QUALITY MANUAL

We Deliver Quality on Time

SOR
MEASUREMENT AND CONTROL

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Introduction

SOR is a producer of high quality process measurement instrumentation and process sampling systems for industrial service. We serve a global market of oil and gas, chemical, petrochemical, and power industries through a network of independent sales agents. Our products are suitable for a broad range of safety systems, control processes, and related applications.

In addition to reputable products, our business is built on the relationships between our employees, our agents, and our customers. SOR promotes the values of teamwork and collaboration, a customer-focused mindset throughout the organization, and a general dedication to business excellence.

We make it our business to continuously improve our service and product strategies to be responsive to customer requirements. Our Quality Policy is **"We Deliver Quality on Time."** We measure and challenge our business performance by these words.

SOR Mission Statement: We leverage our ability and willingness to develop engineered solutions from standard platforms to create value for our customers.

1.0 Scope

This Quality Manual sets forth the requirements of the Quality Management System (herein QMS) to ensure the quality of products produced by SOR Inc. located at 14685 West 105th Street, Lenexa, Kansas. The following scope of registration applies: SOR designs, develops and produces high quality process measurement instrumentation and process sampling systems for industrial service. This manual and the programs therein are supported and promoted by SOR leadership.

2.0 Application

This manual applies to these instrument lines, and is written to comply with ISO 9001:2015 and the applicable elements of the type described in the EC type examination certificate and ISO-IEC 80079-34 requirements. Products produced under the 10CFR50 Appendix B Program are not applicable to this manual.

3.0 Terms and Definitions

For the purpose of this document, the terms and definitions given in ISO 9000:2015 apply.

4.0 Context of the Organization

4.1 Understanding the organization and its context

SOR leadership conducts an annual strategic planning session to determine improvement projects (AIPs) for the next calendar year. Components of this strategy deployment include business and market environments, SWOT analysis and current state business performance. Functional key initiatives (FKI's) are identified and assigned in alignment to the business level objectives.

4.2 Understanding the needs and expectations of interested parties

The SOR business objectives support aspects of design, manufacturing, delivery, and service. To ensure our QMS is aligned with our strategy, we review and analyze pertinent information of our interested parties in order to determine the potential impact on our context and subsequent business strategy.

SOR monitors and reviews this information to ensure that a continual understanding of each group's requirements is derived and maintained. SOR regularly considers issues that influence our business during management review meetings.

The Agency Authority, or The Agency Coordinator, informs the Notified Body, holder of the ATEX/QAN/IECEx QAR of any change to the quality system that involves substantial updating of the quality system relevant to the type of protection, including changes to personnel "Authorized Person".

4.3 Determining the scope of the quality management system

The Quality Manual is established, documented and maintained to meet the requirements of the ISO 9001:2015 quality standard, and other certifications or exclusions as listed. It serves as a statement of the scope of the Quality Policy, the QMS, and describes the interactions between processes of the QMS. The scope of the QMS shall always be available to internal and relevant external parties. It serves to describe the scope of our business as defined in section 1.0.

4.4 Quality management system and its processes

SOR has defined, documented and deployed a QMS to the extent deemed appropriate given consideration to the size and type of business, the complexity of the processes and interactions, and the skills, training, and abilities associated with personnel involved in fulfilling the various activities.

The QMS is maintained and continually improved through the use of the Quality Policy, assignment of key performance indicators (KPI's), audit results, analysis of data, corrective and preventative actions and management reviews. Risks and opportunities are evaluated from all of these sources to determine if any changes are necessary in order to yield the intended results.

5.0 Leadership

5.1 Leadership and commitment

5.1.1 General

SOR leadership is actively involved in implementing the QMS and is accountable for its overall effectiveness. Leadership continually promotes SOR's vision, mission and values for the continued sustainability and enhancement of the QMS. SOR leadership provides direction to the integration of the QMS requirements into the business processes of the organization and is committed to promoting the use of the process approach and risk based thinking as well as the engagement and motivation of our employees throughout our QMS.

5.1.2 Customer focus

SOR leadership is also committed to continually improving customer satisfaction through the assurance of meeting customer requirements, regulatory or statutory regulatory requirements, and addressing risks or opportunities that affect product and service conformance.

5.2 Policy

5.2.1 Establishing the quality policy

SOR continuously improves our product and service strategies to be responsive to customer requirements. Our Quality Policy is "We Deliver Quality on Time." This is a dynamic objective that challenges our business performance through continuous improvement activities.

5.2.2 Communicating the quality policy

The communication of the quality policy is accomplished through employee training. SOR employees participate in the annual internal audit process which includes validation of the application and understanding of the quality policy within the organization. The Management Review accounts for the continued suitability of the quality policy and the QMS in general as related to SOR business objectives.

5.3 Organizational roles, responsibilities and authorities

Responsibility and authority associated with all job functions are documented and communicated in organizational charts and formal job descriptions. The Quality Official has been appointed to oversee and manage the overall effectiveness and compliance of the QMS. The Quality Official has the following responsibility and authority to:

- Ensure the QMS conforms to the requirements of ISO 9001:2015
- Ensure interaction of processes and their ability to achieve planned results
- Report to SOR leadership on the performance of the QMS and opportunities for improvement
- Promote awareness of customer focus throughout the organization
- Maintain QMS integrity when planning and implementing changes

6.0 Planning

6.1 Actions to address risks and opportunities

The overall aim within SOR is to ensure organizational capabilities and resources are employed in an efficient and effective manner to take advantage of opportunities and to mitigate risks.

SOR leadership is responsible for incorporating risk-based thinking in our organization's culture by:

- Providing sufficient resources
- Assigning responsibilities and authorities
- Reviewing information and results from audits and risk/opportunity management activities.

