



Hyco Alabama, LLC OPERATING PROCEDURES	QOP: 0.0
Title: TABLE OF CONTENTS	Page 1 of 1 Revision: A

TABLE OF CONTENTS

<u>Procedure</u>	<u>Contents</u>	<u>Revision Level</u>
0.0	Table of Contents	A
0.1	Controlled Circulation List	A
1.0	Document and Data Control	A
2.0	Quality Records	A
3.0	Training	A
4.0	Design Control	A
5.0	Purchasing	A
6.0	Manufacturing	A
7.0	Customer Satisfaction	A
8.0	Internal Quality Audits	A
9.0	Control of Non-Conforming Products	A
10.0	Corrective Action	A
11.0	Preventive Action	A

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hycy Alabama, LLC OPERATING PROCEDURES	QOP: 0.1 Page 1 of 1
Title: CONTROLLED CIRCULATION LIST	Revision: A

The designated Holders of controlled copies of the Quality Manual are:

COPY NUMBER	DESIGNATED HOLDER
1	Master Copy (Management Representative)
2	Quality Office – Plant 1
3	Plant 1 – Front of Building
4	Plant 2 – Front of Building
5	Front Office

NOTES:

Controlled copies of the quality manual and related operating procedures are available on the Hycy Alabama intranet. Additional copies of this manual are available upon request and authorized by the Plant Manager. The Management Representative, as necessary, amends the circulation list. Unauthorized photocopying of any part of the quality system is not permitted under any circumstances.



Review By: <i>ADP</i>	Date: <i>3/25/09</i>
Department Manager: <i>[Signature]</i>	This Revision Date : 3/24/09

Hycy Alabama, LLC OPERATIONAL PROCEDURES	QOP: 2.0 Page 1 of 2
Title: CONTROL OF QUALITY RECORDS	Revision: A

1.0 PURPOSE

This Standard Operating Procedure (SOP) describes the responsibilities, procedures, and Quality Records maintained to demonstrate the effective operation of Hycy Alabama - Quality Management System.

2.0 RESPONSIBILITY AND AUTHORITY

The Management Representative (MR) is responsible for Quality Records activities. Department Heads are responsible for the maintenance of Quality Records generated within their area of responsibility.

3.0 REFERENCES

Hycy Alabama LLC Quality Manual Section 4.2.4: Control of Records

4.0 PROCEDURE



The Management Representative records each required quality record on the Quality Record Log maintained in the Quality Assistant's filing cabinet or electronically. The Quality Record Log defines the record description, storage location, responsibility for storage, minimum retention period, and if record is computerized (E) or kept in written (W) form.

Quality records are maintained to demonstrate conformance to specified requirements and the effective operation of the Quality System.

All paper Quality Records are legible and are stored and retained in dry areas or filing cabinets. All electronic Quality Records are legible and stored on the server and backed up daily via tape. A tape is rotated off site weekly. The current year and past year Quality Records will be maintained in the Quality Department.

Archived records maybe stored in boxes or microfiche and are labeled with their content and retention period. On an annual basis archived records, both boxes and microfiche, are reviewed by the Administrative department. Those records that have fulfilled their retention period are purged from the system.

Most Quality Records are kept for a minimum of three (3) years unless otherwise stated by the customer, or by governmental requirements. Quality performance records are kept for three (3) years in Mapics. Design records are kept for a minimum of five (5) years, Sales records are kept for a minimum of two (2) years plus current year, Nonconforming product records are kept for three (3) years.

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Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 1.0
Title: CONTROL OF DOCUMENTS	Page 1 of 3 Revision: A

1.0 PURPOSE

This Standard Operating Procedure describes the responsibilities, procedures, and documentation for controlling the approval, issue, and revision of documents and data contained in the documented Quality System. This includes documents of external origin as well as internal origin.

2.0 RESPONSIBILITY

The Management Representative (MR) is responsible for control of the Quality Manual, Quality Operating Procedures (QOP), and related forms, including maintenance of master copies showing current status.

All employees are responsible for working in accordance with and recommending changes to Quality Management System documents

3.0 REFERENCES



Hyco Alabama LLC Quality Manual, Section 4.2 Document Control

4.0 PROCEDURE

Documents identified as requiring control are submitted to the Management Representative for processing prior to release. Review and approval authorities are specified below. The MR maintains a file of master copies of the current issues of internally generated Quality System Documents as well as a list of controlled copyholders.

DOCUMENT	REVIEW	APPROVED	CONTROLLED BY
Quality Manual	Management Representative	General Manager	Management Representative
QOP's/Process Flow Chart	Management Representative	Department Managers	Management Representative
WT's	Department Supervisor	Department Supervisor	Management Representative
Forms	Department Team	Department Supervisors	Management Representative

Prior to issuing controlled documents, the Management Representative or Quality Assistant retains master copies of the Quality Manual and Quality Operating Procedures on white paper. Copies are produced on white paper with a watermark of Hyco in color identifying them as controlled documents.

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 1.0 Page 2 of 3
Title: CONTROL OF DOCUMENTS	Revision: A

Procedures may be in the form of word documents, process flows or visual presentations. Work Instructions (WI's) may be in the form of word documents, process flows, standard work instruction formats or digital photos.

Temporary or draft work instructions, used during development of new processes or new equipment, are issued by Process Engineering and are excluded from document and data control. Temporary or draft work instructions can be used for sixty (60) days. Following the temporary or draft stage, those work instructions are included in Document and Data Control.

