Company Information

Organization:	Sky Machine Inc.
Address:	2023 S. Yale St. Santa Ana, CA 92704
SIC / NACE Code:	BHTQ1
OIN Number	TBD
Website:	www.skymachineinc.com
Registration Standard	AS 9100
Registrar:	NSF
Registration Number:	TBD
Registration Date:	TBD
AS Representative:	Charlton Le
Business Description:	Sky Machine Inc. provides CNC turning and milling, manufactures prototype, long and short run products while maintaining top quality parts.

Company Overview:

Sky Machine Incorporated was founded in 2008 with the goal of providing quality parts and service to our customers. *We strive to provide quick and flexible pricing from small to large projects. Working with different companies of all sizes to achieve their needs.*

Statement from our President

To the valued Employees, Customers and Suppliers of Sky Machine Inc. Inc.

We consider achieving AS 9100 certification to be a great opportunity for Sky Machine Inc. The AS 9100 Management System offers support by providing a practical system that will help keep us disciplined and focused on quality, efficiency and consistency during the process of achieving our Business Goals.

The benefits of AS/ISO certification begin by recognizing the importance of satisfying the needs of our customers. For us to remain successful, we must provide our customers with quality products and services at competitive prices. We recognize the importance of serving our customers effectively so that they can operate their businesses profitably without disruption. By doing so, we hope to form a lasting relationship that will encourage them to use Sky Machine Inc. as their preferred supplier.

Just as our customers rely on us to assist them through our ability to supply them with quality products and services at competitive prices, so we must develop suppliers that will assist us in the same manner. We actively search for and encourage long-term relationships with suppliers who are dedicated to improving their products and providing us with the services we need. These suppliers must be committed in assisting us with our efforts to continually improve our products, services and competitiveness.

Here at Sky Machine Inc. everyone is encouraged to participate in the success of our company by sharing their ideas and offering their suggestions. We are all committed in supporting the ideas of others and encouraging their participation. We recognize that it is the responsibility of everyone at Sky Machine Inc. to continually improve our products and processes and to reduce waste and inefficiency. If we are to continually improve in all areas of our company, we will also need to be committed in continuing to improve our improvement efforts.

The AS 9100 Management System will greatly assist us in achieving this commitment by insisting that we follow a disciplined procedure of carefully designing, planning, and evaluating each step of the process. All of the variables that could affect the successful outcome of the product are to be considered and planned for from the start. This includes communicating the desired results, providing the necessary training for employees, and by carefully considering the capabilities of the materials, equipment and production processes that will be necessary to assure the desired results.

The AS 9100 Management System has proved to be support for our Business Goals and assist us in achieving consistent results every time we produce a product. We will become more organized, produce higher quality products, provide improved service, achieve greater efficiencies and profitability as well as increase employee satisfaction…and this in turn brings us back again to our original goal of customer satisfaction.

Many thanks to our valued Employees, Customers and Suppliers.

Charles Le, **CEO**

System Manual Table of Contents

1.0 PURPOSE

This manual is issued to describe the components and processes that make up the Management System at Sky Machine Inc.. This Manual and the systems and processes it describes serve to ensure:

- Conformance to customer requirements
- Conformance to AS 9100: 2009
- Conformance to ISO 9001: 2008
- Conformance to other regulatory agency requirements as applicable.

2.0 SCOPE

2.1 The scope of this document is based upon the requirements of AS9100, for the CNC turning and milling, screw machine products, and unique fabrications production services Sky Machine Inc. Mfg. provides for the commercial and Aerospace Industry. Requirements and descriptions contained in this System Manual are pertinent to Sky Machine Inc. quality processes and procedures.

2.2 Permissible Exclusions:
Where exclusions are made, claims of conformity to this International Standard are not acceptable unless these exclusions are limited to requirements within clause 7, and such exclusions do not affect the organization's ability, or responsibility, to provide product that meets customer and applicable regulatory requirements.

The following is outside the scope of this Quality Management System due to the nature of Sky Machine Inc.'s business and products.

7.3 Design Control
Justification: All designs, drawings and specifications are provided by customers and are ready for manufacturing without any modification or input from Sky Machine Inc..

7.5.1.4 Post Delivery Support
Justification: Sky Machine Inc., as a manufacturer and distributor of CNC turning and milling, screw machine products, and unique fabrications production for the commercial and Aerospace Industry, does not participate in any support operation or maintenance of our customer's product.

3.0 RESPONSIBILITIES

Detailed Job Descriptions, documenting position authority, responsibility requirements and duties for each position in the organization, are on file in Human Resources (Ref: Organizational Chart, Addendum A)

President Assumes overall responsibility for the direction of the business and business practices as well as the proper implementation and execution of this and all other Quality System Procedures and documents.

AS/ISO Management Representative – Assigned by Top Management and given the organizational freedom to assume responsibility for the proper implementation, execution, and control of this document and the processes and procedures contained within. He/she is responsible for reporting on the performance of this system to Top Management as well as any need to improve the system and to promote throughout the organization an awareness of customer requirements.

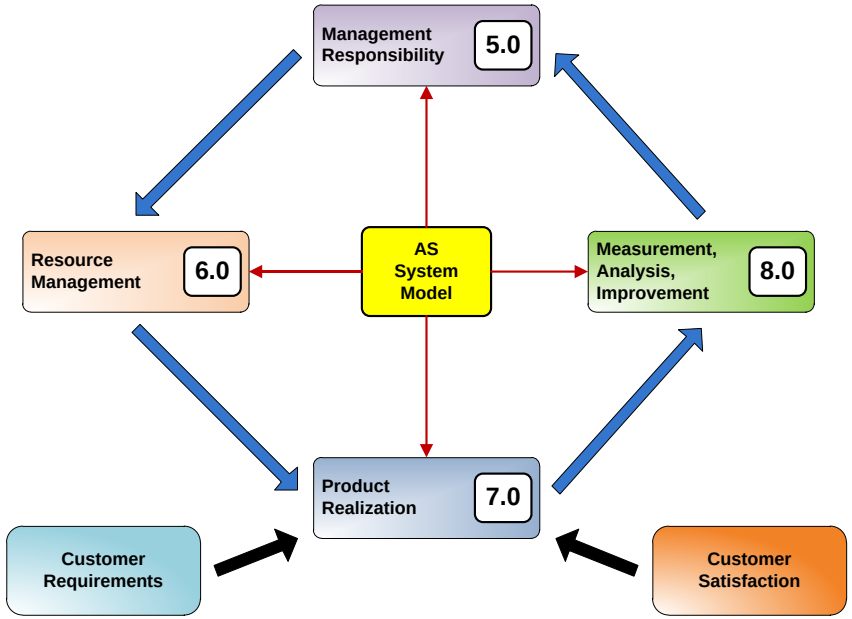
Quality Manager - Responsible for the operation of the Quality Department and, as such, has the final authority to release for sale of any product stocked by Sky Machine Inc. The Quality Manager may delegate his authority to competent inspectors in the Quality Department. However, such delegation does not relieve the Quality Assurance Manager from the overall responsibility.

Quality Inspectors - Are thoroughly familiar with all inspection methods, techniques and equipment used in their area of responsibility to determine the quality of airworthiness of an article purchased or sold. All inspection personnel must also maintain proficiency in the use of the various types of visual inspection aids to be used for inspection of the items undergoing acceptance inspection. A complete and current list of Authorized Inspection Personnel is kept in the office of the Quality Manager.