The scope of SOR's risk and opportunity management process includes the assessment of the internal and external issues identified in Section 4.1, and the assessment of the needs and expectations of any interested parties identified in Section 4.2. Risk and opportunity management is undertaken as part of SOR's day to day operations and is captured at the following hierarchy:

- Strategic level
- Product/program level
- Department level
- Process level

Establishing such a hierarchy for capturing risk and opportunity ensures that each is managed at the most appropriate level within our organization.

6.2 Quality objectives and planning to achieve them

SOR employs a process that controls the establishment of quality objectives as defined in Section 4.4. SOR Key Performance Indicators (KPI's) are derived from both internal and external sources and are in support of the Quality Policy.

Internal sources include development of quality plans for new product families/focus factories, identifying deficiencies in existing products, and customer specific quality plans as required. Improvement priority projects or change activities are launched throughout the company to develop and implement processes, or realize business strategy.

External sources include documented SOR Agent or customer feedback, returned product, various field sources, expectations and history.

Part of the criteria for the establishment of a quality metric is to be measurable data. SOR management maintains these metrics; it monitors the various aspects of the QMS with a defined set of measurable data and, if it deems necessary, proposes additions or modifications of the metrics.

In order to ensure KPI's are communicated and understood by all employees, SOR posts trend data throughout the company. Functional departments are responsible for explaining their performance versus a quality objective not only ensures the awareness of the objectives at relevant functions and levels, but also promotes the concept of continuous improvement cycles in the mind of every employee.

SOR employees participate in the internal audit process, and are responsible for posting and presenting current trend data. Trend data supports the policy and is reviewed at various levels of tiered meetings.

6.3 Planning of changes

Planning is performed before changes to the QMS are implemented, to ensure quality objective achievement and system integrity.

When SOR determines changes to the QMS to be necessary, the company shall consider:

- The purpose of the changes and their potential consequences
- The integrity of the QMS
- The availability of resources
- The allocation or reallocation of responsibilities and authorities

7.0 Support

7.1 Resources

7.1.1 General

SOR is fully committed to providing adequate resources required for defining, implementing, maintaining and improving our QMS. Our committed resources include: competent employees, state of the industry equipment, a well maintained work environment and financial resources. The process for determining and communicating resource capabilities and constraints is an integral part of our annual business planning and management review processes.

7.1.2 People

SOR identifies personnel training needs, provides the required training, and evaluates the effectiveness of the training provided. Only competent personnel are assigned to work that can affect conformity to product and service requirements. Competency is appraised based upon employee education, skills, training, and experience.

7.1.3 Infrastructure

SOR determines and provides an adequate company infrastructure, including facilities and resources, utilities, employee workspace, and support services needed to achieve product and process conformance.

7.1.4 Environment for the operation of processes

In order to achieve business objectives, SOR leadership provides and manages a suitable company environment for the operation of its processes. Environmental issues considered include lighting, heating and air conditioning, cleanliness, noise levels, health and safety.

7.1.5 Monitoring and measuring resources

SOR determines the suitable monitoring and measurement resources required that will ensure product conformity, and selects those types of resources accordingly taking into consideration equipment, software, procedures and personnel.

Documented procedures outline the processes that control monitoring and measurement equipment traceability used for product acceptance. The procedures also include controls prior to and after delivery of products to our customers. Appropriate documented information is maintained and provides the objective evidence of compliance and conformity.

7.1.6 Organizational knowledge

SOR recognizes the value of organizational knowledge as means of achieving conformity of the product as well as addressing industry changing needs and trends. Knowledge may be obtained from internal sources, subject matter experts or intellectual property. External sources may be standards, academia, conferences, or information gathered from customer or suppliers.

7.2 Competence

SOR has determined to the extent necessary, the methods for competency appraisal, quality awareness development, training provision, and evaluation. Records of employee education, skills, training, and experience are maintained.

7.3 Awareness

SOR key processes are continuously monitored to ensure the required results are met. SOR employees are made aware of the importance of the QMS and their individual contributions to the overall business performance as well as implications to the business of noncompliances to the QMS requirements.

7.4 Communication

Effective and appropriate communications between functions and levels regarding the QMS are promoted by senior leadership. Internal communication occurs on an on-going basis through various forums. SOR ensures that all external communications are authorized prior to release.

7.5 Documented information

7.5.1 General

SOR maintains a system of documented information consistent with the requirements of ISO 9001:2015. The term “documented” as it appears within the SOR QMS refers to information that is established, documented, implemented, and maintained or retained in any form or type of medium by the QMS. The QMS information has been designed taking into consideration the complexity of the processes and interactions, the defined level of documented information, and the competency required in fulfilling the various processes.

7.5.2 Creating and updating

When creating and updating documented information, SOR ensures as appropriate:

- Review and approval of documents for adequacy prior to initial release
- Periodic review, update, and re-approval of existing documents as required
- Document identification, format, revision indication, and current revision status

7.5.3 Control of documented information

Documented information is retained to provide evidence of conformity to the requirements specified by ISO standards, customer requirements and of the effective operation of our management system. SOR has established procedures for the identification, collection, indexing, filing, storage, maintenance, retention time, and disposition of documented information. Such documented evidence is considered a quality-related record when the document has been completed and approved by personnel responsible for the record. Like other documentation, records can be in any form or type of medium.

Quality records are required to be legible and identifiable to the product or activity involved. They are stored and maintained in such a way that they are readily retrievable from facilities that provide a suitable environment to minimize deterioration or damage and to prevent loss.

When an external provider supplies work products or services, the records of that work are maintained in the same manner as other SOR quality records. When required by contract, access to records is provided to a customer or customer’s Agent for an agreed period.

8.0 Operation

8.1 Operational planning and control

SOR defines the expectation and implements the controls for each of our QMS processes. The planning of controls is required to ensure consistent acceptability of products and services. Planning processes include the definition of quality objectives, development of required processes, establishment for appropriate verification programs and the requirement for records necessary to demonstrate that processes and products conform to intended requirements.