Distribution lists are identified by the Management team to ensure that the appropriate documents are available at appropriate points of use.

The Management Representative and/or Quality Assistant issues controlled documents to individuals on the appropriate circulation list via E-mail. The E-mail describes the document type, document reference, and action required.

The Management Representative and/or Quality Assistant maintains a Master List of controlled documents and their revision levels, used in the Quality Management System

When a document requires immediate change, the Department Manager may "Red Line" the applicable document. All "Red Line" changes are effective for thirty (30) days and are initialed and dated. The date is recorded as "effective through" date.

Any employee by means of the Document Change Request (DCR) form may propose document changes. Recommendations for changes are directed to the Management Representative for the Hyco Alabama Quality Manual and Quality Operating Procedures, recommendations for changes to Work Instructions and forms are directed to the Department Manager. Proposals for revisions undergo the same review and approval process as the originals. All current changes to documents are identified by highlighted text.

Uncontrolled copies are issued at the discretion of the Quality Manager, as appropriate. The Quality Manager copies the document on white paper and stamps it "Uncontrolled." Uncontrolled documents are not subject to update. Only controlled copies that are copied on white paper with a watermark of Hyco in color are considered to be valid.

External Documents

All National and International standards used to affect or control the quality of products are controlled documents.

Master copies are kept in secure locations as specified in the Master List of Quality System Documents maintained by the Quality Assistant. Where appropriate, log sheets are used to track the whereabouts of master copies and/or controlled copies of relevant standards.

Revision status of National and International Standards are periodically verified by means of publisher update announcements and/or inquiries to standards publishers, as appropriate.

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 1.0 Page 3 of 3
Title: CONTROL OF DOCUMENTS	Revision: A

Customer Specification and Documents

Where specifications or drawings are listed in the contract, the specifications are reviewed and verified by appropriate personnel for correct issue level and availability. Specifications and drawings are stamped and dated by the Quality Assistant and added to the Master Log.

Changes to specifications or drawings are reviewed by the same functions that performed the original review and approval unless specifically designated otherwise.

The dates of implementation of specification or drawing changes are recorded on the respective documentation.

5.0 ASSOCIATED DOCUMENTS

Document Change Request	QAF-007
Master List	QAF-034

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

HycO Alabama, LLC OPERATIONAL PROCEDURES	QOP: 2.0 Page 2 of 2
Title: CONTROL OF QUALITY RECORDS	Revision: A

5.0 ASSOCIATED DOCUMENTS

Quality Record Log QAF-035

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date



Hycy Alabama, LLC OPERATIONAL PROCEDURES	QOP: 3.0 Page 1 of 3
Title: TRAINING AND AWARENESS	Revision: A

1.0 PURPOSE

This Standard Operating Procedure describes the responsibilities, procedures, and processes necessary to ensure a competent and trained work force for the effective operation of Hycy Alabama - Quality Management System.

2.0 RESPONSIBILITY AND AUTHORITY

Human Resource Manager identifies training and awareness needs, and provides training for company wide programs for new hires.

Department Managers and Supervisors are responsible for identifying training needs and for providing training within their respective departments, establishing departmental training programs, and for evaluating the effectiveness of training provided to their employees.

Human Resource Manager maintains records demonstrating who is qualified to perform specific processes and operate equipment.

3.0 REFERENCES

Hycy Alabama LLC. Quality Manual Section 6.2.2: Competence Awareness and Training

4.0 PROCEDURE

Training and awareness needs



The objective of Hycy Alabama's training program is to ensure that employees are familiar with relevant requirements of the quality system pertaining to their job functions and that they possess the required knowledge and skills for performing their jobs.

Awareness programs focus on understanding the importance of customer requirements, and on the relevance of individual contributions to meeting these requirements and achieving the quality policy and objectives.

Human Resources department is responsible for identifying training and awareness needs for company wide programs, such as: general orientation, rules and regulations, quality system, safety, and other company wide systems and issues.

Departmental Managers are responsible for identifying training needs in their departments and for establishing departmental training programs. Departmental training is primarily focused on increasing the level of skills in operating equipment and performing processes, conducting inspections and testing, using analytical and statistical techniques, etc.

Company wide training and awareness programs
General orientation and quality system training:

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<p>Hyco Alabama, LLC. OPERATIONAL PROCEDURES</p>	<p>QOP: 3.0</p>
<p>Title: TRAINING AND AWARENESS</p>	<p>Page 2 of 3 Revision: A</p>

Human Resources, with help from QA Department provide employee orientation training to all new and existing employees. This training familiarizes employees with administrative rules, employee programs and benefits and explains the Hyco Quality Management System. At a minimum, quality system training comprises:

- Presentation of the company's quality system;
- Discussion of quality policy; and
- Explanation of how individual employees can contribute to maintaining and improving the quality system.

Participation in the employee orientation training is recorded on training attendance sheet.

Safety training: All employees are trained in safe work practices, use of personal protective equipment, and emergency procedures, as applicable. Safety training is provided by Health and Safety Coordinator or directly by departments and is recorded.

Use of company wide systems: Wide groups of employees are trained in the use of interdepartmental systems, such as retrieval and creation of electronic (computer) documents and records, use of the MAPICS database, and so forth. Training is provided by the department that is responsible for the system and is recorded.