4.0 QUALITY MANAGEMENT SYSTEM

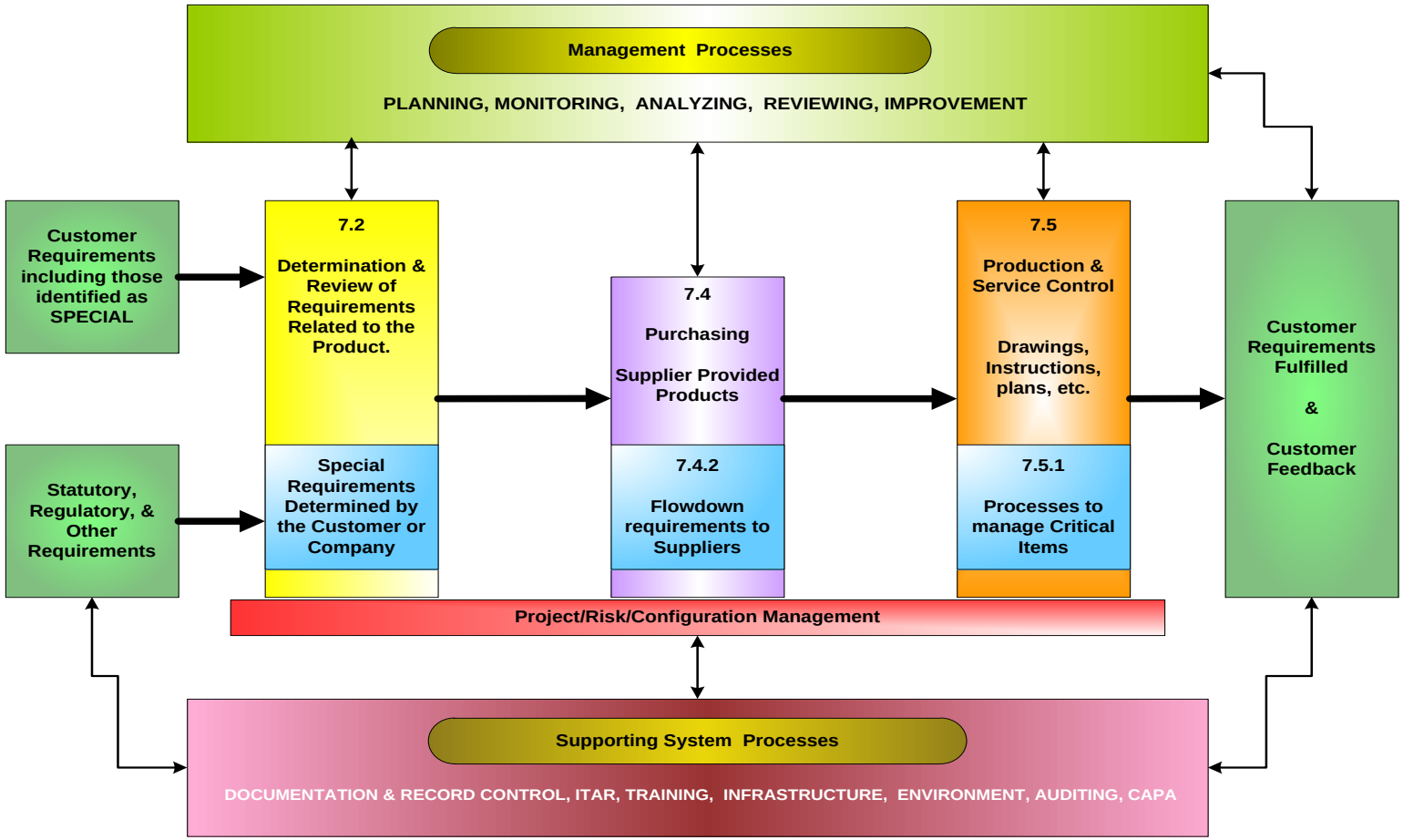
General Requirements

This manual defines our process based Quality Management System, and how it is established, documented, implemented, maintained, improved, and managed throughout our organization in accordance with the standards listed in Section 1.0. Sky Machine Inc.'s quality management system also addresses customer and applicable statutory and regulatory quality management system requirements. Our process based system model, shown below, illustrates the process linkages presented in clauses 4 thru 8 of the standard. Our model shows that our customers, as well as other interested parties play a significant role in defining our input requirements. Monitoring the satisfaction of our customers requires the evaluation of information relating to the perception of the customers as to whether the organization has met their requirements. This "Level 1" document describes the interaction of these processes, and how they help us strive to uphold our Quality Policy.



Pictured below, are the processes needed for our Quality Management System, the determination of their sequence and interaction, as well as, the criteria and methods required to ensure effective operation and control of these processes. Sky Machine Inc. ensures the availability of information and resources necessary to support the operation, measurement, monitoring and analysis of these processes and any action necessary to achieve planned results and continual improvement of our processes.

QMS Process Sequence & Interaction



Prime Processes are those Sky Machine processes required to be assessed by the registrar, under IAQG direction, using a Process Effectiveness Assessment Report (PEAR). Additionally, Sky Machine has documented a process diagram (Turtle) and process flowchart for each of the primary processes which are included below.

QMS Prime Process Matrix

Outsourced Processes

An outsourced process is identified as one being needed for Sky Machine Inc.'s management system but chosen to be performed by a party external to the organization.

Sky Machine Inc. ensures that any outsourced process that affects product conformity will be defined and controlled by the purchasing process to ensure conformity with requirements.

Ensuring control over outsourced processes does not absolve Sky Machine Inc. of the responsibility of conformity to all customer, statutory and regulatory requirements. The type and extent of control to be applied can be influenced by:

- Impact to provide product that meets requirements;
- The degree to which the control is shared;
- The capability of achieving control through the purchasing process.

The following processes are being outsourced by Sky Machine Inc.:

- Internal Audits
- Calibration
- Heat treating
- Testing
- Grinding
- Deburring
- Plating
- Paint

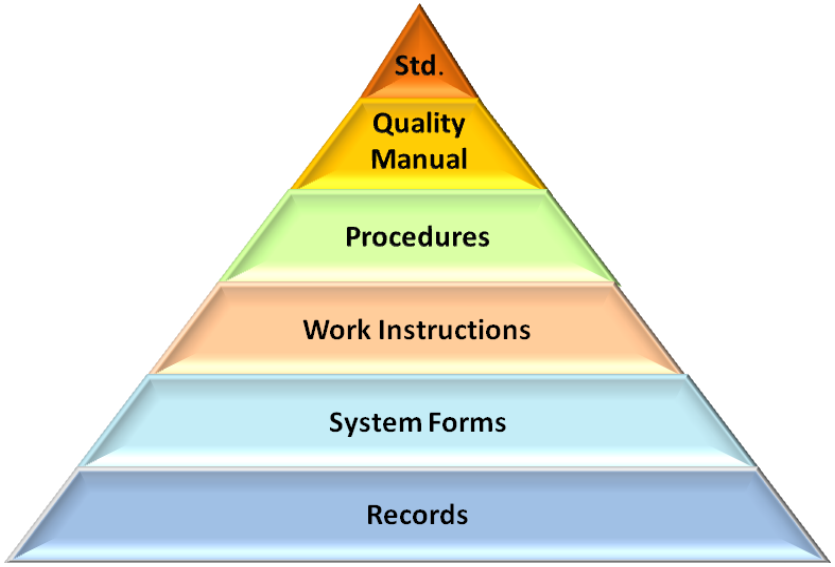
4.2 Documentation Requirements

4.2.1 General Documentation Requirements

The Sky Machine Quality Management System documentation is based upon the requirements of ISO 9001 & AS9100. To ensure effective operation and control of our processes, Sky Machine utilizes a variety of documentation types and medium applicable to the size and complexity of our operations.

In addition to the procedures relating to this standard, specific consideration has also been given to the establishment and maintenance of files containing Sky Machine documents, defining the product specifications, including complete manufacturing and quality assurance specifications for each type/model of product produced by Sky Machine.

The documentation structure of our quality system is as follows:



* Sky Machine will employ job specific instructions on an as needed basis.

The Sky Machine Quality Management System documentation includes:

- Documented statements of a quality policy (see System Manual);

- Documented statements of a quality objectives (see MRQ Minutes);
- Our System Manual;
- Documented system procedures within the scope and requirements of the ISO 9001 / AS9100 standard and this Quality Management System.
- Records required by the ISO 9001 / AS9100 standard and this Quality Management System (see Control of Records SP 420).

4.2.2 Quality System Manual (SM-01)

The Sky Machine System Manual was established as part of the overall Sky Machine Quality Management System and is maintained to:

- Demonstrate the scope of Sky Machine's Quality Management System
- Document quality procedures within the scope of this Quality Management System
- Describe the sequence and interaction of the quality processes within the Quality Management System.

The Sky Machine System Manual is controlled in accordance with lower level procedures.

4.2.3 Control of Documents (SP 420)

The ISO/AS Management Representative is responsible for Quality Management System documents and data control. All of the above Quality Management System documents are approved for adequacy prior to Intranet and point of use posting. Quality Management System documents are reviewed and updated as needed. Updating requires re-approval, which includes a description of the change, the document identity, a dated signature and the effective date.

4.2.4 Control of Records (QP 420)

Document Control and Records Control procedures define methods to ensure that customers, as well as cognizant government agency representatives, have the right-of-access to quality-related documentation to assure conformance to accepted contractual requirements. Non-disclosure documents may be incorporated into this 'right' under certain circumstances. Sky Machine also recognizes the right-of access of "registration" regulatory authorities that may need to review records for the purposes of monitoring the activities of any third party registration organizations contracted by Sky Machine. Quality records are legible, identified readily retrievable, and are retained for the required period of time.

Retained records include where applicable:

- Records required by this standard;
- manufacturer, distributor, test and inspection reports;
- original certificates of conformity;
- non-conformance, concession and corrective action records;
- lot traceability;
- environmental or shelf life condition records.

Any record stored electronically is protected against modification and traceable to the original documentation. Lower level documentation promulgates the process for system integrity and redundancy.

Records of product origin, conformity, and shipment are maintained for a minimum of ten years or as required by contract.

Records are available for review by customer and regulatory authorities in accordance with contract and regulatory requirements.

Sky Machine Inc. has assured that records retained by suppliers are properly controlled through the promulgation of Supplier Quality Requirements.

5.0 MANAGEMENT RESPONSIBILITY

5.1 Management Commitment

Top Management is committed to the development and improvement of our Quality Management System, and to all of our Business Values, and proves that commitment by:

- Maintaining awareness of customer requirements as well as customer satisfaction among employees;
- Establishment of our Quality Policy with our Business Values as objectives;
- Reviewing the Quality System as part of normal business operations;
- Providing the necessary resources to meet customer and regulatory requirements.

5.2 Customer Focus

Top Management, through the use of the established systems, ensures that customer requirements, product conformity and on-time delivery performance are measured and that appropriate action is taken if planned results are not, or will not be, achieved, in order to enhance customer satisfaction.

We have implemented and maintained appropriate procedures to identify and meet any legal and regulatory requirements related to the quality of our products and services.

5.3 Quality Policy (SC 530)

Top Management is committed to meeting customer requirements and continual improvement by adhering to a Quality Policy that is appropriate for our company. Top Management strives to ensure that employees understand our Quality Policy, and how they contribute to its success. We communicate our Quality Policy to new employees, and reinforce the Quality Policy with current employees by applying our Quality Objectives to Sky Machine Inc.'s Business Values. We accomplish this by disseminating the information throughout the organization through training, graphic displays posted throughout the facility such as banners, posters, and computer screens, as well as special attention to the subject during regular employee meetings and rallies. The continued suitability of our Quality Policy is monitored through the Management Review procedure of our Quality Management System.

Sky Machine Inc.'s Quality Policy:

"Sky Machine Inc. is committed to providing superior quality, on time delivery and complete customer satisfaction with every shipment. We are committed to continual improvement of our management system and its effectiveness."