Operational planning and control is required prior to new and/or revised products or processes being implemented. The output of operational planning and control includes documented quality plans, resource requirements, processes, equipment requirements, procedures, test data, and design outputs.
In consideration of products and services requirements planning, SOR has determined:

- Suitable quality requirements and objectives for product offerings and general services, including requirements for design control.
- Organizational requirements for processes, documented information, and the provision of resources specific to the SOR product offerings and general services.

- All verification, validation, monitoring, inspection, testing activities, and acceptance criteria specific to the SOR product offerings and general services for product.
- Records needed to provide evidence that the products and services requirements realization processes and resulting product services meet requirements.

The outputs of the requirements for products and services are in a form suitable for use by the organization and specified within the QMS.

Quality plans provide summaries of QMS processes that are affected within a defined scope of a specific product or project, and the resources to be applied. The quality planning process ensures that careful consideration is given to the continuity and relevance of the QMS and other company accepted processes as change is introduced to the business environment.

8.2 Requirements for products and services

8.2.1 Customer communication

SOR communicates with our Agents and customers through a variety of channels such as catalogs, product application bulletins and our SOR website. SOR provides customer service phone support with both Agents and customers regarding products and services information, determination of requirements, inquiries or amendments to quotations or orders, customer related property, and general feedback from the field.

SOR engages a proactive stance with all customer feedback, working to accurately understand the customer's perception of SOR product and service quality. This includes determination of perception and satisfaction of Agents or customers, the analysis of the feedback, and the tracking and timely responses to customer complaints.

8.2.2 Determining the requirements for products and services

SOR has established documented processes for determining and communicating the requirements of any order quoted or accepted by the company. This includes review of previous customer requirements, statutory and regulatory requirements related to the product, or other requirements known by SOR but not directly requested by the customer that may be necessary for specified or general intended use of the product. This activity also includes requirements specified by the customer, including requirements for delivery and/or post-delivery activities.

8.2.3 Review of the requirements for products and services

Before acceptance of and/or commitment to a contract or order tender, SOR reviews all requirements of the order to validate the adequate definition and documentation of product requirements, and to resolve any discrepancies between previously understood requirements communicated to SOR and the requirements as called out in the actual order.

The output of this process is generally a product designator that represents a configured product that matches the product requirements, and aids to ensure the ability of SOR to meet the defined requirements of the product.

In many cases with orders at SOR, there is no documented statement of requirement from the customer. Often the customer is an Agent who submits a product designator as an order to the factory. SOR actively works in the field to train our Agents on the proper application of SOR products, and does not require any further information with a qualified order submission from an Agent. In other cases, the customer has a specific product designator to be replaced, but may have no application information or knowledge. Due to these and other circumstances of order submission, a formal review is impractical for each order. In all cases, customers bear full burden of responsibility for proper specification of their own process requirements. SOR will not assume responsibility for confirming the application in any way. Typically, if an order has a product designator of an SOR product that SOR can build to published catalog specifications and warranties, and if shipping and billing information is in order, SOR will deliver that product on time. SOR will retain documented information as applicable, regarding the results of the reviews and for any new requirements for products or services.

8.2.4 Changes to requirements for products and services

In cases where product requirements change, upon notification by the customer, customer service ensures relevant documents are amended and that relevant personnel are made aware of the change in requirements.

Records of order requirement reviews, any subsequent actions taken as a result of the reviews, or other such requirement changes are maintained.

8.3 Design and development of products and services

8.3.1 General

The Engineering Department is responsible for the design, selection or modification of products or components, which are sold by SOR. Compliance with regulatory, statutory, or industry-specific requirements is also the responsibility of this department. The department establishes, implements, and maintains documentation and records in support of the design and development activities.

8.3.2 Design and development planning

The Engineering Department prepares plans for all design and development activities. Such plans include definitions of the process stages of design and development, the internal and external resource needs, the determination of responsibilities and authorities for various design and development activities through the various stages, and the appropriate review, verification, and validation of these stages.

SOR has established cross-functional processes to manage the interfaces between different groups involved in a design or development process. Plans are updated as the design process proceeds. Information is documented and regularly reviewed to ensure effective communication and clear assignment of responsibility.

8.3.3 Design and development inputs

Product performance criteria, specifications, agency requirements and any statutory or regulatory requirements, information resulting from similar design and development activities, potential consequences of failure, and all other elements deemed essential for design and development activities are documented and reviewed by the relevant internal and external parties to ensure that they are non-contradictory and concise.

8.3.4 Design and development controls

At appropriate stages of the design process, formal and documented review sessions are conducted to evaluate progress against the development plan, identify any problems, and take appropriate action. The occurrence of these review sessions are defined in the planning process, and includes the participants involved in the design process. Records of the results of verification activities and any necessary actions are maintained.

Verification is planned and occurs at appropriate stages of the design process. The verification process ensures that the current stage of the design meets all requirements defined by the design inputs. Records of the results of verification activities and any necessary actions are maintained.

Validation activities are performed at appropriate stages of the design process to validate the performance of the product or service in the intended applications, where known. Where possible, validation shall be completed before the delivery of product or market release of a new design.

The process and outcome are reviewed and documented as described.

8.3.5 Design and development outputs

Design outputs are documented, defined, and verified against the design inputs. Design outputs shall be provided in a form suitable for verification and meet the requirements of the design inputs and contain or reference measurement acceptance criteria including any characteristics essential to the safe and proper functioning of the design.

Design outputs serve to provide appropriate information for the financial, purchasing, production, and provision of field support. Design outputs are subjected to review and approval before release.

8.3.6 Design and development changes

All design and development changes and modifications (including changes involving parts or product already released or implemented) are identified, documented, reviewed, and approved by authorized personnel prior to implementation. The process shall include the evaluation of the effect of changes on products or components previously delivered. Records of design and development changes and any necessary actions including those to prevent adverse impacts are maintained.