Departmental training

Each department is responsible for providing the necessary training to ensure that its' employees are skilled, capable, and competent to perform their functions. Training needs are defined in the respective departmental training checklist.

On the job training, i.e. working under supervision of a more experienced employee is used when appropriate. On the job training is recorded, to include its scope, duration, and the name of the person who supervised the training.

Production personnel are trained in performing key processes and operating equipment. The Human Resource Manager maintains records demonstrating who is qualified to perform specific processes and operate specific equipment.

Quality Assurance Technicians are trained in calibration and use of measuring and testing equipment, and in inspection and testing techniques, as applicable.

Employees that, prior to implementation of this procedure, have proven experience in operating processes and equipment do not need to be trained, but their skills are identified and recorded.

Those employees, who do not perform satisfactorily within an acceptable training period, are provided with additional or repeated training.

Training effectiveness evaluation

The following methods and approaches are used for evaluating the effectiveness of training provided:

Hyco Alabama, LLC. OPERATIONAL PROCEDURES	QOP: 3.0 Page 3 of 3
Title: TRAINING AND AWARENESS	Revision: A

Follow-up evaluation of individual employees: Following competency or skill training employees are evaluated by their supervisors or departmental managers. This evaluation assesses whether a particular training has achieved its' objectives and the employee is sufficiently competent and/or skilled to perform the new job function for which he or she was trained. This evaluation occurs and is recorded during the employee's annual review.

Review of overall performance in areas related to particular training: When wider groups of employees are trained in safety or emergency procedures, this type of training is evaluated by comparing performance data from before and after the training was provided. For example, the effectiveness of safety training is measured by tracking rates of work-related accidents.

Correlation of training with nonconformities and system failures: Training and competency are always considered when investigating causes of product and process nonconformities and failures of the quality system. When inadequate training is the cause, the investigation goes further to determine specifically which particular training is at fault. This training is then reviewed and improved, by changing its' scope, format, or frequency, as appropriate.

Training Records

Records of employee training are forwarded to Human Resources and maintained on file.

5.0 ASSOCIATED DOCUMENTS

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

HycO Alabama, LLC OPERATIONAL PROCEDURES	QOP: 4.0 Page 1 of 4
Title: DESIGN CONTROL	Revision: A

1.0 PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for product design and design verification activities.

2.0 RESPONSIBILITY AND AUTHORITY

The Engineering Manager is responsible for all processes defined in this procedure.

3.0 REFERENCES

HycO Alabama LLC Quality Manual Section 7.3: Design and Development

4.0 PROCEDURE

Design planning

Design projects are managed by a Product Engineer, who is responsible for all aspects of the project.

Product Engineer is responsible for establishing a design plan prior to commencement of any design activities. The plan divides the design process into phases, identifies design activities, and specifies design verification requirements. The plan also schedules design and verification activities, including design reviews.



For all design projects, the design plan is documented in the Engineering Project Status Report. Schedules and assignments are documented in the design planning schedule log.

Personnel assigned to design activities are qualified in skills and techniques appropriate to those activities.

Product Engineer establishes rules for transmitting information and communication between various departments involved in the design project. The quality planning / item master and item balance load route sheet establishes activities for each department for design projects.

Design input

When new product development or improvement of existing product is initiated internally within the company, Engineering receives from Sales or the Customer a request. The request describes the desired product in terms of its performance

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hyc0 Alabama, LLC OPERATIONAL PROCEDURES	QOP: 4.0 Page 2 of 4
Title: DESIGN CONTROL	Revision: A

characteristics, aesthetic design characteristics, packaging requirements, applicable standards and regulatory requirements, and other relevant information defining the product.

When a product is to be designed or modified to meet specific customer requirements, Engineering receives from Sales or the Customer a request with customer requirements and specifications. This product is typically standard and comes in a variety of diameters, lengths, strokes and mounting styles. Modifications and / or alteration of this product are considered a running change and are not subject to design review meetings.

Both types of requests are reviewed by the Product Engineer. When required, Production, Sales, Quality and Purchasing may be added to the review team. The purpose of the review is to verify that:

Functionality, performance, appearance, and other relevant requirements are clearly defined, to include characteristics that are not specified by the customer but are necessary for intended use.

Ambiguous or conflicting requirements are resolved prior to the release of design input to the design team.

When appropriate, design input review may be integrated with contract review activities.

Design input is documented. Documents defining design input can be in any form, including data sheets, customer drawings and specifications, photographs, samples, references to standards, and so forth. All documents constituting design input are assembled and/or referenced in the project file.

Design input may be changed and/or amended as the design evolves. Changes may be introduced by the customer or be initiated internally within the company. All proposed changes and additions are reviewed by the Product Engineer and must be approved by the customer when the initially stated customer requirements are modified or affected in any way.

Design output

Primary design output consists of documents that define the product and instruct how to manufacture it. These documents include drawings, specifications, procedures, workmanship standards, inspection procedures, release criteria, and so forth.

Design output also includes specifications for labeling of the product. Product characteristics and aspects that affect safety and performance are defined in the design output.

Secondary design output consists of documents supporting the design. These documents include calculations, analysis, and test results.

All primary design output documents are reviewed and approved prior to issue. Only the Product Engineer or a formally designated representative has the authority to issue and release these documents. Documents are issued through the use of the Engineering

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 4.0 Page 3 of 4
Title: DESIGN CONTROL	Revision: A

Change Order (ECO). Design output documents are controlled. Their establishment, review, authorization, issue, distribution, and revisions are carried out in conformance with Control of Documents.