We have established quality objectives at each function and level within the organization. Instructions on meeting these objectives can be found in lower level documents. Review and subsequent changes to plans take place during Sky Machine Inc.'s Management Review of Quality. We will pursue these objectives based upon a philosophy of:

- Customer Satisfaction
- Continual Quality Improvement in processes and systems
- Continuous improvement in On-Time-Delivery (OTD)
- Reduction in defects and customer returns
- Reductions in variation and waste
- Employee involvement and motivation as well as ongoing training in pursuit of increased competency.

5.4 Planning

5.4.1 Quality Objectives

We have established quality objectives (SC 540) at relevant functions and levels within the organization. Instructions on meeting these objectives can be found in lower level documents, such as System Procedures (SP's), and in individual order specifications and/or requirements as documented in various forms of work instructions. Measurements of the Quality objectives are made through review meetings to ensure consistency with the Quality Policy (SC 530) and continual improvement of our products and processes.

5.4.2 Quality Planning

Top Management shall document planning conducted to identify the necessary processes and resources needed to achieve our Quality Objectives. The documented output of our planning shall focus on the continual improvement of our Quality Management System. Changes to plans are done in a controlled manner to maintain the integrity of our Quality Management System.

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and Authority

The Sky Machine Inc. President assumes the ultimate responsibility for the proper implementation and execution of this, and all other, System Procedures and documents.

Executive Staff members have the authority and responsibility as denoted by their functional titles to establish, coordinate and implement corporate policies and processes respective to their job functions. Executive Staff positions provide the authority and responsibility for defined functions, including but not limited to operations, marketing, technology, quality, manufacturing, procurement, finance, and human resources as relevant to the product manufactured.

The organization chart (see addendum A), illustrates the structure of responsibilities relative to our quality system. The organizational chart is maintained and communicated throughout the organization in the quality system documentation. Employee training includes individual responsibility and authority as it relates each employee. In addition, each Quality Management System procedure includes a *Responsibility & Authority* section for its specific requirements and functions. Decision-making authorities, relative to quality, are also spelled out in these documents.

The responsibility, authority, and the interrelation of personnel who manage, perform, and verify work, effecting quality at Sky Machine Inc., is defined and documented by Sky Machine Inc.'s Organization Chart.

Sky Machine Inc.'s Top Management has empowered its personnel with organizational freedom and authority as documented in System Procedures and Guidelines, to:

- Initiate action to prevent the occurrence of any nonconformity relating to product, process, or quality system;
- Identify and record any problems relating to the product, process, or quality system;
- Initiate, recommend, or provide solutions through designated channels;
- Verify the implementation of solutions;
- Control further processing, delivery, or installation of nonconforming product until the deficiency or unsatisfactory condition has been corrected.

5.5.2 Management Representative (AS MR)

Top Management has appointed a member of top management as the representative and authority on establishing and maintaining Quality Management System processes, and with ensuring that the Quality Management System meets the requirements of AS9100 requirements. This representative has been given the organizational freedom and unrestricted access to top management to resolve quality management issues. Other duties of this representative include, but are not limited to: reporting to Top Management on the overall performance of the Quality System; needed improvements and/or changes to the Quality System; and promoting awareness of customers' requirements throughout the organization.

The AS Management Representative is responsible for:

- the preparation and distribution of the Quality Assurance Manual, including amendments and revisions thereto;
- promoting awareness of Customers' requirements throughout the organization;
- the preparation and implementation of administrative policy relating to quality matters;
- the identification of quality related problems;
- initiation of action which results in solutions to quality-related problems and verification of results;
- interaction with the indoctrination, training, and qualification of applicable personnel, as necessary;
- directing and administrating scheduled audits of supplier quality programs;
- review of the Quality Assurance Manual and Internal Audit Reports, and reporting the status to management;
- control of inspection/test instructions and Quality Assurance related Technical Standards, including amendments and revisions;
- determining and issuing stop-work orders, as necessary;
- review of customer drawings, specifications, and contract requirements, as necessary;
- has the authority and responsibility of attesting to Certification of Conformance or Certification of Compliance documents
- systematic, formal review and evaluation of the quality program on a regular basis, reporting the status to management during our management review of quality meeting ;

- notification to customers, regulatory agencies and registrar of any significant changes in the quality management system as required by contract, such as:
  - facility(s) location
  - changes applicable to the scope of approval
  - changes in senior personnel
  - changes to the methods of certification of products
  - change in release signatories on current record
  - changes in nominated personnel previously reported

The AS Management Representative may delegate to individual process owners the authority to address matters pertaining to this Quality Management System. The individual process owners will be appropriately trained for the assigned task and will serve at the discretion of the AS Management Representative.

5.5.3 Internal Communication

Top Management provides for methods of Internal Communication such as bulletin boards, banners, “All Hands” meetings, memos and flyers distributed with payroll, and training sessions in an effort to keep all employees advised of the state of the Quality Management System. Sky Machine Inc. makes available to all employees, the results of Management Review, Sky Machine Inc.’s Goals and Objectives, Internal Audit results, and our Quality System measurable.

5.6 Management Review of the Quality Management System (SP 560)

5.6.1 Top Management Review of the Quality Management System is conducted at planned intervals (at least once a year) per the released Audit & Event Schedule, supplemented by monthly staff meetings, to examine our Quality Management System; our Quality Policy; and our Quality Objectives, for their continuing suitability, adequacy and effectiveness. Opportunities for Improvement of the products and processes associated with the system are included in the Review.

Records of the review are kept in accordance with SP 420.

5.6.2 Input requirements for Management Review by Top Management include:

- Review of quality policy & objectives;
- Internal and external audit results;
- customer feedback analysis;
- process performance and product conformance;
- process results analysis;
- preventive and corrective action activities;
- follow-up of issues/actions identified by prior Management Review Meetings;
- planned changes that could affect the Quality Management System;
- recommendations for improvement.

5.6.3 Meeting minutes and action plans relating to Management Reviews are recorded and made available to all employees. The intended output of the Management Review of the Quality Management System process is:

- Improvement of the Quality Management System and its processes.
- Improvement of products and services offered by Sky Machine Inc.
- To identify resources that may be required to meet internal or external requirements.

6.0 RESOURCE MANAGEMENT

6.1 Provision of Resources

Sky Machine Inc. shall determine and provide the resources needed to implement and improve the Quality Management System, and address customer satisfaction, in a timely manner.

6.2 Human Resources (SP 620)

Personnel assigned responsibilities and/or roles within the Quality Management System are competent and well-trained. The personnel training, including newly hired, part time, and temporary personnel is accomplished according to identified training needs based on education, training, skills and experience.

The procedure for identifying the training needs of employees, providing training to meet those needs, evaluating training effectiveness, employee competency and recording training achievements (for all employees) is contained in Level 2 documentation. This procedure includes requirements for increasing awareness of the overall Quality System, and each employee's roles and responsibilities within it.

6.3 Infrastructure (SP 751)

Infrastructure needed to achieve conformance of products or services to customer requirements is provided by Top Management. Descriptions of these needs are contained in individual lower level procedures, and may include workspace, facilities, equipment, software, maintenance of equipment and facilities, information systems, and any supporting services, such as public utilities, required to perform a function. Top Management has developed a disaster contingency plan to ensure minimal production interruption and continue to meet customer requirements.

6.4 Work Environment (SP 751)

Top Management provides a safe, efficient work environment for all employees through the implementation of a safety program. This includes, but is not limited to, effective methods and procedures, safety requirements, and appropriate working conditions to achieve conformance of products or services to customer and regulatory requirements.

Sky Machine Inc. has evaluated any adverse impact of personnel, environmental controls, product cleanliness and equipment maintenance on the product. Applicable procedures have been implemented in the appropriate departments of Sky Machine Inc. assuring the products integrity.

7.0 PRODUCT REALIZATION

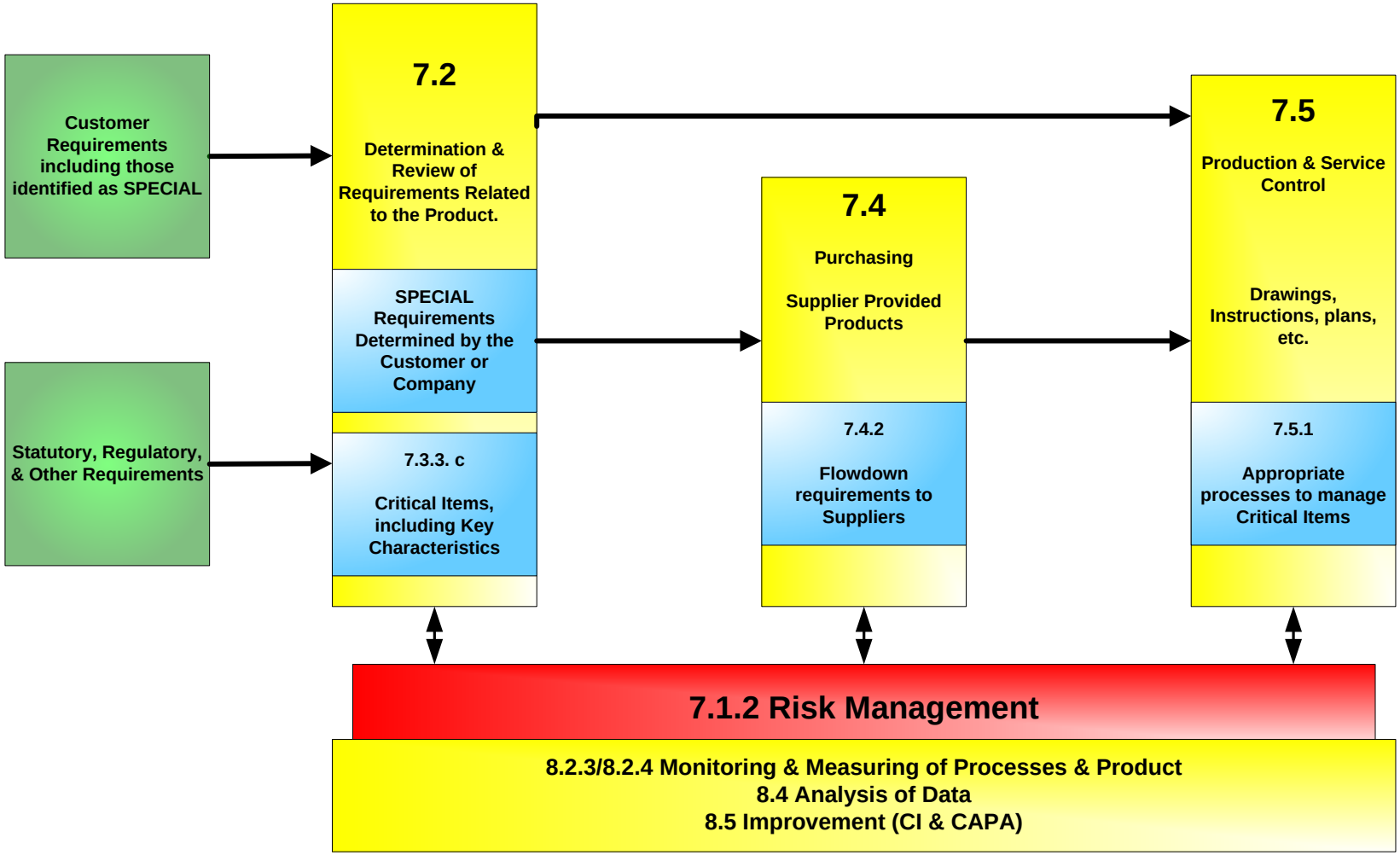
7.1.0 Planning (SP 710)