8.4 Control of externally provided processes, products and services

8.4.1 General

SOR maintains an Approved Vendors List (AVL) process for the purpose of selecting and evaluating vendors on an on-going basis. SOR evaluates and selects external providers based on their ability to supply product or services in accordance with SOR requirements. Criteria for the selection, evaluation, and re-evaluation is established, taking into consideration the effect of the purchased products or services on the final product, verification of material and/or parts by inspection or review of test reports, vendor audits, and historical quality performance data.

8.4.2 Type and extent of control

The type and extent of control exercised by SOR over a vendor is determined by several factors and defined in the Vendor Agreement and/or purchase order. Supply Chain, Engineering and the Quality departments manage a vendor approval and conformance program, corresponding to SOR quality specification standards with vendor qualifications, to ensure that purchased products or services conforms to specified requirements. The records or the results of evaluations and any necessary actions arising from the evaluation are maintained.

SOR has established and implemented inspection activities for parts and/or materials received against a purchase order, ensuring conformance to specification, work order, or drawings, per the approved receiving inspection procedure.

Where SOR requires verification of purchased products or services at a vendor's premises, SOR will specify verification arrangements and the method of product release in the Vendor Agreement. Where specified by contract, SOR customers may be afforded the right to verify at the subcontractor's premises and/or SOR premises that subcontracted product conforms to specified requirements.

Such verification by the customer shall not be used by the external providers as evidence of effective control of quality by the subcontractor, and shall not absolve SOR of the responsibility to provide acceptable product, or prevent subsequent rejection by the customer.

Inspection may be reduced or even waived if the material is supplied by a qualified vendor who demonstrates that some control is exercised at the subcontractor's premises. Unless otherwise noted, "inspection" is of a sample lot, as described by procedure and/or referenced by any relevant drawings.

If parts are needed for urgent production processing and have not been inspected, they are positively identified as under "positive recall" and can be recalled immediately in the event of a discovered nonconformance. A sample is kept in the Quality department for inspection. Upon acceptance of the parts, the Quality department incorporates the accepted sample lot into the released lot. Release of parts under positive recall will not preclude any standard inspection activities, which will be carried out as normal.

8.4.3 Information for external providers

The Supply Chain function is responsible for providing a description of the processes, products or services to be purchased, including requirements for product or service approval (methods, procedures, processes, and equipment), personnel qualifications, and QMS requirements.

Supply Chain reviews all purchasing information prior to communication to external providers to ensure the adequacy of the requirements.

8.5 Production and service provision

8.5.1 Control of production and service provision

SOR identifies resource requirements and plans production, installation, and servicing processes directly affecting the quality of the product, as part of the annual planning process.

SOR takes steps to ensure our production processes are carried out under controlled conditions. Facilitated conditions include:

- Availability of information describing the characteristics and specifications of the product or activities to be performed
- Availability of work instructions
- Provision of suitable operation environments and equipment including monitoring and measuring processes
- Provisions for delivery, post-delivery service and support activities

When the resulting output of a production and service provision process cannot be verified by conventional monitoring or measurement, SOR will validate the process. The purpose of the validation is to demonstrate the ability of the process to achieve planned results. This includes circumstances where deficiencies become apparent only after the product is in use or the service has been delivered.

SOR has established validation processes, including, as applicable, criteria for review and validation of the processes, approval of equipment and qualification of personnel, use of specific methods and procedures, revalidation, and requirements for records.

8.5.2 Identification and traceability

SOR has established and maintains a documented process for identifying parts and finished goods by suitable means from the time of receipt, through all stages of product realization, through to delivery and installation.

The inspection and test status of a SOR product is identified by markings in the form of color codes, inspection identification marks, tags, and labels. Identification of parts and assemblies are maintained throughout the manufacturing, assembly, testing, and calibration process, including inspection and test data.

When traceability is required by the customer, permanent markings in the form of color codes, heat codes, inspection identifying marks and tags/labels are used to provide identification for applicable parts. SOR provides traceability on wetted parts* only, through material test reports or certificates of conformance on the raw materials used in the part construction. Traceability is maintained throughout the entire manufacturing, assembly, testing, and calibration process.

**The parts that come in contact with the customer's processes.*

8.5.3 Property belonging to customers or external providers

SOR practices care with customer property (including intellectual property while it is under SOR control or being used by the organization). SOR maintains procedures for the identification, handling, storage, and verification of all material or product components that are supplied by SOR customers to be used on or with the products SOR supplies back to said customer, or related activities.

Acceptable product or service is required for all contracts or orders. Any verification of acceptability by SOR does not absolve the customer of the responsibility to provide acceptable product. SOR provides notification to the customer if supplied product is lost, damaged, or otherwise unsuitable for use.

8.5.4 Preservation

SOR has established and maintains handling procedures that work to ensure proper preservation of the conformity of the product during internal processing and delivery of the finished good. Proper preservation includes identification, handling, packaging, storage and protection, and applies to the constituent parts of a product, finished good or service. The condition of materials that have a specified shelf life will be assessed at appropriate intervals.

All SOR products are handled and packaged in a manner that adequately protects the product after final testing and calibration. This protection is integral to the proper functioning of the product, and is designed to extend through to the end destination and installation of the product.

8.5.5 Post-delivery activities

Shipping personnel verify that a shipment leaving SOR conforms to all packing and marking processes, as outlined by process and procedure.

8.5.6 Control of changes

The review of changes for production or service provision and any resulting actions are documented to ensure conformity with the requirements. The documentation is retained describing the results of the changes, the person(s) authorizing the change, and any necessary actions arising from the review.

8.6 Release of products and services

At SOR, it is recognized that an important key performance test of our products is carried out at the calibration stage, just before the product is packaged for delivery. At this point, a verification of the unit's operational characteristics is performed.

At the calibration stage, each product is cycled, set, and performance is verified and documented, and released for shipment by authorized personnel. Inspection records show clearly whether the product has passed or failed the inspections according to defined acceptance criteria, and identify the inspection authority responsible for the release of the products. An end-of-line product sampling approach subsequently verifies the product requirements are met. If a non-conformance is discovered, it is noted on the inspection record and appropriate action is taken.

