requirements of IBS's Quality Policy are implemented and maintained. While carrying out this responsibility, the Quality Representative will report to the IBS President/General Manager.

6.0 RECORDS

6.1 The job classification, relating to the skills, expertise and knowledge of people shown on the chart are maintained in employee benefits. The descriptions may be amended by general manager directive or local, state and federal laws.

For purpose of this section below documents are provided:

Organizational Chart

Job Descriptions

6.2 Organizational chart and Job description are added to this QMS and they can be revised at any time to reflect present changes.

Title: **Management Review**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **F**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for top management's review of the Quality Management System to ensure its continuing suitability, adequately, and effectiveness.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 5.6

2.2 *Quality System Procedure – 1.4 Management Quality Review*

3.0 DEFINITIONS

3.1 See Section 20, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Management Review – General (5.6.1)

4.1.1 The review will include consideration of the suitability and effectiveness of the quality system and the effectiveness of corrective actions taken since the last management review. Top management review IBS' QMS on semi-annual basis.

4.2 Review Inputs (5.6.2)

4.2.1 As a minimum, the following subjects will be considered during the formal management review of the quality system:

Internal Audits
status of preventive and corrective actions
follow up actions from previous management reviews
customer feedback/complaints
changes that could affect the quality management system
management quality objectives/recommendations for improvement

4.3 Review Output (5.6.3)

4.3.1 Any conclusion or action item will be recorded and assignee will be determined for that action item.

management objectives on quality system.

training plan and recommendations for improvement and preventive, corrective actions and preventive plan.

Improvement of the effectiveness of the quality management system.

5.0 RESPONSIBILITIES

5.1 The quality system will be reviewed by the President/General Manager and Quality Rep. to improve the quality system.

6.0 RECORDS

6.1 The quality Representative will maintain records of the management review and internal audits for specified period as described in section G.

Title: **Documentation Requirements**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 5
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **G**

Applicability: This section is applicable to all IBS Electronics operations.

1.0 PURPOSE

1.1 This section establishes the requirements for documentation of the Quality Management System (QMS). The system provides for the uniform preparation, revision, distribution, retrieval, and storage of documents and records.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Paragraphs 4.2.1, 4.2.2, 4.2.3 and 4.2.4

2.2 *Quality System Procedure – 5.8 Document control*

2.3 *Quality System Procedure – 16.5 Quality records*

3.0 DEFINITIONS

See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Documentation Requirements - General (4.2.1)

4.1.1 IBS QMS documentation includes:

b) documented statements of a quality policy and quality objectives,
c) this Quality Manual
d) the documented procedures referenced within each section of this Manual where required by the ISO9001:2000 Standards,
e) documents needed by the IBS organization to ensure the effective planning, operation, and control of its processes, and
f) records required by the ISO 9001:2000 Standard.

4.2 Quality Manual (4.2.2)

4.2.1 The quality manual

4.2.1.1 This quality manual documents IBS quality system. It defines the organizational structure, quality responsibilities and practices used to implement quality related activities.

4.2.1.2 The quality system interacts with all employees from sales through final inspection and customer support. It encourages continual improvement of processes. Customer requirements are an integral part of the quality system.

4.2.2 Policy Update

4.2.2.1 Quality policy manual and procedures are updated when necessary under the authority of the quality representative and copies of changed sheets will be distributed to all personnel affected and the original in the manual and database will be replaced.

4.2.3 Manual and Procedures Changes

4.2.3.1 Any IBS employee may submit proposed quality manual and procedure changes to the quality representative.

4.2.3.2 All controlled document changes and modification must be approved by the President/General Manager or Quality Representative.

4.2.3.3 Any quality policy changes, will affect this version of the quality policy manual. The version letter changes to next character and description of the change(s) will be recorded.

4.2.3.4 When revised documents are circulated, a change brief is included on first section of page one which outlines where to look for changes.

4.2.3.5 The alternative method of latest revision of revised documents is circulated through the system network. The revised documents are in Intranet. All employees have access to review all procedures and company policy whenever needed.

4.2.3.6 IBS established and maintains this Quality Manual that includes:

The scope of the QMS, as it applies to products and services. The justifications for exclusions claimed under ISO 90001:2000 Standard are detailed below.

- IBS does not hold Design and development for exclusion of element 7.3.
- IBS does not hold any customer supplied properly for exclusion of element 7.5.4.

4.3 Control of Documents (4.2.3)

4.3.1 The document control procedures define the requirements for developing methods for controlling the generation, modification, approval and distribution of documents. The quality rep has the responsibility for the document control processes.

4.3.2 IBS Quality Manual is a controlled document under the responsibility of quality representative. At present time one master copy of quality manual is available.

4.3.3 The system network is also available for employees to view the latest revisions of the Quality Manual and procedures. The files are located in Intranet under ISO link. A Master List has been established to identify the current revision of documents in order to control the issuance and revision status of the documents.

4.4 Control of Records (4.2.4)

4.4.1 Procedures are established and maintained for identification, collection, indexing, filing, storage, maintenance, and disposition of quality records. Quality records collected provide traceability and allow analysis of trends and conformance to requirements.

4.4.2 Quality records are developed to support requirements of traceability, conformance to requirements and continual improvement processes.

4.5 Documentation Structure

4.5.1 The Operation Procedures

4.5.1.1 The quality system documentation structure is based on a quality policy and procedures established.

4.5.2 The Document Control System assures that all controlled documents and data affecting purchasing and quality are current and approved for release per the applicable procedures. Controlled document include, but are not limited to:

a. Operation Procedures
b. Quality Manual

5.0 RESPONSIBILITIES

5.1 The quality representative maintains the documented quality system as described in this manual. The manual is used as a means of ensuring that parts and services conform to the requirements of ISO 9000-2000.

5.2 The document control process is managed by quality rep. and quality policy and manual and documents are kept under one master copy.

Sales, Inventory, Accounting and Quality are responsible for ensuring complete and accurate records are kept to support customer access to quality records. The responsibilities for record maintenance and retention include:

-Verification that records are legible and identifiable to demonstrate achievement of required quality system.

-Records are stored in such a manner that they are easily retrievable and protected from deterioration.