Design reviews

Design reviews are conducted for new product designs and are scheduled in the design project plan.

In addition to Engineering, other departments and outside parties may participate in the design reviews. The participation will depend on the project and the design phase. Product Engineer decides who should participate in the reviews.

The purpose of design reviews is to audit the evolving design and assess how well it meets the design input requirements at each stage. Design reviews address such issues as attainment of safety, functional, and aesthetic requirements; unintended uses; environmental compatibility; reliability; manufacturability; serviceability; acceptance and rejection criteria; capability to inspect and test; availability of qualified suppliers to provide specified materials and components; and so forth. An important function of design reviews is to track the progress of design verification and validation activities. Design reviews may also be utilized directly as a form of design verification (refer to next section).

Design reviews are recorded in minutes of meetings and/or reports prepared and issued by the Product Engineer.

Design verification and validation

The purpose of design verification is to demonstrate that the design output meets the design input requirements. The purpose of design validation is to demonstrate that the designed product performs satisfactorily under real or simulated conditions of intended and unintended use.

At a minimum, the design is verified through the approval process of design output documents. Validation takes place during final test. Other forms of verification, such as carrying out alternative calculations and comparing the new design with a similar proven design, are also used when appropriate. All design verification and validation activities are documented and their results are recorded. The Product Engineer is responsible for all verification and validation activities.

Prior to production, all approved designs are transferred into shop drawings and/or written manufacturing specifications. These drawings and specifications are reviewed by Production and Quality Assurance, and are issued as controlled documents, in accordance with Control of Documents.

Design changes

As the design evolves, required design changes may be identified from preliminary studies, design reviews, prototype testing, etc. During development of the design project,

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 4.0
Title: DESIGN CONTROL	Page 4 of 4 Revision: A

proposed design changes are reviewed and authorized by the Product Engineer. As long as the design input is not affected, design changes implemented prior to the release of the design do not need to go through the Engineering Change Order (ECO) process or be approved by anyone else.

Design changes to released products, i.e., products approved for production, are requested using an ECR form. ECO's are evaluated, and are either rejected or recommended for implementation by Engineering and for major changes also by Production and Quality Assurance. Approved ECO's initiate and provide design input for design change implementation projects.

Design and design verification activities related to implementation of a design change follow the same rules and controls that apply to the initial design, as described in this procedure, and are reviewed for the effect on constituent part(s) form, fit and function. In addition the effect on product serviceability is reviewed.

5.0 RELATED FORMS AND DOCUMENTS

Customer Satisfaction QOP 7.0

Document and Data Control QOP 1.0

Engineering Change Request Form (E25)

Engineering Project Status Report (E30)

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 5.0 Page 1 of 4
Title: PURCHASING	Revision: A

1.0 PURPOSE

This Procedure describes the responsibilities, procedures and documentation for the purchasing of raw materials, production components, expense, service, and capital items needed for the production and support of Hyco Alabama.

2.0 RESPONSIBILITY AND AUTHORITY

The Purchasing Manager or other designated personnel directs and coordinates the activities of personnel engaged in purchasing and distribution of the items listed above.

The Buyer evaluates the costs and quality of goods and materials that are being considered for purchase and maintains inventory as directed by the Purchasing Manager.

3.0 REFERENCES

Hyco Alabama LLC Quality Manual Section 7.4: Purchasing

4.0 PROCEDURE

For customer mandated products or services, Hyco Alabama LLC performs no evaluation of the subcontractor and identifies them on the approved subcontractor list as a customer mandate. Customer mandated suppliers are notified of their performance ratings.

SUPPLIER CLASSIFICATION AND EVALUATION

A cross-functional team of Quality, Management and Purchasing personnel define the type and extent of control required for each supplier based upon commodity classification.


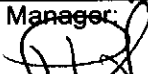
Supplier: A vendor supplying standard catalogue product or services such as repair and calibration.

Subcontractor: A vendor supplying product that is specifically manufactured to Hyco Alabama's specifications and drawings.

Supplier evaluation

Quality capability of suppliers is evaluated by Purchasing. Before entering a new supplier on the approved vendor list, Purchasing checks the supplier's reputation and references, and assures the catalogue items meet Hyco Alabama's requirements. Once this process is complete, the supplier is entered on the approved vendor list.

Subcontractor evaluation

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 5.0 Page 2 of 4
Title: PURCHASING	Revision: A

Subcontractors are assessed jointly by Purchasing and Q.A. Departments. Every new subcontractor is requested to provide the following documents and information:

- Copy of Quality Manual and Procedures
- Equipment List
- Completed Self Audit Report
- References and any associated literature about the company

Purchasing and Q.A. review the submitted information. If the subcontractor's information is favorable, Purchasing enters the company on the approved vendor list as PROVISIONAL. A visit may be requested based on the information contained in the submitted documents.

An order is placed with the subcontractor. Once the product is received, and has passed inspection, the status is changed to APPROVED on the approved vendor list.

Quality performance monitoring

Vendors are continuously monitored for quality and delivery performance.

When a nonconforming delivery is identified, the receiving clerk or QA Technician initiates a Notice of Deficiency (NOD) tag. The tag is established and processed in accordance with Procedure QOP-9.0, Control of Nonconforming Product. The vendor is always contacted and informed about the identified nonconformity and, if it is sufficiently serious or recurring, the vendor is requested to propose and implement corrective actions and report back on their effectiveness. Nonconformity reports, requests for corrective actions, and associated communication are maintained in the vendor's quality record file.