Sky Machine's Top Management identifies, plans, and implements suitable processes and documents, which ensure that products conform to customer requirements and our Quality Objectives. Planning of product realization is consistent with the requirements of the other processes of the quality management system.

In planning product realization, Sky Machine determines the following, as appropriate:

- quality objectives and requirements for the product include consideration of aspects such as:
  - product and personal safety;
  - reliability, availability and maintainability;
  - producibility and inspectability;
  - suitability of parts and materials used in the product;
  - recycling or final disposal of the product at the end of its life;
- the need to establish processes and documents, and to provide resources and facilities specific to the product;
- identification and control of the risk to the achievement of applicable requirements;
- identification and control of critical characteristics;
- required verification, validation, monitoring, measurement, inspection and test activities specific to the product;
- criteria for product acceptance;
- records needed to provide evidence that the realization processes and resulting product meet requirements;
- configuration management appropriate to the product.

Project/Risk/Configuration Management Conceptual Flow:



7.1.1 Project Management (SP 710)

As appropriate to Sky Machine and the specific product, the Sky Machine plans and manages product realization in a structured and controlled manner to meet all special requirements at acceptable risk, within resource and schedule constraints.

Special Requirements are those requirements that have high risks to being achieved, which require their inclusion in the risk management process.

Sky Machine assures that Critical Items, including key characteristics, which are those items that have significant effect on product realization and use of the product, are adequately managed.

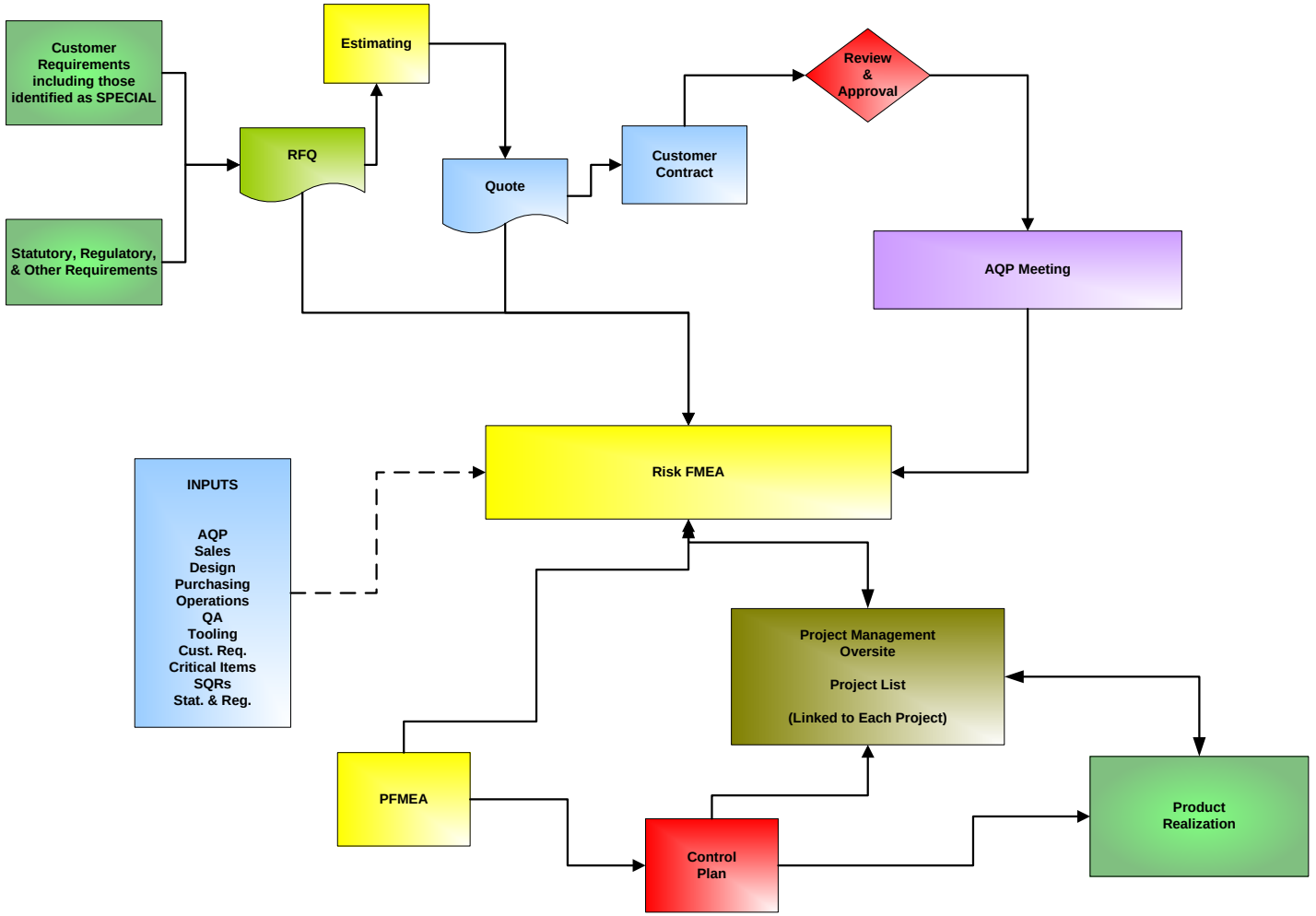
7.1.2 Risk Management - (SP 712)

Sky Machine has established, implemented and maintains a proactive process for evaluating and managing risk to the achievement of applicable requirements, which includes as appropriate:

- assignment of responsibilities for risk management,
- definition of risk criteria (e.g., likelihood, consequences, risk acceptance),
- identification, assessment and communication of risks throughout product realization,
- identification, implementation and management of actions to mitigate risks that exceed the defined risk acceptance criteria, and
- acceptance of risks remaining after implementation of mitigating actions.
- Sky Machine verifies test reports as part of the risk management process if it is making critical items where the material chemical/physical requirements are important.

A Formal Risk assessment is performed, as appropriate at the RFQ/Quote phase of product realization.

Risk Management Flow:



7.1.3 Configuration Control - (SP 713)

Sky Machine has documented and maintained a configuration management process to assure, as appropriate to the product:

a) configuration management planning,
b) configuration identification,
c) change control,
d) configuration status accounting, and
e) configuration audit.

Sky Machine's configuration management process assures that all product sold by Sky Machine meets the requirements of those Specifications and Drawings for the product(s) ordered. Sky Machine's configuration management process is implemented by the following documented procedures:

External Documentation
All product manufactured by Sky Machine is controlled by customer Specifications and Drawings. Documented procedures exist to insure that product manufactured or purchased by Sky Machine meets the requirements of those Specifications and Drawings for the product(s) ordered.

MO/Traveler Documentation
MO/Traveler is Sky Machine's control plan and is the document that includes the production and quality related activities performed from the time the raw material is received to the time the material is shipped to the end customer.

7.1.4 Control of Work Transfers - (SP 740)

Sky Machine's work transfer plan and control process through the purchasing group assures the control of temporary or permanent transfer of work (e.g., from one organization facility to another, from the organization to a supplier, from one supplier to another supplier) and to verify the conformity of the work to requirements.

7.2 Customer Related Processes - (SP 710)

7.2.1 Identifying Customer Requirements

Procedures describing how Customer requirements are determined and agreed-upon are contained in lower level documentation. These procedures include: completeness of identified requirements necessary for products intended use; statutory, regulatory and legal requirements; as well as, availability, delivery and support requirements. When customer agrees with said information the sales department completes the sales requirement documentation, which initiates the process.

7.2.2 Review of Product Requirements

Customer and organizational requirements, including changes, are reviewed and documented by qualified sales, engineering operations, materials and quality personnel and communicated as necessary prior to acceptance of a customer order/contract on an individual order basis by appropriate Department Managers, as described in lower level procedures. This review includes, but is not limited to ensuring that:

- the product requirements as defined by the customer,
- any contract or order requirements differing from those previously expressed are resolved.
- the organization has the ability to meet the defined requirements.
- the risks (e.g., new technology, short delivery time scale) have been evaluated.
- special requirements of the product are determined,
- any additional requirements considered necessary by the organization.
- Any post delivery activities, for example, actions under warranty provisions, contractual obligations such as maintenance services, and supplementary services such as recycling or final disposal.
- when any changes to requirements are received, all relevant documents are updated to include the change and the change is communicated to all relevant personnel.