Title: **Documentation Requirements**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 5 of 5
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **G**

Applicability: This section is applicable to all IBS Electronics operations.

6.0 RECORDS

6.1 IBS requires that a master list of the latest revisions of all controlled documents be maintained by Quality Rep.

6.2 The management of records is the responsibility of each of the employee. All quality records are maintained either in filling cabinets for paper or in a data base for electronically collected records.

Title: **Resource Management**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 4
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **H**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for the management of the resources that are essential to the implementation and continual improvement of the QMS.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause Paragraphs 6.1, 6.2 and 6.3

2.2 *Quality System Procedure – 18.5 Quality Training and Education*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Provision of Resources - General (6.1)

4.1.1 IBS leadership has committed to providing adequate resources. and personnel sufficient to attain the quality program goals. Audit process is the vehicle for verifying the success of the quality system. When resources requirements change, management ensures that adequate resources are allocated.

4.2 Human Resources – General (6.2.1)

4.2.1 All employees are verified to be competent in their specific job assignments on the basis of appropriate education, training, and experience.

4.2.2 The job classification, relating to the skills, expertise and knowledge of people shown on the chart are maintained in employee folders. The descriptions may be amended by President/General manager directive or local, state and federal laws.

4.3 Competence, Awareness and Training (6.2.2)

4.3.1 A training program is created to specify the requirements, type and content of training for new and existing employees.

4.3.2 A training program is implemented and applies to all employees performing specific task affecting quality. All employees are qualified on the basis of education, training, or experience as needed.

4.3.3 As part of orientation process, all new employees receive employee handbook. Employee handbook contains information about the IBS employment policies and practices.

4.3.4 As part of training program, IBS evaluates the effectiveness of actions taken and ensures that personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives.

4.3.5 Employee Feedback

4.3.5.1 IBS is interested in employee's constructive ideas and suggestions for improving operation and continual improvement. Process is established to obtain employee‘s response or supervisor's response on completed subject training.

4.4 Infrastructure (6.3)

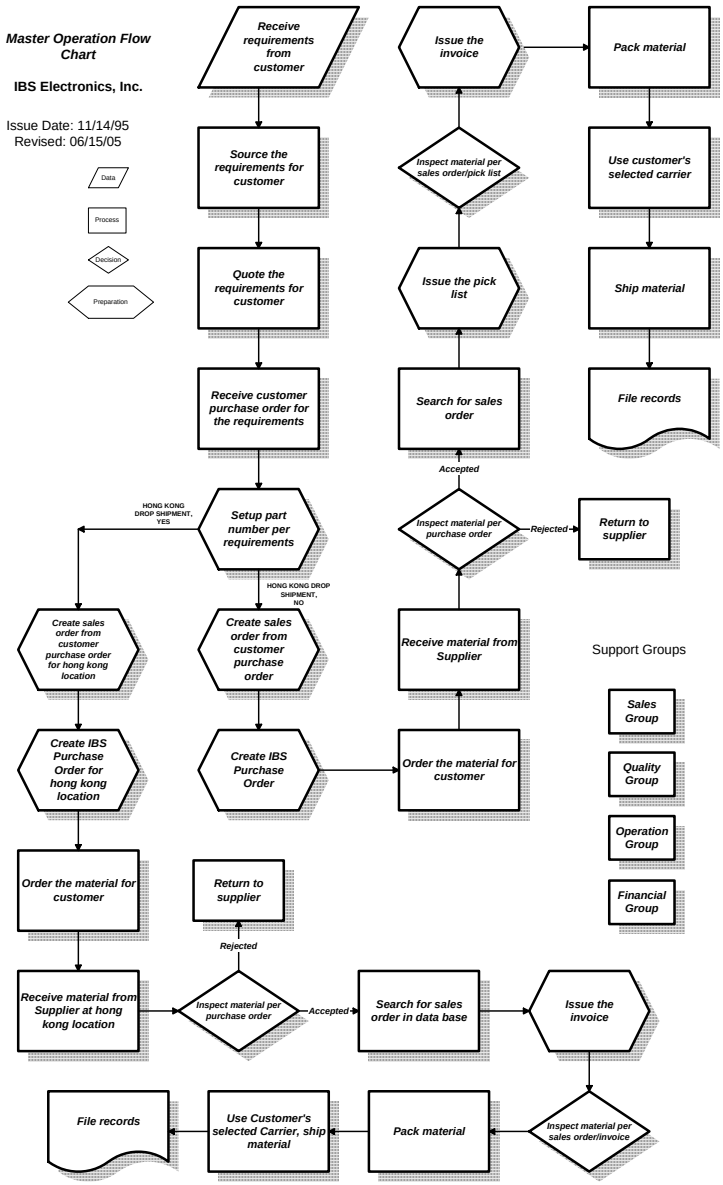
4.4.1 IBS determines, allocates, provides and maintains the needed infrastructure to comply with requirements including:

- buildings, workplace and related utilities
- process equipment (both hardware and software)
- any supporting services as applicable

4.4.2 IBS utilizes controls, where appropriate, that consists of procedures, process audits to maintain product quality. Buildings, workplace and associated utilities Process equipment such as computers and all necessary softwares and databases Supporting services such as transportation/delivery companies and communication devices (telephone, fax and e-mails)

4.4.3 Master flow chart

4.4.3.1 Master operation flow chart is created. It defines the operational steps for completing the customer requirements on consistent basis.



4.5 Work Environment (6.4)

4.5.1 IBS determines and manages the work environment on human factors such as work method, safety rules/guidance, if any; and physical factors such as, cleanliness and airflow. IBS determines if it is necessary to control work areas for human and physical factors. IBS management ensures that different activities work areas are not mixed up.

5.0 RESPONSIBILITIES

5.1 All managers are responsible to identify training needs and to provide the required training for all personnel whose jobs affect quality.

5.2 New employee education and experience are verified by hiring Manager when that education or experience is to be used in the place of on the job training.

5.3 All managers and supervisors are responsible for employees feedback, suggestions and ideas on training and quality systems. The results will be collected and report will be created.

6.0 RECORDS

6.1 Quality Rep. up to the date of termination maintains the training records of employees. IBS document a formal, annual training plan to address the training needs of personnel. The plan will be revised or updated for change every six months.