As a matter of SOR policy, all identified inspections and tests, including those specified either on receipt of product or in-process, are carried out, and assurances made that the results meeting the specified requirements. No SOR product is released for shipment to a customer until all activities specified in the quality plan and/or procedures have been completed and documented.

Mandatory inspection or hold points, as required by either the customer or the SOR internal QMS, may be incorporated into internal assembly procedures or vendor supply agreements.

8.7 Control of nonconforming outputs

Non-conformances are identified in several ways including:

- *A Customer Complaint* represents a perceived external non-conformance that does not involve the return of product to SOR.

- *A Returned Material Authorization (RMA)* represents a perceived external non-conformance which includes the return of product to SOR.
- *A Material Review Report (MRR)* represents an internal non-conformance.
- *Internal audit reports* identify non-conformances discovered during internal process audits.
- *Rework* represents non-conformances requiring corrections during Production.
- *Scrap* represents inventory waste.
- *Rescheduled Orders* identify non-conformance to delivery schedules and commitments.
- *In Process Inspection* identifies non-conformances discovered during assembly.
- *Final Inspection* identifies non-conformances discovered after final assembly.

The non-conformance process exists to ensure that any product or service that does not conform to SOR quality standards is identified and controlled, preventing the unintended use or delivery to a customer. An MRR is processed according to a documented procedure, and, among other details, requires notification of the organizational functions concerned. The MRR provides a control for identification, evaluation, and disposition of non-conforming product or process, and documentation and record-keeping of any subsequent actions taken, including concessions obtained from the customer.

The responsibility for review and authority for the disposition of nonconforming product is defined and documented. Non-conforming product will be reviewed in accordance with the MRR process. The product may be:

- reworked to meet specified requirements,
- accepted with or without repair by concession,
- regarded for alternative applications, or
- rejected or scrapped.

Any non-conforming material, part, or assembly is identified and controlled until released by the MRR process. If a non-conformance is detected in any product or service after delivery or use has started, SOR will take actions appropriate to the nature and the potential effects of the non-conformance.

Any non-conforming product identified by an MRR that is determined to need rework or repair is re-inspected to verify its conformance to SOR quality standards.

If deemed appropriate given the nature of the non-conformity, the use of repaired material may be submitted for concession to the customer or his representative.

9.0 Performance Evaluation

9.1 Monitoring, measurement, analysis and evaluation

9.1.1 General

SOR has planned and implemented quality plans and processes for monitoring, measurement, and analysis activities. These activities demonstrate that all product specifications key to the quality of the parts, assemblies, and finished products are met. The activities also ensure conformity to the QMS, and continual improvement of the effectiveness of the system. Quality plans and processes state what inspection, testing, and record keeping is required.

The in-house verification requirements of the SOR QMS are identified within the Quality department organization chart. All verification activities connected with SOR products are the responsibility of the Quality Assurance official, who is, in turn, directly accountable to the Chairman of the Board for any product quality or safety considerations.

The SOR QMS relies heavily on the interpretation of process measurement data. Effectiveness of the QMS in supporting planned operational results, implementing corrective action, and achieving continuous improvement are all supported by the analysis of various metrics that relate to the process controls of finished products, goods, services, and operational support systems.

9.1.2 Customer Satisfaction

SOR monitors information relating to customer perception as to whether the organization has met customer needs and expectations.

9.1.3 Analysis and evaluation

The QMS relies heavily on the analysis of various metrics that relate to the process controls of finished products, goods, services, and operational support systems. Documented procedures have been established and maintained in order to implement and control the application of process control within SOR.

SOR monitors and measures Key Performance Indicator (KPI) process metrics of finished goods and services, for establishing the suitability and effectiveness of the QMS, and to determine and evaluate risks and opportunities for continual improvement.

Key Performance Indicator data provides information relating to customer satisfaction, the conformance of the product to product requirements, process trend data, data supporting opportunities for continual improvement, and external provider relationships.

9.2 Internal Audit

SOR conducts a comprehensive set of planned and documented audits to verify the implementation and maintenance of the QMS. They verify that activities and related results conform to the planned arrangements of both the ISO 9001:2015 standard and the requirements of the SOR business plan. Audits also verify that the QMS is maintained effectively through continuous improvements.

Responsibilities and requirements for planning and conducting audits, and for reporting results and maintaining records are defined in documented procedures. An audit schedule is planned and maintained by the Quality Assurance official, taking into consideration factors relating to the status and importance of the processes and areas to be audited, including the results of previous audits. The audit schedule defines the criteria, scope, frequency, and methods used in each audit. At SOR, internal audits of the QMS are performed annually. If for some reason it is determined that additional audits are required, the Quality Assurance official modifies the audit schedule accordingly.

Care is taken in the selection of auditors and the conduct of audits to preserve objectivity and impartiality. Assigned auditors are to have no direct job responsibility in the area of the assigned audit.

Audit results are documented and forwarded to management personnel having responsibility for the area audited. The responsible management assures that timely corrective action is taken on deficiencies found during the audits. Follow-up activities record the implementation and verify the effectiveness of the corrective action taken.

9.3 Management Review

9.3.1 General

The Quality Official coordinates with the executive staff to conduct the Management Review of the SOR QMS a minimum of once a year to ensure continuing suitability, adequacy, and effectiveness in satisfying the requirements of ISO 9001:2015, as well as the SOR Quality Policy and established business objectives.

The Quality Official and executive staff are responsible for ensuring the correction of any deficiencies, and for writing an assessment of the QMS' suitability and effectiveness, including opportunities to improve or needs for change to the QMS. The review initiates a review and update of the SOR Key Performance Indicators, and drives consideration of the Quality Policy on an annual basis.

The records of the Management Review are kept on file by the Quality Department.