Results of this documented review, and follow-up when appropriate, are recorded. It should be noted that when the customer does not provide documented requirements (i.e. – verbal orders, etc.), Sky Machine Inc. sales personnel does not entertain the customer request. The request must be in writing, and it must be formally quoted.

7.2.3 Customer Communication

Methods and responsibilities for communicating with customers are described in lower level procedures. Communication arrangements include: product or service information; order handling; order amendments; customer complaint handling, recall, notification, and other customer feedback relative to performance of products and/or services.

7.2.4 Customer-Specific Requirements

- Sky Machine Inc. maintains documented procedures for reviewing contracts in order to ensure customer specific requirements are identified, understood, and can be met.
- Marketing/Sales/Customer Service personnel involved in the contract processing has the primary responsibility for the inclusion of customer specific requirements during order taking.
- As appropriate, customer specific requirements are conveyed to operations by means of Department procedures, Technical Standards, drawings, instructions and work orders.

Records of the review are kept in accordance with SP 420.

7.3 Design and Development

All product manufactured by Sky Machine Inc. is currently manufactured to customer supplied specific design inputs and therefore does not engage in product design and development.

7.4 Purchasing

7.4.1 Purchasing Control - (SP 740)

Purchasing processes are described in lower level documents. These procedures include processes, which ensure that purchased products or services which affect quality conform to identified requirements. Sky Machine Inc. acknowledges their responsibility for all product that is purchased from outside suppliers, including those suppliers designated by the customer

As promulgated in the supplier quality requirements, Sky Machine Inc. adheres to Domestic Material Requirement per the BUY AMERICAN ACT, FAR 52.225-3 & FAR 25.109(d).

Sky Machine Inc. follows documented procedures related to vendor performance that, if necessary, allows for approved suppliers to be put on hold or disapproved. A hold or disapproved status will prevent the purchase of material for failure to meet requirements from that supplier.

Quality Assurance and Purchasing monitors and reports on the performance of suppliers. Purchasing, in conjunction with the appropriate function, provides supplier with timely planning, scheduling, and technical assistance required to meet Sky Machine Inc.'s on time delivery performance expectations. Methods shall be implemented to monitor the delivery performance of the supplier with corrective actions taken, as appropriate. The extent of supplier monitoring, reporting, controlling, and auditing is determined by the type of product they supply and their previous performance.

When contractually agreed to, a customer approved subcontractor list is used in the subcontractor selection process. When the use of a customer approved subcontractor list is required, additional subcontractors are not used unless the appropriate customer 'Materials' function has added them to the list. This requirement will also be flowed down to Sky Machine Inc.'s suppliers, when applicable.

Suppliers are selected according to established procedures and criteria for their acceptance. Suppliers are re-evaluated, on a regular basis, according to established procedures based on: criticality of product or service purchased; Sky Machine Inc. requirements; and past performance. Sky Machine Inc. maintains a listing of approved suppliers based on one or more of the following evaluation methods:

- AS/ISO Registration
- Site Audit
- Survey
- Past performance history

7.4.2 Purchasing Information - (SP 740)

Information required for effective purchasing is identified to qualify goods, by product and process, and meet our requirements for goods and/or services purchased. Sky Machine Inc. purchases products and services based on adequately defined requirements, with authorized document approval prior to release.

Sky Machine Inc.'s Purchasing is responsible for furnishing to the subcontractor current drawings, specifications, and special customer requirements, as applicable. In the event of a drawing or specification change, Purchasing is responsible for issuing a change to the Purchase Order, and supplying the subcontractor with the latest revision.

The purchase order issued to the supplier contains contract references and specific instructions in accordance with specifications such as AS-9100 and other applicable specifications. All purchased materials used in production shall satisfy current governmental and safety constraints on restricted toxic and hazardous materials.

Purchase agreement flowdowns will include, as required:

- a. requirements for approval of product, procedures, processes and equipment;
- b. requirements for qualification of personnel;
- c. quality system requirements to the extent necessary to assure product quality;
- d. the name or other positive identification, and applicable issues of specifications, drawings, process requirements, inspection instructions and other relevant technical data;
- e. requirements for design, test, examination, inspection and related instructions for acceptance;
- f. requirements for test specimens;
- g. requirements for supplier notification of nonconforming product and arrangements for approval of nonconforming product;
- h. requirements for the notification and approval of changes in product and/or process
- i. right of entry provisions for Sky Machine Inc., our customers, and their customer as well as regulatory agencies, and to all applicable records;
- j. requirements for the supplier to flowdown to sub-tier suppliers the applicable requirements, including key characteristics;
- k. the requirement for the use of customer approved special process sub-contractor used by the supplier;
- l. Sky Machine Inc.'s right to perform source inspection at the supplier's facilities, which will not be used as evidence of effective control of quality by the supplier;
- m. when contractually agreed to with the customer, Sky Machine Inc. will make provisions for the customer to visit or perform source inspection at the supplier's facilities, which will not be used as evidence of effective control of quality by the supplier;
- n. Any delegation of product verification to the supplier will be defined and documented.
- O. Sky Machine Inc.'s work transfer plan and control process assures the control of temporary or permanent transfer of work (e.g., from one organization facility to another, from the organization to a supplier, from one supplier to another supplier) and to verify the conformity of the work to requirements.

7.4.3 Verification of Purchased Products or Services - (SP 740)
Purchased products or services are verified according to established procedures, and may include inspection, testing, or other forms of verification to stated requirements based on product or service requirements. Where Sky Machine Inc. or our customer proposes to verify product at a suppliers premises, Sky Machine Inc. will specify the verification arrangements in the purchasing information.

Procedures are maintained to verify the conformance of supplier products, materials, and services to specified requirements. These procedures employ techniques such as receiving inspection, source inspection, statistical evidence of conformance, supplier inspection reports and /or certificates of compliance and conformance.

7.5 Product and Service Provision

7.5.1 Operations Control - (SP 751)
Sky Machine Inc.' operations are planned and controlled according to our Quality Management System. Control of Sky Machine Inc. operations include requirements that provides for:

- confirmed product specifications are available;
- Compound testing;
- where necessary, work instructions and/or procedures are available;
- suitable equipment and other machinery is used and maintained;
- when required, calibrated measuring or monitoring equipment are available;
- appropriate monitoring and measurement activities of process parameters and product characteristics are implemented;
- product cleanliness and foreign object prevention, detection, and removal;
- defined methods and instructions for release and delivery of products are implemented;
- The accountability for all product during manufacture;
- Evidence that all manufacturing and inspection operations have been completed as planned.

Sky Machine Inc. controls Production Process Changes (Reference AS9100 7.5.1.2) through the establishment of a limited number of individuals authorized to make changes and approve the (Traveler).

Sky Machine Inc. does not provide post-delivery support (Reference AS9100 7.5.1.4)

7.5.2 1st Article & Validation of Processes - (SP 752)

Sky Machine Inc. currently does not engage in any process where the output product cannot be verified through subsequent measurement or monitoring. All product manufactured can and does undergo validation through some form of inspection and/or testing.

Should Sky Machine Inc. ever require such processes, validation of the processes themselves shall be incorporated. This validation will demonstrate the ability of the process to achieve planned results. Arrangements for validation may include as required:

- Definitions of the criteria for review and approval of the processes,
- Qualification and approval of the process's methods, equipment, and personnel prior to their use,
- Specific documented methods and procedures affiliated with each process,
- Control of the significant operations and parameters in accordance with published controlling specifications and accommodation of changes to those specifications,
- Revalidation requirements as they are required,
- The definition of any records required.

First Production Article (conducted in accordance with AS9102 & SP 752), is used to validate the production process's documentation and tooling and repeat the process when necessary to assure product quality.

Production equipment and software programs (Reference AS9100 7.5.1.3) will be validated prior to release for production per the First Article and/or First Piece process.

Currently Special processes as defined above are contracted to outside suppliers. Control of these outside processes is addressed in SP 740.

7.5.3 Identification and Traceability - (SP 753)

Product, where appropriate, including new product, non-conforming product and customer owned product, is identified at all times throughout product realization according to established procedures. This identification includes, where appropriate, material status relative to test or batch inspection.

Sky Machine Inc. maintain the identification of the configuration of the product in order to identify any differences between the actual configuration and the agreed configuration.

Sky Machine Inc. identifies the product status with respect to monitoring and measurement requirements throughout product realization with controlled acceptance authority media (e.g., stamps, electronic signatures, passwords).

Documented procedures have been implemented in the appropriate departments to assure the identification and traceability of any subdivided materials, and for the transfer of markings or labels.

Where necessary by requirement, traceability is maintained by product lot or serial number.

Records of the traceability process are kept in accordance with SP 420

7.5.4 Customer Property - (SP 753)

Customer supplied product is any product owned by the customer and furnished as a sample or to be used in completing the requirements of the contract.
Sky Machine Inc. exercises adequate care with Customer property which may include intellectual property and personal data. Customer property is managed as any supplied product to be incorporated into our products. Customer property is identified and verified for use. The occurrence of any lost or unsuitable product is recorded and reported to the Customer, and applicable records will be maintained..

Customer furnished inspection equipment is incorporated into the Sky Machine Inc. calibration program. Unless otherwise specified by the customer, this equipment is calibrated in accordance with Sky Machine Inc. procedures to ensure its accuracy and traceability to a National Standard.

Customer supplied materials and supplies shall only be utilized for the fulfillment of the contract/purchase order requirements for which they were intended and supplied

7.5.5 Preservation of Product - (SP 753)

Products at any stage of processing are handled in such a way as to ensure that their conformance to customer and internal requirements is met according to established procedures for identification, handling, packaging, storage, protection, through delivery to the intended destination. Material management practices, material shelf-life issues, control of cross contamination and special storage requirements are addressed in lower level documentation.