Vendor files are reviewed monthly to assess trends in quality and delivery performance. Vendors who repeatedly fail to deliver satisfactory products, and/or do not deliver on time despite earlier complaints and requests for corrective actions, are notified they could be removed from the approved vendor list.

Purchasing information

Purchasing documents (i.e., Purchase Orders, Debit Memos, etc.) are prepared by the Purchasing Department and before their releases are reviewed, approved and signed or initialed by the buyer. Purchasing documents for complex or critical products that are designed and/or manufactured from the company's drawings must be processed using approved documents from Engineering and/or Quality Assurance.

Purchasing documents clearly and completely describes the ordered products including, where applicable:

- Precise identification, including name, part number, type, class, style, grade, etc.;
- Title and revision level of relevant standards, specifications, drawings, process requirements, and other such technical data;

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 5.0 Page 3 of 4
Title: PURCHASING	Revision: A

- Requirements for inspection, testing or other verifications, and evidence of compliance. (If applicable)
- If an existing product is being bought from a new supplier or a new product from an existing supplier, the supplier needs to submit the following with the product:
 - An Initial Sample Inspection Report (ISIR) for a minimum of three samples. Each sample shall be numbered and the measurement data from each sample shall be recorded on the ISIR.
 - A material certificate showing compliance to Hyco Material Specification.

Review of specified requirements

Before release, purchasing documents are reviewed by the Purchasing Department.

The purpose of the review is to verify that:

- Products are clearly and completely identified;
- All technical documentation defining the products, such as standards, specifications, drawings, etc., are clearly identified, are on correct revision level, and are enclosed when required;
- When required, quality records such as testing/inspection certificates are explicitly requested in the Purchase Order (P.O.).

Purchasing Documentation Routing

- Requisitions – The original approved requisition shall be attached to the processed Purchasing copy of the P.O. and filed in the Purchasing Department. All changes to the original approved requisition shall also be attached to this same copy to provide tracking of each transaction.

When required by the customer, sample submissions are requested and submitted to Hyco Alabama, LLC Quality Department for approval.

For MRO purchases, purchase requisitions are filled out and submitted to the Buyer. The Buyer examines the purchase requisition for completeness and spending limits. If the purchase requisition is complete and within spending limits a P.O. is completed. If the purchase requisition is incomplete or exceeds approved spending limits of the requestor, it is returned to the requestor.

Purchasing personnel review the P.O. for accuracy and appropriate approvals. Purchasing Personnel initial the purchase order and distribute it as appropriate.

Freight costs and FOB locations are established at the time of quoting, which helps to serve as part of the evaluation process for sourcing material. These same conditions are to exist at the time an order is placed. If costs are incurred outside those agreed upon, they are then the responsibility of the supplier. Freight costs are evaluated at the time the invoice is processed for payment.

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 5.0
Title: PURCHASING	Page 4 of 4 Revision: A

Verification at suppliers' premises

As stated in the terms and conditions of the P.O., Hyco Alabama, LLC has the right to verify purchased product at the suppliers' premises. This includes, but is not limited to, production material, tooling, non-production materials, and services.

Customer Verification of Subcontracted Product

Where specified in the contract, Hyco Alabama, LLC customers or customer representatives shall be afforded the right to verify at the suppliers' premises that subcontracted product conforms to specified requirements.

Verification by Hyco Alabama, LLC or the customer does not absolve suppliers of the responsibility to provide acceptable product, nor preclude subsequent rejection by Hyco Alabama, LLC or the customer.

In- House Verification of Purchased Product

Hyco Alabama, LLC Quality Manager sets the approved methods for verifying incoming product based on the following criteria:

- Approved Hyco Alabama, LLC inspection and testing methods;
- Confidences in vendors' quality system, product verification program and satisfactory quality performance history;
- Criticality and importance of the product.

5.0 CORRECTIVE ACTION

Should employees encounter problems with this procedure, a Document Change Request (DCR) shall be submitted in accordance with QOP 1.0.

6.0 RELATED FORMS AND DOCUMENTS

Approved Vendor List	Mapics
Supplier Self Survey	PUR-009
Supplier Quality Performance Report	PUR-010

7.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 7.0
Title: CUSTOMER SATISFACTION	Page 1 of 2 Revision: A

1.0 PURPOSE

The purpose of this procedure is to provide for a system and instructions, and to assign responsibilities for determining and reporting customer satisfaction.

2.0 RESPONSIBILITY AND AUTHORITY

The Sales / Customer Service Manager is responsible for conducting, recording, processing and communicating results of customer surveys.

The Warranty Department Manager is responsible for compiling and analyzing warranty claims, and forwarding the results to the Management Representative.

The Management Representative is responsible for analyzing trends in customer complaints and customer scorecards, warranty claims and customer surveys and presenting the information in management review meetings.

3.0 REFERENCES

Hyco Alabama LLC Quality Manual Section 7.2: Customer-Related Processes


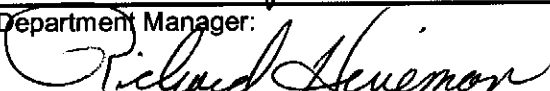
4.0 PROCEDURE

The management team uses both internal and external information to determine customer satisfaction.