Title: **Product Realization**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **I**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for planning and developing the processes needed for product realization.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.1

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Planning of Product Realization (7.1)

4.1.1 The quality representative maintains the documented quality system as described in this manual. The manual is used as a means of ensuring that parts and services conform to the requirements of ISO 9001-2000.

4.1.2 The quality system interacts with all employees from sales through final inspection and customer support. It encourages continual improvement of processes. Customer requirements, are an integral part of quality system.

4.1.3 The quality system defines the organizational structure, quality responsibilities and practices used to implement quality related activities which is based on international procurement, warehousing, distribution and sale of electronic components, electromechanical equipment, computer peripherals and electronic industry chemical and added value services.

4.1.4 IBS plans and develops the processes needed for product realization. Planning of product realization is consistent with the requirements of the other processes as described in flow chart in section H.

5.0 RESPONSIBILITIES

5.1 The sales, accounting and operation define the requirements and quality representative document the procedures.

Title: **Product Realization**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **I**

Applicability: This section is applicable to all *IBS Electronics* operations.

6.0 RECORDS

6.1 The quality system documentation structure is based on a quality policy and procedures established. The planning evidences may be in various forms including orders, checklists, and other documents.

Title: **Customer – Related Processes**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **J**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes determining, reviewing, and communicating product requirements for customer-related processes. And to ensure the IBS has the capability to meet all customer-specified requirements

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.2

2.2 *Quality System Procedure – 3.4 Customer Order Review and Entry*

2.3 *Quality System Procedure – 3.5 Customer Data Entry and Credit Approval*

2.4 *Quality System Procedure – 3.6 Fax Distribution*

2.5 *Quality System Procedure – 3.7 Order and Shipment Cancellation*

2.6 *Quality System Procedure – 3.8 Parts Sourcing and Quotation*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.0.1 The purpose of contract review is to clearly communicate customer requirements to IBS through quotation and sales order processing system to ensure successful delivery of parts and services that meet the customer's needs.

4.1 Determination of Requirements Related to the *Product* (7.2.1)

4.1.1 The sales group manager is authorized to implement procedures for sourcing, quotation and customer order review to ensure that IBS has clear understanding of customer purchase orders.

4.1.2 Where the customer provides no documented statement of requirement, the customer requirements and clarification are confirmed by IBS before acceptance. (Ref.: Section, D, Para 4.2, Customer Focus)

4.2 Review of Requirements Related to the *Product* (7.2.2)

4.2.1 The review will include the verification that the customer needs are clearly defined and documented and can be met within the specified time frame. By entering product order in IBS system database, or via fax/e-mail, IBS confirms meeting the defined requirements. Sales associate or sales manager or general manager review and sign sales orders as required.

4.2.2 Contracts are reviewed, as a minimum. Quantities and ship-dates by the sales group before acceptance, including the requirements for delivery activity. The post delivery activity is limited to support of any quality issue

4.3 Customer Communication (7.2.3)

4.3.1 IBS management and sales group are communicating with customers on daily basis. Any Changes to orders are subject to the same review processes and guidelines as the original contract or order.

4.3.2 IBS uses technology such as network system (e-mails, faxes) and telephone communication system (phone directory) for incoming customer inquiries, customer feedback, or/and customer complaints for routing to appropriate sales associate or quality representative.

.0 RESPONSIBILITIES

5.1 Sales associates) are responsible for the review of quotation and execution of all sales orders generated by sales group activities.

6.0 RECORDS

6.1 The database file is maintained by sales for all sales orders. Records of documentation and review exist as electronics file in computer database.

Title: **Design and Development**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 1
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **K**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

IBS Electronics, does not provide any design activities at present time

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.3

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Design and Development Planning (7.3.1)

4.2 Design and Development Inputs (7.3.2)

4.3 Design and Development Outputs (7.3.3)

4.4 Design and Development Review (7.3.4)

4.5 Design and Development Verification (7.3.5)

4.6 Design and Development Validation (7.3.6)

4.7 Control of Design and Development Changes (7.3.7)

5.0 RESPONSIBILITIES

6.0 RECORDS

Title: **Purchasing**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **L**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for verifying that purchased product conforms to the specified purchasing agreements.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.4

2.2 *Quality System Procedure – 6.5 Purchasing Order Documents*

2.3 *Quality System Procedure – 6.6 supplier Parts Assurance Requirements*

2.4 *Quality System Procedure – 6.7 Supplier Approval List (SAL)*

2.5 *Quality System Procedure – 6.8 Supplier Performance Measurements System*

2.6 *Quality System Procedure – 6.10 Supplier Quality Profile Questionaire 6.9*

3.0 DEFINITIONS

3.1 See Section 20, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Purchasing Process (7.4.1)

4.1.1 IBS's approach to materials purchasing and supplier selection criteria.

4.1.2 IBS purchases materials that conform to its requirements and will contract with suppliers that adhere to its standards.

4.1.3 Supplier’s qualification will be verified by satisfactory past performance (report from database), in the case of new suppliers, by first time buy, surveys, test or other data, evaluation of part samples or other relevant information. Suppliers are evaluated by Quality Rep. and authorized buyer.

4.1.4 Suppliers will be sent the (supplier parts assurance requirements, if required) and supplier quality profile questionnaire for evaluation of their quality systems and IBS internal records.

4.1.5 A listing of complete approved sources, major sources and disqualified sources are maintained in Intranet data base and are controlled by Quality Rep.

4.2 Purchasing Information (7.4.2)

4.2.1 Purchasing information contains a clear and complete part number of materials or services to be purchased. Each PO contains (as a minimum) part numbers, quantities, descriptions and delivery dates as applicable. IBS ensures the adequacy of any specified purchase requirements prior to contacting the suppliers.

4.3 Verification of Purchased Product (7.4.3)

4.3.1 Inspection/verification is performed in accordance with documented procedures. Measurement of the quality of received part is through visual inspection.

4.3.2 Performing verification activities at the supplier's premises are not common for IBS organization. This requirement does not apply and if such a situation ever arises, IBS will prepare a unique quality plan to address the issue.

5.0 RESPONSIBILITIES

5.1 The Sales/Purchasing is responsible for the development and implementation of IBS purchasing policy including approval process for review and approval of purchasing documents before release to suppliers.