9.3.2 Management review inputs

The Management Review consists of action status from previous reviews, external and internal changes that are relevant to the QMS, customer or interested party feedback, key performance indicator results, product and service conformity, material review report and corrective action performance, audit results, performance of external providers, adequacy of resources, effectiveness of actions taken to address risk, and opportunities for improvement.

The Quality Assurance official is responsible for assembling the components of the Management Review, as well as any follow-up review deemed necessary by the executive staff.

9.3.3 Management review outputs

The Quality Official working with the executive staff is responsible for issuing an executive summary of the QMS' suitability and effectiveness in satisfying the requirements of ISO 9001:2015, the SOR QMS and stated business objectives. This includes identifying opportunities for improvement, any need for changes to the QMS, and resource needs of the organization. The resulting re-forecasting of business objectives facilitates improvement of the QMS.

10.0 Improvement

10.1 General

The ultimate objective of the SOR QMS is to foster and focus organizational momentum for continual improvement. It accomplishes this through the determination and selection of opportunities for improvement or actions necessary to meet customer requirements or enhance customer satisfaction. SOR drives improvement via the analysis of relevant data. The data inputs for the improvement process include:

- Risk and opportunity evaluations
- Assessment of the changing needs and expectations of interested parties
- The conformity of existing products and services
- The effectiveness of the overall SOR QMS
- Supplier performance
- Levels of customer satisfaction including complaints and feedback
- External and internal audit results including regulatory compliance
- Corrective action and nonconformance trends

10.2 Nonconformity and corrective action

A corrective action is action designed to eliminate the determined cause of non-conformance, in order to prevent recurrence or similar occurrence elsewhere. The action taken should be appropriate to the effect of the non-conformance. SOR has established and maintains procedures to define the requirements for:

- The review and effective handling of reports of non-conformances, including customer complaints and investigations in the field.
- The evaluation of the need for correction or corrective action to ensure elimination of a non-conformance.
- The determination of the causes of a non-conformance.
- The determination of appropriate action required to eliminate the cause of a non-conformance.
- The effectiveness review of a corrective action taken to ensure a non-conformance has been eliminated.
- The records of the results of action taken.
- The resulting corrective actions are reported to leadership in order to determine if any new risks or opportunities need to be considered during annual business planning.

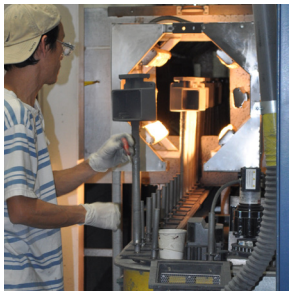
10.3 Continual improvement

SOR continually improves the effectiveness of its quality management system through the effective application of policies, objectives, auditing, data analysis, corrective and preventative actions and management reviews.

The continual improvement process begins with the establishment of our policies and objectives for improvement, based on objectives contained in our business plan and customer targets and goals. Customer satisfaction, internal audit data, process and product performance data, and the cost of poor quality or risk control are compared against objectives or KPIs to identify additional opportunities for improvement.

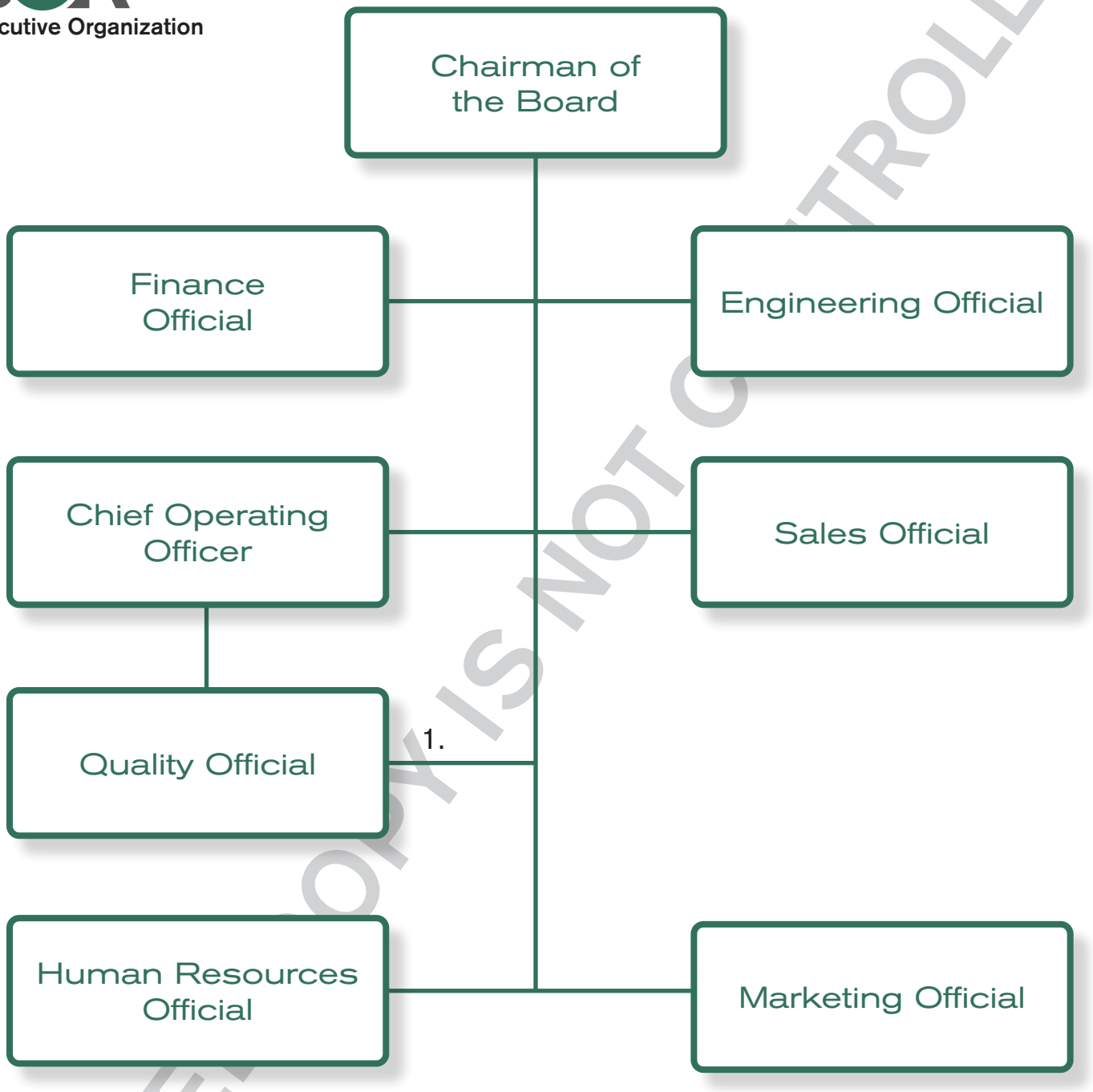
The overall effectiveness of our continual improvement program, including corrective actions taken, as well as the overall progress towards achieving organization level improvement objectives, is assessed through our management review processes.