Preservation of product shall also include, where applicable in accordance with product specifications and or applicable regulations, provisions for:

- Cleaning;
- Prevention, detection and removal of foreign objects;
- Special handling for sensitive products;
- Marking and labeling including safety warnings.

The organization shall ensure that documents required by the contract/order to accompany the product are present at delivery and are protected against loss and deterioration.

Sky Machine Inc. is committed to on time delivery. Delivery performance is monitored at the appropriate intervals. Suitable techniques shall be applied, as appropriate, in the determination of root cause and corrective action for late shipment.

7.6 Control of Measuring and Monitoring Equipment - (SP 760)

7.6.1 Inspection, measuring and test equipment includes all types of devices used by any supplier or subcontractor personnel to verify materials, products, processes, or other inspection, measuring and test equipment. This includes tooling used as media of inspection, test hardware, test software, automated test equipment (ATE), and plotters used to produce inspection media. Also included is personally owned equipment used for product or process acceptance.

7.6.2 Through lower level documents, Sky Machine Inc. identifies which measurements and tests must be performed, and by what type of equipment. Measuring and monitoring equipment is used and controlled to ensure measurement capability is consistent with measurement requirements.

7.6.3 Sky Machine Inc. maintains documented procedures to assure inspection, measuring and test equipment are of the proper range, type, and accuracy necessary to verify conformance of components to specifications or

requirements. This includes tooling used as media of inspection, test hardware, test software, automated test equipment (ATE), and plotters used to produce inspection media. Also included is all types of devices used by any supplier personnel to verify materials, products, processes, or other inspection, measuring and test equipment.

7.6.4 Measuring, inspection, and test equipment, used for product acceptance is calibrated or validated or both, and adjusted, and maintained at prescribed intervals, or prior to use, against certified equipment or standards that are traceable to nationally recognized standards. If no national standard exists, the basis for calibration is documented.

7.6.5 Measuring System Analysis
Any equipment (including test software) used to test, measure or monitor product for conformance to requirements is controlled, handled, stored, maintained and/or calibrated according to established procedures. These procedures are described in lower level documentation, and include requirements concerning calibration at set intervals, identifying calibration status and methods, and recording calibration results.

As appropriate, measurement system analysis, such as gauge repeatability and reproducibility studies, are conducted.

Tools/ parts are recalled on a scheduled basis to assure compliance.

8.0 MEASUREMENT, ANALYSIS, AND IMPROVEMENT

8.1 Planning

Measurement and monitoring of processes are described in the appropriate lower level procedures. These activities are designed to ensure that the overall Quality Management System, processes, and products conform to identified requirements and allow for analysis and improvement. Results of these activities are recorded, and periodically evaluated for appropriate application of methodologies through the Management Review process.

8.2 Measurement and Monitoring

8.2.1 Customer Satisfaction - (SP 821)

Sky Machine Inc. has implemented processes to promote continuous improvement of the product and Customer satisfaction. Customer satisfaction is monitored, on a continual basis, in the senior staff meeting, which includes but not limited to analysis of:

- Customer status,
- Customer complaints,
- corrective action request;
- on-time delivery performance;
- product conformity.

Sky Machine Inc. has developed and implemented plans for customer satisfaction improvement that address deficiencies identified by these evaluations, and assess the effectiveness of the results.

NOTE: Monitoring customer perception can include obtaining input from sources such as customer satisfaction surveys, customer data on delivered product quality, user opinion surveys, lost business analysis, compliments, warranty claims, dealer reports.

8.2.2 Internal Audit - (SP 822)

Sky Machine Inc. led by the AS/ISO management representative conducts internal audits at planned intervals. This is to determine whether the quality management system conforms to the planned arrangements and the requirements of the IS0 9001 and AS 9100 standards. It also verifies that the contracts or regulatory requirements and the quality management system requirements established by the organization are effectively implemented and maintained.

A documented procedure (SP 822) is established to define the responsibilities and requirements for planning and conducting audits, establishing records and reporting results.

An audit is conducted according to a published schedule and an approved audit plan, containing the audit criteria, scope, frequency and methods to be employed. Tools and techniques have been developed such as check sheets, process flowcharts, or any similar method to facilitate the quality management systems requirements. Our audit program takes into consideration the status and importance of the activities and areas audited, as well as previous audit results to ensure conformance.

Our auditors are trained and competent to objectively and impartiality of the audit process, and do not audit their own work.

Sky Machine Inc. takes timely corrective action to eliminate any detected nonconformities and their causes as well as effectiveness. The internal audit measures the effectiveness of the Quality Management System and the overall organizations performance.

By effectively implementing our auditing program and thus assuring continued registration. Records of the audits and their results shall be maintained. It is the policy of Sky Machine Inc. not to disclose internal and external auditing results, as they are considered proprietary.

8.2.3 Process Measurement and Monitoring

Measurement and monitoring of processes are requirements of lower level documents. When planned results are not achieved, appropriate correction and corrective action is taken. Suitable methods are used to confirm any given process's ability to satisfy its intended purpose, and facilitate process improvement.

In the event of process nonconformity Sky Machine Inc.:

- Takes appropriate action to correct the nonconforming process,
- Evaluates whether the process nonconformity has resulted in product nonconformity,
- Determine if the process nonconformity is limited to a specific case or whether it could have affected other processes or products, and
- Identify and control the nonconforming product in accordance with sub clause 8.3 - nonconforming material.

8.2.4 Product Measurement and Monitoring - (SP 824)

Product characteristics are identified, measured, and monitored at appropriate stages according to established procedures. Results of such measuring and monitoring and the identity of the person performing the inspection or testing are recorded to provide evidence of product conformity to acceptance criteria. Records include the authority responsible for product release, upon completion of verification activities, unless otherwise approved by the customer.

Sky Machine Inc. have established documented procedures to identify inspection and test status. These procedures provide the means for assuring required inspections and tests are performed and the acceptability of items, with regard to inspection and tests performed is known.

Should contractual agreement require customer approval of sampling plans prior to their use, sampling inspection shall not be utilized until such approval has been received.

Acceptance Authority Media - Appropriate instructions provide for the control of inspection status indicators such as tags, markings, labels, stamps, and signatures, including the authority for their application and removal. Additional verification/identification requirements shall be met when specified by the customer.

The acceptance criterion for sampling plans is based on Sky Machine Inc.'s Zero Defect Sampling Plan, which is justified on the basis of recognized statistical principles and appropriateness for use (i.e. matching the sampling plan to the criticality of the product and to the process capability). Visual or workmanship acceptance criteria are documented. When contractually agreed to, visual acceptance standards are approved by the customer.

First Production Article (conducted in accordance with AS9102), which must be undertaken to validate the production process's documentation and tooling and repeat the process when necessary to assure product quality, is addressed in section 7.5.2 of this manual.

Sky Machine Inc. maintains documented procedures outlining the inspection and test activities, including First Production Article (conducted in accordance with AS9102), which must be undertaken to assure product quality. These procedures may be of a specific nature, pertaining to a specific product, or general inspection and test practices. Any subcontracted inspection activities are controlled through the flowdown requirements documented in the purchase order.

Receiving inspection is performed on products or materials, purchased from outside subcontractors, which affect the quality of Sky Machine Inc. products. Incoming product is normally, not used or processed until it has been inspected or otherwise verified as conforming in accordance with established procedures. Should product or material be released for urgent production, it will be controlled in accordance with our receiving inspection procedure

Inspection or test points for materials or items processed at Sky Machine Inc. are performed at the sequence indicated by process routing instructions (Traveler) to assure process control and product quality during work operations

Final inspection or tests for materials are to be completed by qualified quality inspection personnel prior to stocking or shipping. These inspections are conducted using documented instructions, drawings or specifications. Release of materials to stocking or shipping requires the signature or initials of qualified personnel or stamps.

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

Inspection or test hold points which require witness or inspection by a customer's designated representative are indicated on appropriate documents, such as the process routing instruction (Traveler).

8.3 Control of Nonconformity - (SP 831)

Products that do not conform to requirements, or are suspected of not conforming, including customer returns are identified and controlled in order to prevent unintended use or delivery according to documented procedures.

Where applicable, Sky Machine deals with NCP in one or more of the following ways;

a. By taking action to eliminate the detected nonconformity;
b. By authorizing its use, release or acceptance under concession by a relevant authority and , where applicable by the customer;
c. By taking action to preclude its original use or application
d. By taking action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product (NCP) is detected after delivery or use has started
e. By taking actions necessary to contain the effect of the nonconformity on other processes or product.

Identified nonconforming product is reviewed for correction according to established procedures. Depending on the nature of the nonconformity, products may be corrected, re-classified for another purpose, or declared unusable and destroyed or discarded. Records of these reviews, and any action resulting from review, including disposition, are maintained. Authority for any of these actions is described in appropriate lower level documentation. (SP 831) Corrected or re-classified product is re-verified to demonstrate conformity.

Sky Machine Inc. takes action appropriate to the effects, or potential effects, of the nonconformity when nonconforming product is detected after delivery or use has started. Lower level procedures enable Sky Machine Inc. to take appropriate rectification action in the event of nonconformity detected after delivery.

Nonconforming items dispositioned as scrap is conspicuously and permanently marked until physically rendered unsuitable for use in or as completed product.

In cases where a “use as is” or “rework” disposition may effect the customer’s equipment, or if applicable, is different from that which is approved by the customer, the Sales Manager consults with the customer and obtains approval. A description of the change, waiver, or deviation acceptance from the customer is documented to record the change and denote the “as is” condition.

When nonconforming items are found which indicate shipments of similar items may have been made, the Sales Manager notifies the customer so that return of such items or other appropriate actions can be taken.