5.2 Shipping and receiving is responsible for the receipt, checking and inventory of purchased materials per documented procedures.

Title: **Purchasing**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 3 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **L**

Applicability: This section is applicable to all *IBS Electronics* operations.

6.0 RECORDS

6.1 Records of reviewed purchasing documents are filed and maintained for compliance to the requirements.

6.2 Records of verification of purchased product maintains as receiving records (inspection records).

6.3 Purchased items in stock are identified by a part number and are stocked by a location code in computer data base.

Title: **Production and Service Provision**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 4
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **M**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for *production and service provision* related to the international procurement, warehousing, distribution and sale of electronic components, electromechanical equipment, computer peripherals, and electronic industry, chemicals, and added value services.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.5

2.2 *Quality System Procedure – 6.9 Return of materials & issuance of debit memo*

2.3 *Quality System Procedure – 8.5 Parts number Assignment and Parts Setup*

2.4 *Quality System Procedure – 8.6 Products Identification and Traceability*

2.5 *Quality System Procedure – 19.4 Receipts of RMA & issuance of credit memo*

2.6 *Quality System Procedure – 15.4 Handling for Electro-Static Discharge Sensitive (ESDS) items.*

2.7 *Quality System Procedure –15.5 Material Handling and Storage (General Guidelines)*

2.8 *Quality System Procedure – 15.6 Shipping*

2.9 *Quality System Procedure –15.7 Packaging Instructions and Delivery*

2.10 *Quality System Procedure – 15.8 Limited Shelf Life Material (General Guidelines)*

2.11 *Quality System Procedure – 15.9 Inventory Cycle*

2.8 *Quality System Procedure – 12.5 Stamp control*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

Title: **Production and Service Provision**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 4
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **M**

Applicability: This section is applicable to all *IBS Electronics* operations.

4.1 Control of Production and Service Provision (7.5.1)

4.1.1 The servicing is limited to customer return and replacement order.

4.1.2 Procedures are established for control of nonconforming parts determined by customer. Completed records include, Return Material Authorization Number, identification and quantity of materials returned, reason for return and corrective action follow-up as required.

4.2 Validation of Processes for Production and Service Provision (7.5.2)

4.2.1 At IBS, Production and Service provision are not required IBS validates any processed thru use of methods, procedures and quality records.
The inspection system includes the use of customer and part specification, and/or support of sales group and/or processing of incoming and outgoing products in the computer system. Sales group and quality Rep. will ensure all materials meet IBS's standards by documented procedures. These controls ensure parts received, stored via appropriate verification. Nonconforming parts are segregated and discrepancies are resolved by Quality Rep. and Sales Group.

4.3 Identification and Traceability (7.5.3)

4.3.1 Identification is maintained for all products received.

4.3.2 Product identification and traceability activities are controlled by the appropriate procedures, which provide levels of identification and control to prevent mixing conforming to non conforming product. Product status and control exist from receiving through shipment to the customer.

4.4 Customer Property (7.5.4)

4.4.1 At IBS, Parts and materials are not supplied by the customer for incorporation into any supplies or related activities. All materials are purchased direct from supplier.

4.5 Preservation of Product (7.5.5)

4.5.1 Materials, components are protected from damage during storage, handling and shipping.

4.5.2 The care is exercised when handling materials, components or products from receipt through shipment. All components are handled in accordance with appropriate procedures (control of non conforming materials, ESD controls, etc.)

4.5.3 Materials are stored under conditions that prevent their deterioration, contamination or damage. Storage of raw materials is monitored to ensure proper and safe use of stored materials.

4.5.4 Packaging requirements are specified to adequately protect products during vendors shipments to IBS and during IBS shipments to customers. Special packaging conditions and requirements are documented on the applicable sales or purchase orders.

4.5.5 IBS strives to ensure that the product is delivered in a method that ensures the product will not see any damage during normal handling. Packing and shipping ensures that any customer specified shipping requirements are met.

5.0 RESPONSIBILITIES

5.1 The Sales and Quality are responsible for customer returns and all follow-up activities.

5.2 The Quality rep. is responsible for implementing the procedure to inspect the materials.

5.3 Sales and Inventory Control share the responsibility of product identification and traceability.

5.4 The Quality Rep. is responsible for procedures to implement the appropriate controls and instructions for handling, storage, packaging, preservation and delivery.

5.5 The shipping personnel are responsible for delivery of products to the customer and to ensure that the materials reach the customer in good conditions.

6.0 RECORDS

6.1 Traceability of products shipped to each customer is maintained by daily shipping log, invoice numbers, sales orders and customer purchase orders. through Sales, Accounting and inventory control. The system database can create required reports.

6.2 Receiving and shipping records (final inspection records) will be kept attesting to the effective operation of this policy

Title: **Control of Monitoring and Measuring Devices**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 1
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **N**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes requirements for control of monitoring and measuring to be undertaken by IBS Electronics, Inc.

1.2 At present time IBS' calibration program is limited to one counting scale.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 7.6

2.2 *Quality System Procedure – 11.5 Calibration and Inspection of Test Equipment*s (for Future use).

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS (7.6)

4.1 IBS owned equipment, used in the testing as required, is calibrated as described herein.

4.2 Outside supplier is contracted to calibrate and maintain test equipment that is used to demonstrate parts compliance with quality requirements. The inventory control equipment is calibrated in house with appropriate procedures.

5.0 RESPONSIBILITIES

5.1 The Quality representative is responsible for the calibration and maintenance program. The Quality Rep. will ensure calibration requirements are performed and equipment not calibrated is clearly identified.

6.0 RECORDS

6.1 Calibration certificates, calibration types with calibration and recalibration dates of test equipment are maintained and kept by the Quality Rep.

Title: **Measurement, Analysis, and Improvement**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **O**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the *requirements* for the measurement, analysis, and improvement of the Quality Management System (QMS) processes.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Clause 8.1

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS (8.1)

4.1 The monitoring, measurement, analysis and improvement of data are defined by management of IBS.

4.2 The determination of specific analysis of data requirements depend on the need for control as defined by management.

a) customer satisfaction report,

b) findings from internal quality system audits

c) nonconformance records

d) supplier performance

e) statistical process analysis on sales performance

f) results from management reviews

g) records of customer complaints.