Appendix A

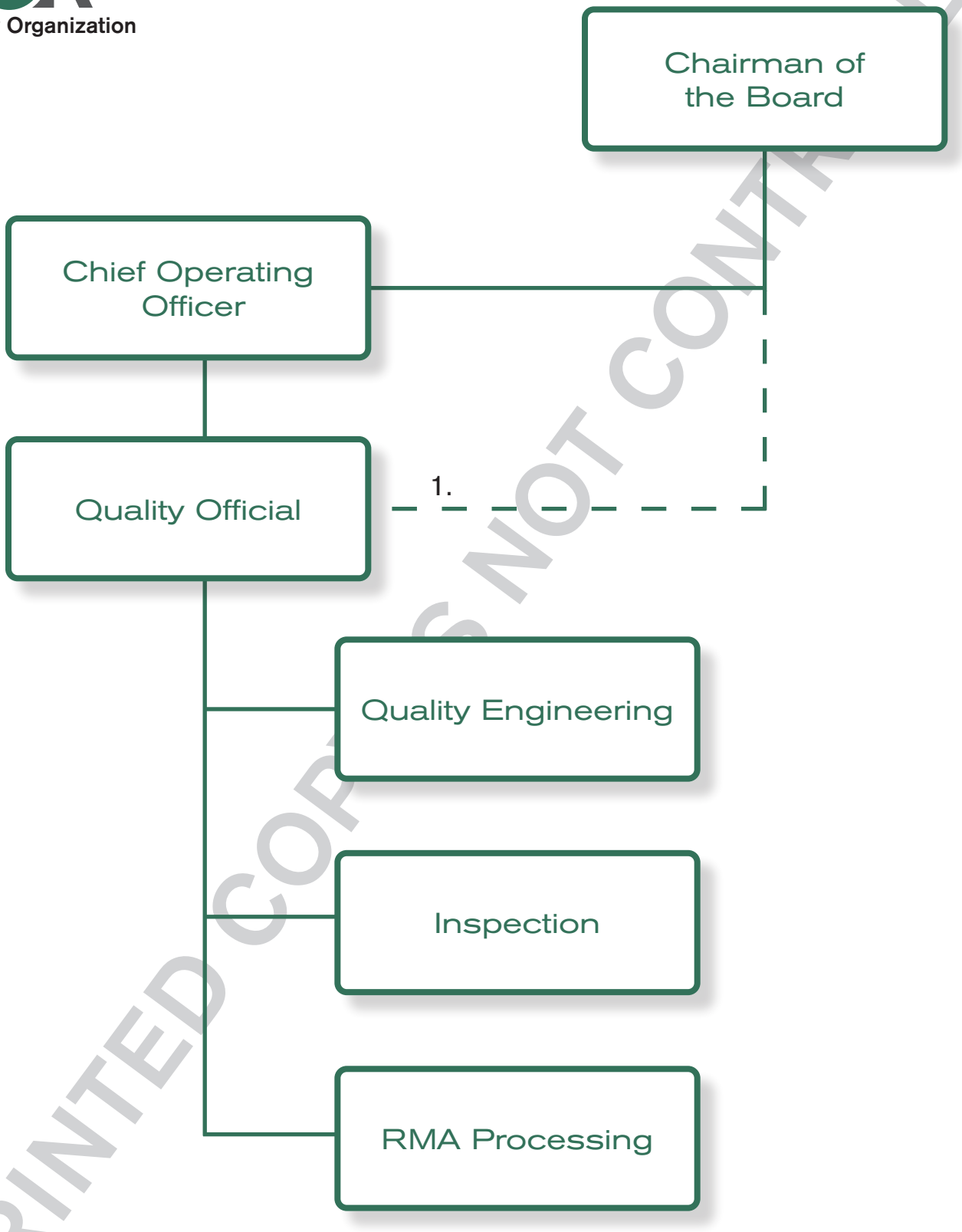
SOR
Executive Organization



1. Direct accountability and authority for any product quality or safety consideration.

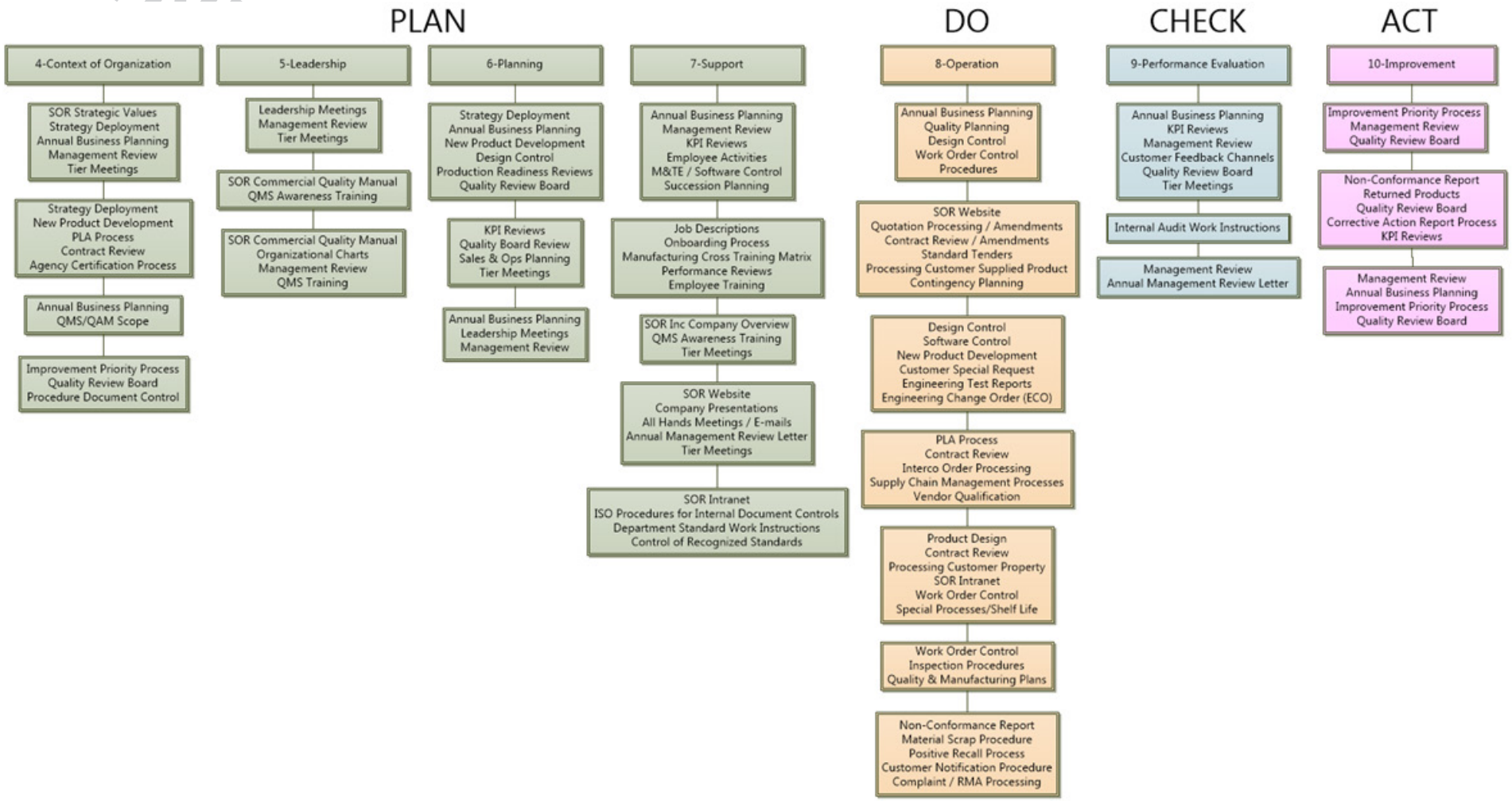
Appendix B

SOR
Quality Organization



1. Direct accountability and authority for any product quality or safety consideration.

Appendix C


PLAN
DO
CHECK
ACT
4-Context of Organization
SOR Strategic Values
Strategy Deployment
Annual Business Planning
Management Review
Tier Meetings
Strategy Deployment
New Product Development
PLA Process
Contract Review
Agency Certification Process
Annual Business Planning
QMS/QAM Scope
Improvement Priority Process
Quality Review Board
Procedure Document Control
5-Leadership
Leadership Meetings
Management Review
Tier Meetings
SOR Commercial Quality Manual
QMS Awareness Training
SOR Commercial Quality Manual
Organizational Charts
Management Review
QMS Training
6-Planning
Strategy Deployment
Annual Business Planning
New Product Development
Design Control
Production Readiness Reviews
Quality Review Board
KPI Reviews
Quality Board Review
Sales & Ops Planning
Tier Meetings
Annual Business Planning
Leadership Meetings
Management Review
7-Support
Annual Business Planning
Management Review
KPI Reviews
Employee Activities
M&TE / Software Control
Succession Planning
Job Descriptions
Onboarding Process
Manufacturing Cross Training Matrix
Performance Reviews
Employee Training
SOR Inc Company Overview
QMS Awareness Training
Tier Meetings
SOR Website
Company Presentations
All Hands Meetings / E-mails