On a semi-annual basis the Management Representative compiles information relating to the customer's perception of Hyco's ability to meet customer requirements. Sources of information include:

- Customer complaints
- On-time delivery performance
- External PPM
- Customer Scorecards
- Company Surveys

Customer satisfaction survey forms are sent to selective customers on a semi-annual basis. The purpose of these surveys is to obtain valuable customer feedback that is used to drive continuous improvement in the areas of product quality, resource availability, delivery performance, lead times, accuracy of documentation, and sales representation. On return, these forms are assessed initially by Customer Service. The forms are

Review By: 	Date: 3/25/09
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Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 7.0
Title: CUSTOMER SATISFACTION	Page 2 of 2 Revision: A

forwarded to the Management Representative and results of the analysis are presented in the Management Review Meetings.

Customer Service and the Quality Manager analyze the data, identifying strengths, weaknesses and opportunities for improvement and present the information in the Management Review meeting.

- When customer perception is positive, no action is required.
- When customer perception is negative or does not meet planned results, the General Manager assigns a team to work on the issues.

Teams initiate corrective actions to identify root cause and actions necessary to improve customer perception.

The effectiveness of the corrective actions taken will be noted during the next analysis of customer satisfaction.

5.0 ASSOCIATED DOCUMENTS

Customer Survey QF-02

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

Hycos Alabama, LLC OPERATIONAL PROCEDURES	QOP: 8.0
Title: INTERNAL AUDITS	Page 1 of 3 Revision: A

1.0 PURPOSE

This Standard Operating Procedure describes the responsibilities, procedures, and documentation for the performance of Internal Quality Audits to assess the effectiveness of Hycos Alabama's Quality Management System.

2.0 RESPONSIBILITY

The Management Representative is responsible for all processes defined in this procedure.

Departmental Managers are responsible for investigating causes of nonconformities, and implementing corrective action to correct the nonconformities.

3.0 REFERENCES

Hycos Alabama LLC Quality Manual, Section 8.2.2

4.0 PROCEDURE

Quality Management System Audit

The Management Representative maintains an annual audit schedule covering all customer oriented processes and business process of Hycos Alabama LLC. The schedule covers all shifts where applicable and may be adjusted by the Management Representative in response to internal/external complaints. On a semi-annual basis the Management Representative reviews performance reports, including but not limited to the warranty, scrap reports and customer complaints to assess the patterns or trends in the performance. If the trend is positive, no additional auditing is required, if the trend is negative, the Management Representative may schedule additional audits as required.



Internal Auditor Training

Internal auditors are qualified on the basis of education, training, experience, audit participation and examination. All internal auditors are trained by one of the following:

- A formal internal class using a training program created for this purpose. The training is a classroom format and covers the basic requirements of audit performance
- A formal external class.
- Informal training in conjunction with performing 3 audits with a qualified lead auditor

Review and evaluation of audits by a qualified auditor constitutes on going examination of auditors.

Lead auditors are assigned at the time of audit scheduling. The assignment of lead auditors is a function of experience and availability. This decision is based on activity

Review By: 	Date: 3/25/08
Department Manager: 	This Revision Date : 3/24/09

Hycy Alabama, LLC OPERATIONAL PROCEDURES	QOP: 8.0 Page 2 of 3
Title: INTERNAL AUDITS	Revision: A

and performance of previous audits performed.

Conduct of Audit

Internal Quality Auditors use process flows, procedures, checklists or process maps to identify process interactions, collect objective evidence, evaluate the evidence to determine if processes are followed and that those processes comply with the ISO 9001:2008, Customer specific or Hycy Alabama requirements. The process audit approach allows the auditor to investigate individual processes, as well as their combination and interaction to evaluate process performance and effectiveness.

Internal Quality Auditors respond to Internal Audit Checklists, process maps, or process flows and collect objective evidence to demonstrate compliance to ISO 9001:2008 Standards, Hycy Alabama Quality Manual, Quality Operating Procedures, and associated Work Instructions. Additional requirements are added to the checklists during the audit as required for completeness.

On completion of the audit, the Audit Team:

- Reviews Results
- Organizes Audit documentation
- Identifies the need for Corrective Actions
- Prepares Internal Audit Nonconformity Reports for each nonconformance

All nonconformance are referenced to the applicable section of the Standard or internal documentation. A nonconformance is classified as major or minor. Observations are made to identify Quality System strengths, weaknesses, and opportunities for improvement. At this point audit documentation is prepared, but unsigned, prior to presenting with the Management Representative.

Auditors conduct a meeting with the Management Representative to review the findings. The Management Representative conducts a closing meeting with the Department Manager. A nonconformance is identified and reviewed relative to the Standard, and corresponding Internal Audit (IA) Corrective Action Report (CAR) is issued. The signature of the Department Manager denotes acceptance of IA CAR's, any unsigned IA CAR is forwarded to the Management Representative/General Manager for resolution. The audit package (Checklists, IA CAR's, and support documentation) is returned to the Management Representative for record purposes and a copy of the corrective action report is forwarded to the Department Manager for corrective action.