4.3 IBS uses cost of quality reports, scrap reports, nonconformance reports, final inspection to insure product conformity to requirements

4.4 IBS ensures conformity to the QMS through internal and external audits, management reviews, and analyzing nonconformance and customer feedback.

4.5 IBS uses quality reports, the results of internal audits, nonconformances, corrective and preventive action reports, and customer feedback to continually improve the effectiveness of the QMS.

4.6 IBS communicates the measurements and analysis for improvement to the affected party for appropriate action.

5.0 RESPONSIBILITIES

5.1 The Quality Rep. is responsible for implementing the method of and procedures that will measure the process performance as required.

5.2 Documented procedures are generated as required to establish part conformance to the requirements of purchase order.

5.3 Sales, receiving and quality are responsible for ensuring that inspection is adequate. The assignment of this responsibility ensures that all product requirements are met on a continuing basis.

6.0 RECORDS

6.1 Inspection records are documented on the incoming packing slip and on the outgoing last copy of invoice. Gathering data will be performed and maintained by Quality Rep.

Title: **Monitoring and Measurement**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **P**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for monitoring and measuring the performance of the QMS.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Paragraph 8.2

2.2 *Quality System Procedure – 8.2 Customer Satisfaction Survey*

2.2 *Quality System Procedure – 17.5 Internal Quality Audits*

2.2 *Quality System Procedure – 10.5 Receiving*

2.2 *Quality System Procedure – 10.6 Receiving Inspection (for future use)*

2.2 *Quality System Procedure – 10.7 Final Inspection*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Customer Satisfaction (8.2.1)

4.1.1 IBS measures internal and external customer satisfaction by understanding expectations and collecting data to measure performances. The company competes to provide the most reliable parts and services in the industry as stated in the quality policy.

4.1.2 IBS establishes measures of external customer satisfaction through customer surveys and daily customer contacts. Improvement opportunities are identified and initiated by the responsible employees.

4.1.3 Internal customer satisfaction is addressed by implementing the continual improvement model. This process establishes the customer satisfaction philosophy, performance measures, information collection and analysis of issues. The underlying principle for internal customer satisfaction is that we are all on the same team and together we can make things happen in a positive manner. (Ref.: Section, D, Para 4.2, Customer Focus)

4.2 Internal Audit (8.2.2)

4.2.1 A system of planned and documented internal audits is established. The purpose of the program is to ensure that the quality policy, procedures accurately reflect the internal processes. Audit results are used to determine the effectiveness of implementation of the quality program. A prescribed audit checklist is utilized for each audit.

4.2.2 The results of audits are reviewed and are compared with previous audits by the management. Corrective actions are implemented.

4.3 Monitoring and Measurement of Processes (8.2.3)

4.3.1 The suitable methods for monitoring quality system are defined by management of IBS where applicable. Through identification of processes by process flow chart, customer surveys, internal audits, sales performance, nonconformance records and management reviews results.

4.4 Monitoring and Measurement of Product (8.2.4)

4.4.1 Inspection is performed in accordance with documented procedures. Measurement of the quality of received part is through visual inspection.

4.4.2 Verification of part is performed in accordance with the requirements of purchase order through documented procedures.

4.4.3 All material received is verified by receiving against the purchase order (as a minimum) for correct supplier, marking, and quantity.

4.4.4 A visual inspection for damage to the packaging is performed before being put into stock.

4.4.5 A final inspection is done on the part to ensure that it meets customer requirements. All part receives a final visual inspection. The inspection is performed in accordance with the requirements of sales order through documented procedures.

Title: **Monitoring and Measurement**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 3 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **P**

Applicability: This section is applicable to all *IBS Electronics* operations.

5.0 RESPONSIBILITIES

5.1 All employees are responsible for providing internal and external customer satisfaction and implementing and communicating alternative actions when necessary.

5.2 The Quality Rep. is responsible for the audit process to include selecting, training auditor(s), managing, scheduling audits, generating audit reports and tracking corrective actions for continual improvement.

5.3 Documented procedures are generated as required to establish part conformance to the requirements of purchase order. Sales, receiving and quality are responsible for ensuring that inspection is adequate. The assignment of this responsibility ensures that all part requirements are met on a continuing basis.

6.0 RECORDS

6.1 Customer surveys, sales performance report, customer feedback records are maintained by sales group and quality representative.

6.2 Records of internal audits are maintained by the Quality Representatives. Inspection records are documented on the incoming packing slip and on the outgoing last copy of invoice.

Title: **Control of Nonconforming Product**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 1
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **Q**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.0 This section establishes the requirements for controlling nonconforming *product*

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Paragraph 8.3

2.2 *Quality System Procedure – 13.5 Control of Nonconforming Material*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS

4.1 Control of Nonconforming Product (8.3)

4.1.1 Nonconforming materials received by suppliers or customer return are identified and segregated.

4.1.2 Nonconforming materials are not shipped. An evaluation is employed to determine the disposition and action required to purge system of non conforming materials.

4.1.3 Following an evaluation, discrepant materials may be dispositioned for use as is (re-stock), scrap or return to supplier.

5.0 RESPONSIBILITIES

5.1 Nonconforming materials are reviewed by Quality Rep. or authorized buyer to determined whether they should be rejected, scrapped or return to supplier.

6.0 RECORDS

6.1 The Quality Rep. and receiving maintain records of rejected parts. The nature of nonconformities and any subsequent actions taken, are documented and maintained.

Title: **Analysis of Data**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **R**

Applicability: This section is applicable to all *IBS Electronics* operations.

1.0 PURPOSE

1.1 This section establishes the requirements for the analysis of data regarding the QMS.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Paragraph 8.4

2.2 *Quality System Procedure – 20.1* Sales & Shipping Performance Measurement

2.3 *Quality System Procedure – 6.8 Supplier Performance Measurement*

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions

4.0 QMS REQUIREMENTS (8.4)

4.1 Analysis of Data (8.4)

4.1.1 The analyzing of data is defined by management of IBS as a tool for determining suitability and monitoring the process; and identifying improvements. Any procedures relating to analysis of data are to be found in this section.