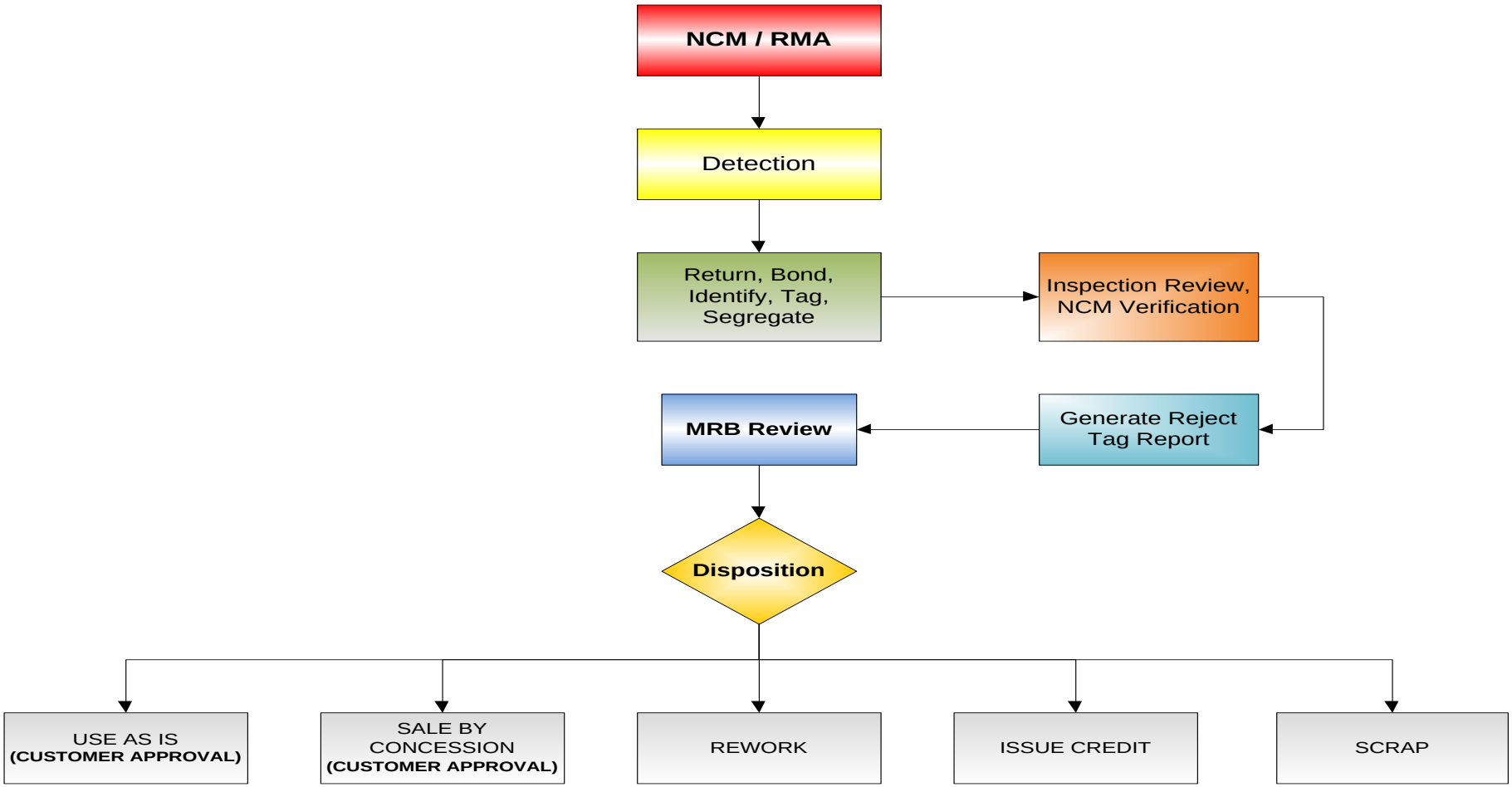
Any rework or repair visible on the exterior of the item shall have approval of the customer prior to shipment.

A regular or consistent pattern in the goods, source or nature of nonconforming materials or product may be indicative of a need for corrective action of a systemic nature (in contrast with that which is performed during the routine disposition of NCP. Accordingly, should such a situation arise, a CAR may be initiated pursuant to SP 850.

Customer Engineering Approved Product Authorization:

- Customer authorization shall be obtained whenever the product or process, including products or services purchased from supplier, is different from that currently approved.
- Records shall be maintained indicating customer authorization and expiration date or quantity authorized. Compliance with the original or superseding specification and requirements shall be ensured when the authorization expires.
- Material shipped on an authorization shall be identified on each shipping container

Notification & Recall (SP 833)
A Customer will be promptly notified (Part of Recovery) when nonconforming product is discovered that may have already been delivered, is in-transit, or is about to be shipped. This notification shall include, as applicable: the parts affected, customer and/or supplier part number, the discrepancy, lot numbers, delivered quantities, delivery dates, and a statement of the corrective action for the nonconformance.


NCM / RMA
Detection
Return, Bond, Identify, Tag, Segregate
Inspection Review, NCM Verification
MRB Review
Generate Reject Tag Report
Disposition
USE AS IS (CUSTOMER APPROVAL)
SALE BY CONCESSION (CUSTOMER APPROVAL)
REWORK
ISSUE CREDIT
SCRAP

8.4 Analysis of Data (SP 500)

Established procedures for data collection are contained in lower level documentation. These procedures include analysis of data for determination of overall Quality Management System suitability, effectiveness, and identification of improvement opportunities. This analysis is part of Management Review of the Quality System.

8.5 Improvement

8.5.1 Continual Improvement

Sky Machine Inc. is committed to continual improvement in all that we do, including continually improving the effectiveness of our Quality Management System. Top Management led by the AS Management Representative utilizes the Quality Policy, objectives, audit results, analysis of data, corrective & preventive actions and Management Review components to facilitate continual improvement of our Quality Management System.

8.5.2 Corrective Action - (SP 850)

Corrective action, appropriate to the impact of the problem, is taken to eliminate causes of nonconformities and to prevent recurrence. Actions are undertaken according to requirements described in lower level procedures. These requirements include:

a) reviewing nonconformities (including customer complaints),

b) determining the causes of nonconformities,

c) evaluating the need for action to ensure that nonconformities do not recur,

d) determining and implementing action needed,

e) records of the results of action taken (see 4.2.4),

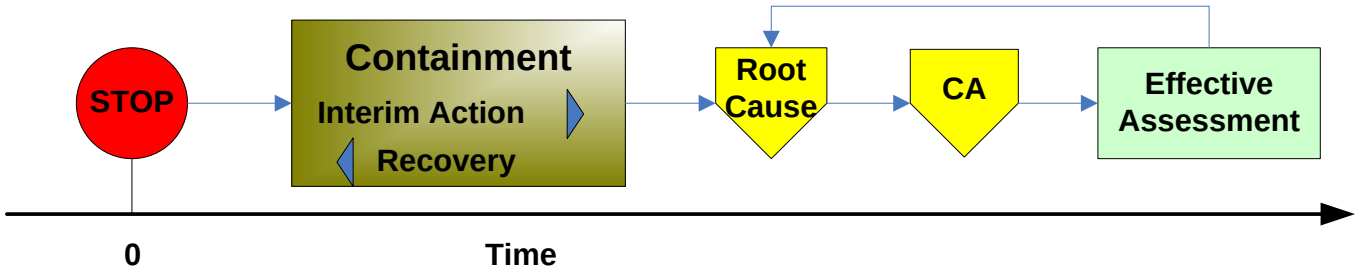
f) reviewing the effectiveness of the corrective action taken,

g) flowing down corrective action requirements to a supplier when it is determined that the supplier is responsible for the nonconformity,

h) specific actions where timely and/or effective corrective actions are not achieved, and

i) determining if additional nonconforming product exists based on the causes of the nonconformities and taking further action when required.

Corrective Action System Flow Chart



8.5.3 Preventive Action - (SP 850)

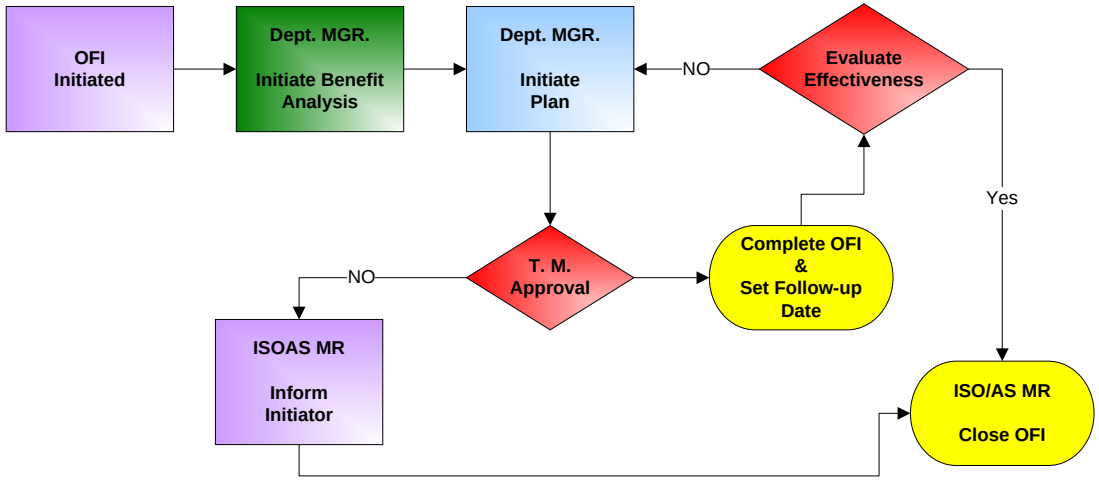
Preventive action, appropriate to the impact of the problem, is taken to eliminate causes of potential nonconformities and to prevent occurrence. Actions are undertaken according to requirements described in lower level procedures.