Upon receiving an IA CAR, the Department Manager investigates the cause of the problem and completes the root cause analysis, short term action and permanent corrective action sections and returns the completed NCR to the management representative within fifteen (15) working days. The Management Representative reviews the corrective action for potential effectiveness to resolve the issue. If the Management Representative does not feel that the corrective action is robust enough to resolve the issue, the IA CAR is returned to the Department Manager for additional action. The Management Representative and Department Manager establish timing for a follow up

Hycos Alabama, LLC OPERATIONAL PROCEDURES	QOP: 8.0
Title: INTERNAL AUDITS	Page 3 of 3 Revision: A

audit to verify the effectiveness of specified corrective actions. Follow up audits may take place for minor nonconformance at the next scheduled internal audit.

The Management Representative assigns numbers for the IA CAR's and records them on the Corrective Action log to insure all IA CAR's are closed out in a timely manner.

Upon satisfactory completion of follow up audits, all IA CAR's are returned and closed out by the Management Representative.

In the event a follow-up audit indicates the agreed corrective action is not satisfactory, the IA CAR is closed out by the Management Representative with appropriate comments. A new IA CAR replacing the old one is issued to a higher management level.

Internal Quality Audit records are retained by the Management Representative for a period of at least three (3) years.

Results of internal and external audits are presented at the management review meeting.

5.0 ASSOCIATED DOCUMENTS

Internal Audit Corrective Action Report	#82-02-01
Internal Audit Assignment Sheet	QAF-032
Internal Audit Summary Report	QAF-018
Supplemental Audit Checklist	QAF-033

6.0 AMENDMENT HISTORY

The following amendments have been approved and issued:

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date

HycO Alabama, LLC OPERATIONAL PROCEDURES	QOP: 9.0
Title: CONTROL OF NON-CONFORMING PRODUCT	Page 1 of 3 Revision: A

1.0 PURPOSE

This Procedure describes the responsibilities, procedures and documentation for control of nonconforming/suspect product.

2.0 RESPONSIBILITY AND AUTHORITY

The Plant Manager, Quality Manager and/or the Production Manager are responsible for the disposition of nonconforming product or material discovered during the manufacturing process.

All employees are responsible for the quality of the product, process, or service that they provide including nonconformance detection and where required, implementation of corrective action to prevent reoccurrence.

3.0 REFERENCES

HycO Alabama LLC Quality Manual Section 8.3 Control of Nonconforming Product

4.0 PROCEDURE

The operators place normal scrap generated from set-up, adjustment, machine malfunction, etc., in designated containers near the operation. This scrap is considered a normal part of the manufacturing process and excluded from this procedure. This material is recorded on the shop packet release form and turned in to account for released materials.



Nonconforming Product or Material

Whenever nonconforming/suspect parts or material is detected by receiving, in-process, or final inspection, the employee who detects the nonconformance completes all applicable sections of the Notice of Deficiency (NOD) tag.

- *Work order # *Part # *Quantity
- *Shift # *Originator # *Work Center #
- *Deficiency Code# *Date * Description of the deficiency

The employee notifies his supervisor or his lead of the reject at the time the reject is discovered. The lead or supervisor signs the tag. The tag is separated with the following distribution.

- White – Attached to the material
- Yellow – given to the supervisor
- Pink – given to quality

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 9.0 Page 2 of 3
Title: CONTROL OF NON-CONFORMING PRODUCT	Revision: A

The tagged material is moved to a quarantine area to isolate the material to prevent inadvertent use or shipment.

The Production Supervisor, Lead or Quality make disposition on all nonconforming/suspect material. Results are recorded on the NOD Tag and include initials of personnel authorizing disposition and date of disposition.

Disposition may be:

- Rework
- Scrap
- Request Deviation
- Return to supplier

If the disposition is for rework, the supervisor or lead personnel complete the Rework Description section on the NOD. This section details the method of rework and any other pertinent information. After rework, the operator performing the operation fills in date of rework, rework hours and signature. All material reworked is re-inspected by quality personnel to ensure that the material conforms to original specifications. Re-inspection approval is recorded on the NOD. After rework and re-inspection, the NOD tag is removed from the material and the tag is turned in to quality and the material returns to the normal flow. All rejected material that is scrap will be placed in the NOD holding area for Quality or Management to determine if another use can be found for the material

When deviations or waivers are required for use as is disposition, the Quality Manager, Sales Manager, Purchasing Manager or the Engineering Manager fills out an Engineering Deviation Request Form. Customer Approval will be sought if the deviation will impact customer.

Supervisors, leads, or quality personnel may request a deviation through the NOD form for an in-process part. The Quality Manager and/or Engineering may approve the request by signing the designated area on the NOD form.

Engineering Deviation Requests are retained in the deviation file as a quality record.