4.1.2 The determination of specific analysis of data requirements depend on the need for control as defined by management.

h) Customer complaints and customer satisfaction report,

i) findings from internal quality system audits

j) nonconformance records

k) supplier performance

l) statistical process analysis on sales performance

m) results from management reviews

Title: **Analysis of Data**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 2
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **R**

Applicability: This section is applicable to all *IBS Electronics* operations.

5.0 RESPONSIBILITIES

5.1 The Quality Rep. is responsible for implementing the method of and procedures that will measure the process performance as required.

6.0 RECORDS

6.1 Gathering data will be performed and maintained by Quality Rep.

Title: **Improvement**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 3
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **S**

Applicability: This section is applicable to all IBS Electronics, Inc. operations.

1.0 PURPOSE

1.1 This section establishes the requirements for ensuring *continual improvement* of the effectiveness of the quality management system.

2.0 REFERENCE DOCUMENTS

2.1 ISO 9001:2000 Paragraph 8.5

2.3 *Quality System Procedure – 14.5 Supplier Corrective Action*

2.4 *Quality System Procedure – 14.8 Preventive Action*

2.5 Quality System Procedure – 14.6 Internal Corrective Action

2.6 Quality System Procedure – 14.7 Customer Complaints

3.0 DEFINITIONS

3.1 See Section T, Glossary, for definitions.

4.0 QMS REQUIREMENTS

4.1 Continual Improvement (8.5.1)

4.1.1 A quality Continual improvement program is established to continually improve the quality of parts and services. The process is to provide quality parts and services in response to customer requirements that are subjected to order reviews, customer feedback and RMA analysis.

4.1.2 IBS established and maintained a continuing training program for all new employees.

4.1.3 The action projects are implemented and maintained within IBS as continual improvement tools to identify and correct deficiencies in processes and products

4.2 Corrective Action (8.5.2)

4.2.1 Corrective action is taken for all discrepancies based upon the degree of the discrepancy found and its potential adverse effect on the quality system.

4.2.2 The corrective action projects are based on the problem identified and will be resolved through any of below data, as required.

customer satisfaction report,

analysis of non conforming materials,

findings from internal quality system audits and feedbacks,

supplier performance report,

analysis on sales performance report,

results from management reviews Internal corrective action process

records of customer complaints

ISO 9001-2000 Surveillance audit

4.2.3 IBS implements and records any changes to documented procedures resulting from corrective action.

4.3 Preventive Action (8.5.3)

4.3.1 Preventive action is identification of sources of non-conformities results in action being taken to correct processes and/or procedures as necessary to prevent their occurrence.

4.3.2 Preventive action items are clearly defined, persons are assigned and completion dates are established.

4.3.3 Preventive actions can be initiated and followed up by preventive planning report created for management review meeting. The report should define preventive plan assigned person and completion date.

4.3.4 Preventive actions may be performed through corrective action procedure.

4.3.5 Preventive planning and actions are taken which are not covered in procedures but which utilize continual improvement to implement process changes and facilities changes before discrepancies or non conformities occur.

4.3.6 These include ESD damage prevention, moving to new larger facility, enhancements of computer hardware and software tools. These actions are not documented but are evidence of preventive action planning effectiveness.

4.3.7 The Corrective and Preventive Action procedure is a combined Quality System Procedure, which makes a clear distinction between corrective action and preventive action and their inter-relationship.

4.3.8 IBS implements and records any changes to documented procedures resulting from preventive action(s).

5.0 RESPONSIBILITIES

5.1 The General Manager verbalizes the goals and objectives of quality improvement to all employees. Customer satisfaction is principal, continual improvement is essential upon all employees. IBS' goals include appropriate measures of quality improvement and customer satisfaction.

5.2 Requests for corrective actions may be made at any time by any member of IBS team. The Quality Rep. will evaluate, follow up corrective actions.

6.0 RECORDS

6.1 The Quality rep. maintains records of continual improvement, corrective and preventive actions. Results of improvement, corrective and preventive actions are discussed at the Management Review meetings.

Title: **Glossary (terms and Definition)**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **T**

Applicability: This section is applicable to all *IBS Electronics* operations.

TERMS AND DEFINITIONS

AUDIT – Systematic, independent, and documented *process* for obtaining *audit evidence* and evaluating it objectively to determine the extent to which *audit criteria* are fulfilled [ISO 9000:2000 - 3.9.1].

AUDIT CRITERIA – Set of policies, *procedures*, or *requirements* used as a reference [ISO 9000:2000 - 3.9.3].

AUDIT CONCLUSION – Outcome of an *audit* provided by the *audit team* after consideration of the audit objectives and all *audit findings* [ISO 9000:2000 - 3.9.6].

AUDIT EVIDENCE - *Records*, statements of fact, or other *information* which are relevant to the *audit criteria* and verifiable [ISO 9000:2000 - 3.9.4]

AUDIT FINDING – Results of the evaluation of the collected *audit evidence* against *audit criteria*. (Note: Audit findings can indicate either conformity or nonconformity with audit criteria, or opportunities for improvement. [ISO 9000:2000 3.9.5]).

AUDIT PROGRAM – Set of one or more *audit*s planned for a specific time frame and directed towards a specific purpose. (Note: One auditor in the audit team is generally appointed as audit team leader) [ISO 9000:2000 - 3.9.2].

AUDIT TEAM – One or more *auditors* conducting an *audit* [ISO 9000:2000 - 3.9.10].

AUDITEE – *Organization* being audited [ISO 9000:2000 - 3.9.8].

AUDITOR – Person with the *competence* to conduct an *audit* [ISO 9000:2000 - 3.9.9].

CAPABILITY - Ability of an *organization*, *system*, or *process* to realize a *product* that will fulfill the *requirements* for that *product* [ISO 9000:2000 - 3.1.5]

CHARACTERISTIC – Distinguishing feature [ISO 9000:2000 - 3.5.1].

COMPETENCE – Demonstrated ability to apply knowledge and skills [ISO 9000:2000 – 3.9.12].

CONCESSION – Permission to use or release a *product* that does not conform to specified *requirements* [ISO 9000:2000 - 3.6.11].

CONFORMITY – Fulfillment of a *requirement* [ISO 9000:2000 - 3.6.1].