These requirements include:

- Identifying potential nonconformities and their causes;
- Evaluating the need for action to prevent occurrence of nonconformities;
- Determining and implementing needed actions;
- Recording results of actions taken;
- Reviewing effectiveness of those actions.

Records of the preventive Action are kept in accordance with SP 420

Preventive System Flow Chart



SYSTEM MANUAL APPROVAL & REVISION HISTORY

Approval:		Date:

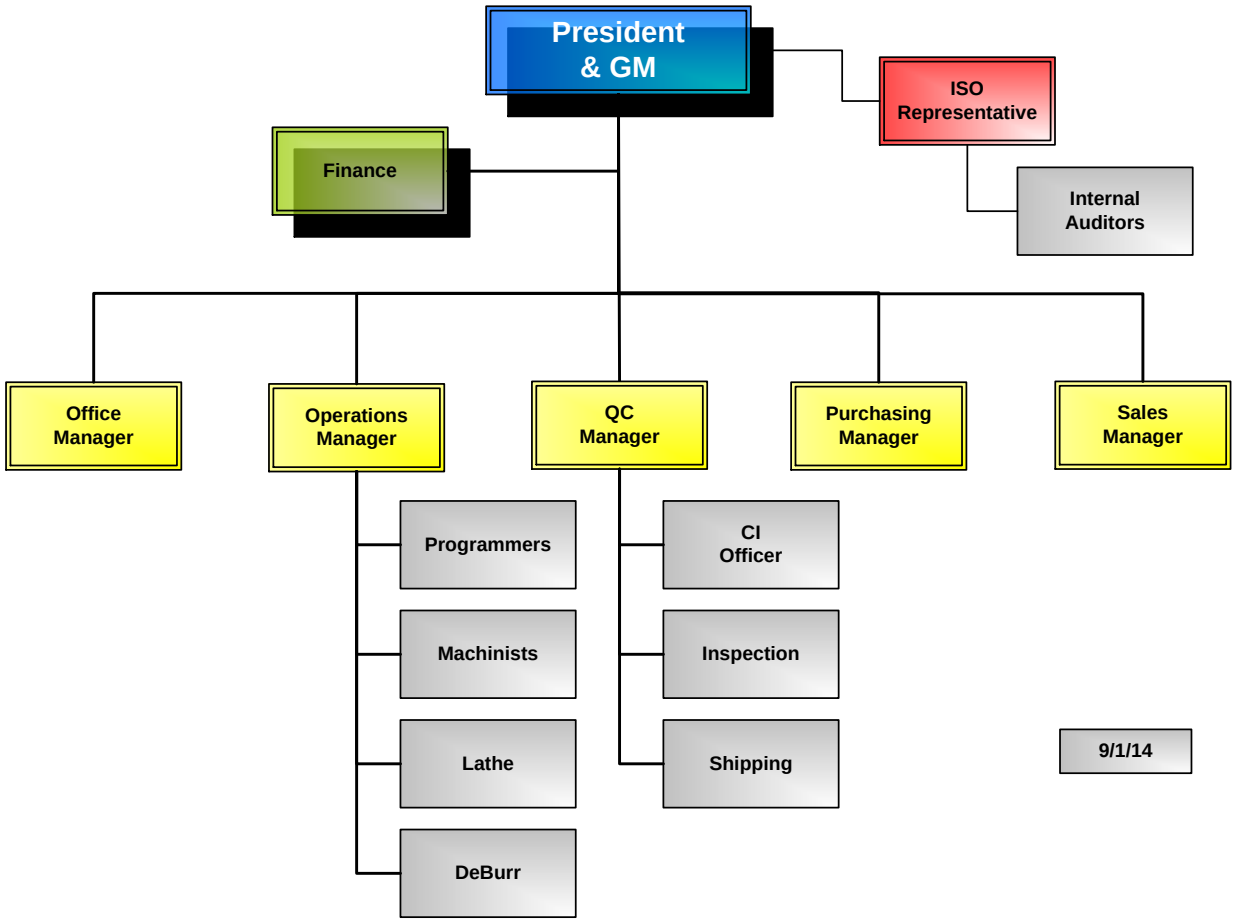
Revision Status History

Rev	*Description of Change*	*DCN*	*Process Owner*	*Date*
N/C	Initial Issue			

Addendums

Note: Due to the dynamics related to the subject matter of these Addendums, revisions of the addendums themselves may be inserted without affecting the Revision level of the general document.

Addendum A: Organizational Chart



Addendum B: Definitions

Acceptance Criteria	Defined limits placed on characteristics, materials, products or services.
Audit	A systematic and independent examination to determine whether quality activities and related results comply with planned arrangements and whether these arrangements are implemented effectively and are suitable to achieve objectives.
Calibration	Comparison and adjustment to a standard of known accuracy.
Conformance	Compliance with specified requirements.
Concession	Written authority to use or release a quantity of material, components or stores already produced, but which do not conform to the specified requirements.
Control	To exercise authority over and regulate.
Control Feature	A documented activity to ensure conformance with specific requirements of applicable specifications.
Corrective Action	Measures taken to rectify conditions adverse to quality and to minimize recurrence.
Critical Items	Those items (e.g., functions, parts, software, characteristics, processes) having significant effect on the product realization and use of the product; including safety, performance, form, fit, function, producibility, service life, etc.; that require specific actions to ensure they are adequately managed. Examples of critical items include safety critical items, fracture critical items, mission critical items, key characteristics, etc.
Defect	The non-fulfillment of intended usage requirements.
Documentation	Recorded information.
Equipment	Machine units utilized either directly, or in support of, the manufacturing processes of the product.
Failure	Any condition which prevents the product or service from performing its specified function.
Finding	Objective evidence that a control feature of the approved quality program was not implemented.
Grade	An indicator of category or rank related to features or characteristics that cover different sets of needs for products or services intended for the same functional use.
Inspection	Activities such as measuring, examining, testing and/or gauging one or more characteristics of a product or service, and comparing these with specified requirements to determine conformity.
Inspection, measuring & test equipment	Inspection, measuring and test equipment includes all types of devices used by any supplier or subcontractor personnel to verify materials, products, processes, or other inspection, measuring and test equipment. This includes tooling used as media of inspection, test hardware, test software, automated test equipment (ATE), and plotters used to produce inspection media. Also included is personally owned equipment used for product or process acceptance.
Key Characteristics	The features of a material, process, or part whose variation has a significant influence on product fit, performance, service life, or manufacturability.
Quality System Review	A formal evaluation by top management of the status and adequacy of the quality system in relation to quality policy and new objectives resulting from changing circumstances.

Non-conformity	The non-fulfillment of a specified requirement.
Objective Evidence	Facts, which are observed and documented.
Observation	Evidence that a surveyable / auditable element exists which is not contrary to documented requirements, but may warrant further qualification or improvement.
Part	Any individual piece used in the assembly of a single equipment unit.
Product	Parts or Product intended for, or required by, a customer
Quality	Conformance to specified requirements.
Quality Assurance	All those planned and systematic actions necessary to provide adequate confidence that a product or service will satisfy given requirements for quality.
Quality Control	The operational techniques and activities that are used to fulfill requirements for quality.
Quality System	The organizational structure, responsibilities, procedures, processes and resources for implementing Total Quality Management.
Regrade	A disposition of a nonconformity that (1) determines that the product is not acceptable for its original intended design, and (2) directs the product to be re-designated, modified or re-identified for an alternate use.
Risk	An undesirable situation or circumstance that has both a likelihood of occurring and a potentially negative consequence.
Servicing	Supplier activities at the interface with a customer and the results of all supplier activities to meet the customer needs.
System Procedure (SP)	A document that specifies or describes how an activity is to be performed. It may include methods to be used, equipment to be used and sequence of operations.
Subcontractor	Any individual or organization furnishing materials, products or services.
Special Requirements	Those requirements identified by the customer, or determined by the organization, which have high risks to being achieved, thus requiring their inclusion in the risk management process. Factors used in the determination of special requirements include product or process complexity, past experience and product or process maturity. Examples of special requirements include performance requirements imposed by the customer that are at the limit of the industry's capability, or requirements determined by the organization to be at the limit of its technical or process capabilities.
Specification	The document that prescribes the requirements with which the product or service has to conform.
Traceability (Forward)	The ability to trace the manufacture and identification of the finished product by stamp or serial number.
Traceability (Backward)	The ability to trace the production history, application, parts and materials to a finished item.
Vendor	Any individual or organization furnishing materials, products or services.
Verify	To determine conformance to specified requirements.

Addendum C: Cross Reference of the AS9100 Standard to Sky Machine Inc. System Procedures

AS 9100	SP#	System Procedure
Clause 4		*Quality Management System*
Documentation Requirements	421	Control of Documents, Data and Records
Clause 5		*Management Responsibility*
Management Planning	500	Management Planning
Clause 6		*Resource Management*
Human Resources	620	Human Resources
Clause 7		*Product Realization*
Risk Management	712	Risk Management
Configuration Management	713	Configuration Control
Customer Related Processes	720	Project-Contract Management
Purchasing	740	Purchasing Information and Control
Operations Control	751	Operations Control – Production
Operations Control	752	First Article Inspection & Validation of Processes
Operations Control	753	Material Control
Control of M & M Devices	760	Control of Measuring & Monitoring Devices
Clause 8		*Measurement, Analysis, & Improvement*
Customer Satisfaction	821	Customer Satisfaction
Internal Audits	822	Internal Audits
Product Measurement & Monitoring	824	Product Measurement & Monitoring
Control of Nonconformity	830	Control of Nonconformity (NCP)
Improvement	850	Improvement - Corrective & Preventive Actions