Annual Management Review Letter
Tier Meetings
SOR Intranet
ISO Procedures for Internal Document Controls
Department Standard Work Instructions
Control of Recognized Standards
8-Operation
Annual Business Planning
Quality Planning
Design Control
Work Order Control
Procedures
SOR Website
Quotation Processing / Amendments
Contract Review / Amendments
Standard Tenders
Processing Customer Supplied Product
Contingency Planning
Design Control
Software Control
New Product Development
Customer Special Request
Engineering Test Reports
Engineering Change Order (ECO)
PLA Process
Contract Review
Interco Order Processing
Supply Chain Management Processes
Vendor Qualification
Product Design
Contract Review
Processing Customer Property
SOR Intranet
Work Order Control
Special Processes/Shelf Life
Work Order Control
Inspection Procedures
Quality & Manufacturing Plans
Non-Conformance Report
Material Scrap Procedure
Positive Recall Process
Customer Notification Procedure
Complaint / RMA Processing
9-Performance Evaluation
Annual Business Planning
KPI Reviews
Management Review
Customer Feedback Channels
Quality Review Board
Tier Meetings
Internal Audit Work Instructions
Management Review
Annual Management Review Letter
10-Improvement
Improvement Priority Process
Management Review
Quality Review Board
Non-Conformance Report
Returned Products
Quality Review Board
Corrective Action Report Process
KPI Reviews
Management Review
Annual Business Planning
Improvement Priority Process
Quality Review Board

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