CONTINUAL IMPROVEMENT – A recurring activity to increase the ability to fulfill *requirements* [ISO 9000:2000 - 3.2.13]

Title: **Glossary (terms and Definition)**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 2 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **T**

Applicability: This section is applicable to all *IBS Electronics* operations.

CORRECTION – Action taken to eliminate a detected *nonconformity* [ISO 9000:2000 - 3.6.6].

CORRECTIVE ACTION - Action to eliminate the cause of a detected *nonconformity* or other undesirable situation (Note: There is a distinction between *correction* and *corrective action*)[ISO 9000:2000 - 3.6.5].

CUSTOMER – *Organization* or person that receives a *product* (or service) [ISO 9000:2000 - 3.3.5].

CUSTOMER SATISFACTION – Customer's perception of the degree to which the customer's *requirements* have been fulfilled [ISO 9000:2000 - 3.1.4].

DEFECT - Non-fulfillment of a *requirement* related to an intended or specified use (NOTE: The distinction between defect and nonconformity is important as it has legal connotations, particularly those associated with product liability issues; consequently, the term "defect" should be used with extreme caution)[ISO 9000:2000 - 3.6.3].

DESIGN AND DEVELOPMENT – Set of *processes* that transforms *requirements* into specified *characteristics* or into the *specification* of a *product*, *process*, or *system* [ISO 9000:2000 - 3.4.4].

DEVIATION PERMIT- Permission to depart from the originally specified *requirements* of a *product* prior to realization [ISO 9000:2000 - 3.6.12].

DOCUMENT – *Information* and its supporting medium [ISO 9000:2000 - 3.7.2].

EFFECTIVENESS - Extent to which planned activities are realized and planned results are achieved [ISO 9000:2000 - 3.2.14].

FOLLOW-UP AUDIT - A special audit performed to verify that corrective action has been implemented as scheduled and that the action was effective in preventing or minimizing recurrence.

INDEPENDENCE - Freedom from bias and external influence; provides for objectivity and impartiality.

INFORMATION - Meaningful data [ISO 9000:2000 - 3.7.1].

INFRASTRUCTURE - System of facilities, equipment, and services needed for the operation of an *organization* [ISO 9000:2000 - 3.3.3].

INSPECTION – Conformity evaluation by observation and judgement—accompanied, as appropriate, by measurement, testing, or gauging [ISO 9000:2000 - 3.8.2].

INSPECTION RECORD - Document stating results (data) concerning inspection activities.

LEAD AUDITOR - The individual who manages the *audit team* during an *audit*.

Title: **Glossary (terms and Definition)**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 3 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **T**

Applicability: This section is applicable to all *IBS Electronics* operations.

MANAGEMENT SYSTEM – A *system* to establish policy and objectives and to achieve those objectives [ISO 9000:2000 - 3.2.2].

MEASUREMENT CONTROL SYSTEM – Set of interrelated or interacting elements necessary to achieve *metrological confirmation* and continual control of measurement processes [ISO 9000:2000 - 3.10.1].

MEASUREMENT PROCESS – Set of operations to determine the value of a quantity [ISO 9000:2000 - 3.10.2].

METROLOGICAL CONFIRMATION – Set of operations required to ensure that *measuring equipment* conforms to the *requirements* for its intended use. (Note: Generally includes calibration or verification, any necessary adjustment or repair, and subsequent recalibration, comparison with the metrological requirements for the intended use of the equipment, as well as any required sealing and labeling) [ISO 9000:2000 - 3.10.3].

MEASURING EQUIPMENT – Measuring instrument, software, measurement standard, reference material, or auxiliary apparatus or combination thereof necessary to realize a *measurement process* [ISO 9000:2000 - 3.10.4].

METROLOGICAL CHARACTERISTIC – Distinguishing feature which can influence the results of measurement [ISO 9000:2000 - 3.10.5].

METROLOGICAL FUNCTION - Function with organizational responsibility for defining and implementing the *measurement control system* [ISO 9000:2000 - 3.10.6].

NONCONFORMITY – Non-fulfillment of a *requirement* [ISO 9000:2000 3.6.2].

OBJECTIVE EVIDENCE – Data supporting the existence or verity of something [ISO 9000:2000 - 3.8.1]

OBSERVATION – A concern or weakness detected in an element in the management system, but not a nonconformance; a condition that may become a nonconformance if not addressed; an opportunity for improvement.

OPENING MEETING – The introductory meeting between the auditor(s) and the auditee's representative, during which the overview of the planned audit is presented.

ORGANIZATION – Group of people and facilities with an arrangement of responsibilities, authorities, and relationships [ISO 9000:2000 - 3.3.1].

ORGANIZATIONAL STRUCTURE – Arrangement of responsibilities, authorities, and relationships between people [ISO 9000:2000 - 3.3.2].

Title: **Glossary (terms and Definition)**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 4 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **T**

Applicability: This section is applicable to all *IBS Electronics* operations.

PRE-AWARD SURVEY - An activity conducted prior to a contract award and used to evaluate the overall quality capability of a prospective supplier or contractor.

PREVENTIVE ACTION – Action to eliminate the cause of a potential *nonconformity* or other undesirable potential situation (Note: Preventive action is taken to prevent occurrence, whereas corrective action is taken to prevent recurrence) [ISO 9000:2000 - 3.6.4].

PROCEDURE - Specified way to carry out an activity or *process* [ISO 9000:2000 - 3.4.5].

PROCESS – Set of interrelated or interacting activities which transforms inputs into outputs. (Note 1: Inputs to a process are generally outputs from other processes. Note 2: Processes in an organization are generally planned and carried out under controlled conditions to add value. Note 3: A process where the conformity of the resulting product cannot be readily or economically verified is frequently referred to as a "special process") [ISO 9000:2000 - 3.4.1].

PRODUCT – Result of a *process*. (Note 1: There are four generic categories of product: 1) *Services,* 2) Software, 3) Hardware, 4) Processed materials [ISO 9000:2000 - 3.4.2].

Note: For the purposes of its ISO 9000-2000 Certification, *IBS Electronics*'s product consists of the

PROJECT – Unique *process*, consisting of a set of coordinated and controlled activities with start and finish dates, undertaken to achieve an objective conforming to specific *requirements*, including the constraints of time, cost, and resources [ISO 9000:2000 - 3.4.3].

QUALITY – Degree to which a set of inherent *characteristics* fulfills *requirements* [ISO 9000:2000 - 3.1.1].

QUALITY ASSURANCE – Part of *quality management* focused on providing confidence that quality *requirements* will be fulfilled [ISO 9000:2000 - 3.2.11].

QUALITY CONTROL – Part of *quality management* focused on fulfilling quality *requirements* [ISO 9000:2000 - 3.2.10].

QUALITY IMPROVEMENT – Part of *quality management* focused on increasing the ability to fulfill quality *requirements* [ISO 9000:2000 - 3.2.12].

QUALITY MANAGEMENT SYSTEM (QMS) – A *management system* to direct and control an *organization* with regard to *quality* [ISO 9000:2000 - 3.2.3].

QUALITY MANUAL (QM) - *Document* specifying the *quality management system* of an *organization* [ISO 9000:2000 - 3.7.4].

QUALITY OBJECTIVE - Something sought, or aimed for, related to quality (Note 1: Quality objectives are generally based on the organization's *quality policy*; Note 2: Quality objectives are generally specified for relevant functions and levels in the organization)[ISO 9000:2000 - 3.1.1].

QUALITY PLAN - *Document* specifying which *procedures* and associated *resources* shall be applied by whom and when to a specific *project*, *product*, *process*, or contract [ISO 9000:2000 - 3.7.5].

QUALITY PLANNING – Part of *quality management* focused on setting *quality objectives* and specifying necessary operational *processes* and related *resources* to fulfill the *quality objectives* [ISO 9000:2000 - 3.2.9].

QUALITY POLICY - The overall intentions and direction of an *organization* related to *quality* as formally expressed by *top management* [ISO 9000:2000 - 3.2.4].

RECORD - *Document* stating results achieved or providing evidence of activities performed [ISO 9000:2000 - 3.7.6].

RELEASE - Permission to proceed to the next stage of a process [ISO 9000:2000 - 3.6.13].

REQUIREMENT - Need or expectation that is stated, generally implied, or obligatory [ISO 9000:2000 - 3.1.2].

RESOURCES - People, time, money, buildings, equipment, and support activities, as necessary, that may be applied to a specific project, product, process, and/or contract in order to fulfill *requirements*.

REVIEW – Activity undertaken to determine the suitability, adequacy, and *effectiveness* of the subject matter to achieve established objectives [ISO 9000:2000 - 3.8.7].

ROOT CAUSE - The fundamental deficiency that results in a nonconformance that must be eliminated through corrective action to prevent recurrence of the same or similar nonconformance.

ROOT CAUSE ANALYSIS - Investigation to determine the fundamental deficiency that resulted in a nonconformity.

SERVICE – The result of at least one activity necessarily performed at the interface between the supplier and the customer and that is generally intangible. Provision of a service can involve: 1) Activity performed on a customer-supplied tangible product, 2) Activity performed on a customer-supplied intangible product, 3) Delivery of an intangible product, 4) Creation of ambience for the customer [ISO 9000:2000 - 3.4.2 Note 2].

SPECIFICATION – *Document* stating *requirements* [ISO 9000:2000 - 3.7.3].

Title: **Glossary (terms and Definition)**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 6 of 6
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **T**

Applicability: This section is applicable to all *IBS Electronics* operations.

SUPPLIER – *Organization* or person that provides a *product* [ISO 9000:2000 - 3.3.6].

SYSTEM - Set of interrelated or interacting elements [ISO 9000:2000 - 3.2.1]

TEST – Determination of one or more *characteristics* according to a *procedure* [ISO 9000:2000 - 3.8.3].

TOP MANAGEMENT – Person or group of people who directs and controls an *organization* at the highest level [ISO 9000:2000 - 3.2.7].

TRACEABILITY - Ability to trace the history, application, or location of that which is under consideration [ISO 9000:2000 - 3.5.4].

VALIDATION – Confirmation, through the provision of *objective evidence*, that the *requirements* for a specific intended use or application have been fulfilled [ISO 9000:2000 - 3.8.5].

VERIFICATION – Confirmation, through the provision of *objective evidence*, that specified *requirements* have been fulfilled [ISO 9000:2000 - 3.8.4].

WORK ENVIRONMENT - Set of conditions under which work is performed (Note: Conditions include physical, social, psychological and environmental factors (temperature, recognition schemes, ergonomics and atmospheric composition)) [ISO 9000:2000 - 3.3.4]**.**

Title: **Record of Revision**	Prepared by: *Shawn Mouzoon*	Approved by: *Shawn Mouzoon*	Page: 1 of 1
	Effective date: *11/22/06*	Revision number: *6.0*	Section : **U**

Applicability: This section is applicable to all *IBS Electronics* operations.

Revision	Section	Detail	Effective Date
1.0	All	Initial Issue of the 9001:2000 transition revision to the QSM	08/01/03
2.0	B,G,H,J	Section B, Para 1.0 : removed calibration exclusion of element 7.6. Section B, para 4.2 & 4.5: revised 4.2.1, added 4.2.2, 4.2.3, 4.2.4, 4.5.2 (4.1) (5.4.1). Section G, para 4.2: revised 4.2.3.6 . Section H, para 4.3: revised 4.3.4, added 4.3.5 (6.2.2). Section J, para 4.1 and 4.2: revised 4.1.2 and 4.2.2.(7.2.1). .	10/10/03
3.0	H	Section B, Para 4.2.2; Section H, Master Operation Flow Chart	06/15/05
4.0.	D, J, P.	Section D, Para 4.2, revised 4.2.1 Section J, Para 4.1, revised 4.1.2 Section P, Para, 4.1, revised 4.1.3	01/09/06
5.0.	S.	Section S, Para 4.2, revised 4.2.2	05/26/06
6.0	B, F, M, N	Section B, Para 1.0, revised 1.1 Section B, Para 4.2, revised 4.2.2 Section F, Para 4.2, revised 4.2.1 Section F, Para 4.3, revised 4.3.1 Section M, Para 4.2, revised 4.2.1, deleted 4.2.2 & 4.2.3 Section N, Para, 1.0, revised 1.2	11/22/06
		.	