5.0 ASSOCIATED DOCUMENTS

Notice of Deficiency Tag	QAF-037
Engineering Deviation Request	E36

6.0 AMENDMENT HISTORY

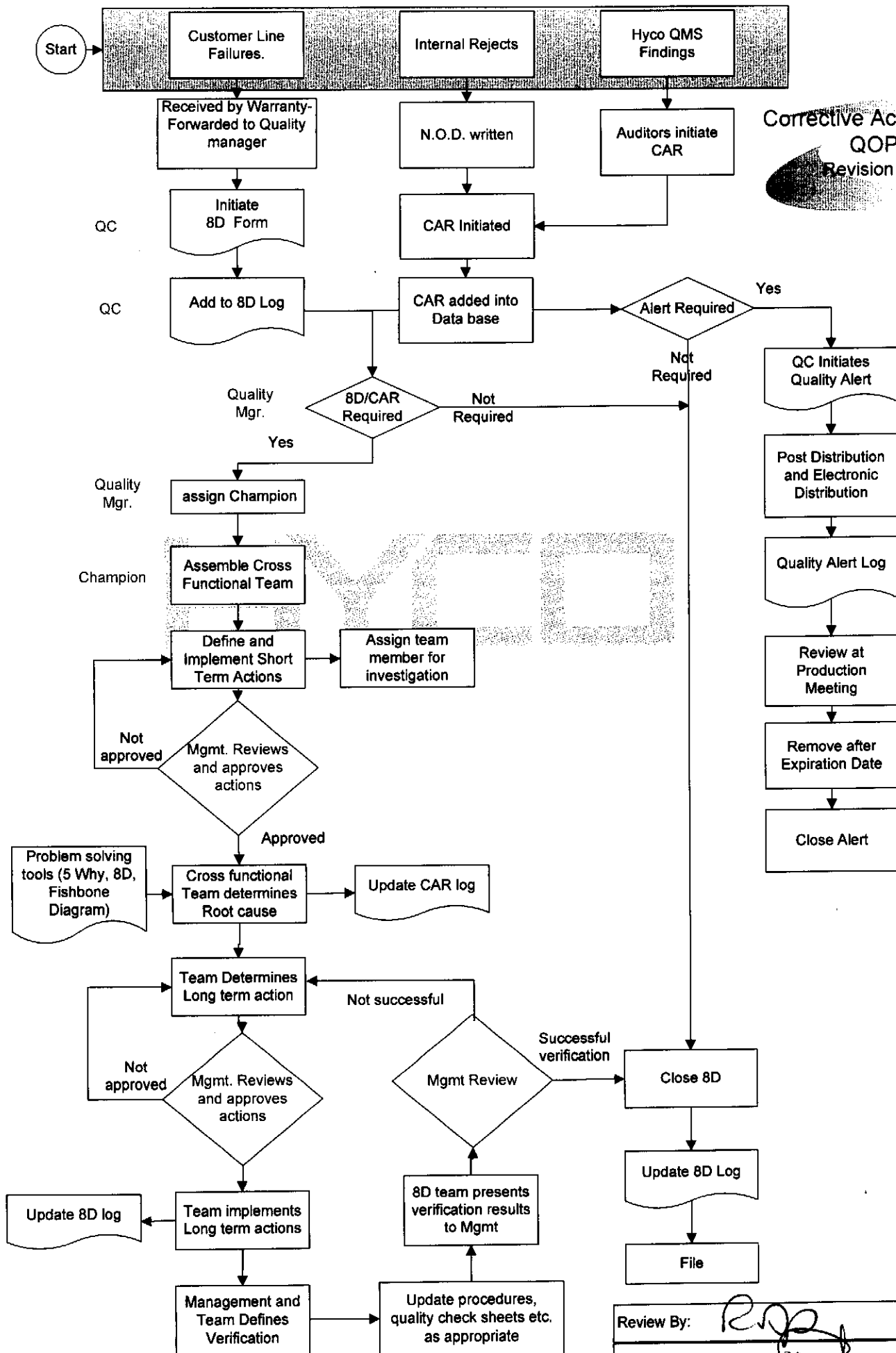
The following amendments have been approved and issued:

Hyco Alabama, LLC OPERATIONAL PROCEDURES	QOP: 9.0 Page 3 of 3
Title: CONTROL OF NON-CONFORMING PRODUCT	Revision: A

Ref.: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date



Corrective Action Process
QOP: 10.0
Revision A 3-24-09



Review By: <i>[Signature]</i>	Date: 3/25/09
Department Manager: <i>[Signature]</i>	Date: 3/30/09

HycO Alabama, LLC OPERATIONAL PROCEDURES	QOP: 11.0 Page 1 of 2
Title: PREVENTATIVE ACTION	Revision: A

1.0 PURPOSE

This Procedure describes the responsibilities, procedures and documentation to eliminate the causes of potential nonconformities in order to prevent their occurrence.

2.0 RESPONSIBILITY AND AUTHORITY

The Management Representative is responsible for all activities defined in this procedure.

3.0 REFERENCES

HycO Alabama LLC Quality Manual Section 8.5: Preventative Action

3.0 PROCEDURE

Preventive actions are implemented where there is an increased risk for potential nonconformity. The need for a preventive action is identified on the basis of information regarding capability and performance of processes and work operations, product nonconformity rates, service and user feedback, customer complaints, and effectiveness of the quality system.

The Management Representative is responsible for collecting, compiling and reviewing the pertinent information. At a minimum, reviews are conducted on:



- Reject and scrap rates;
- Product nonconformity reports;
- Customer complaints; and
- Quality system audit records.

Preventive actions are initiated when quality performance data indicates that there are trends of decreasing quality capability and/or effectiveness of the quality system. For example, it may be increasing incidence of product nonconformities traceable to the same common cause, excessive equipment problems, or increasing number of audit findings against the same element of the quality system or department.

When a problem requiring preventive action is identified, the process of dealing with the problem follows the same steps as QOP 10.0, Correction Action Procedure.

4.0 ASSOCIATED DOCUMENTS

Correction Action Procedure QOP 10.0

Review By: 	Date: 3/25/09
Department Manager: 	This Revision Date : 3/24/09

Hycos Alabama, LLC OPERATIONAL PROCEDURES	QOP: 11.0 Page 2 of 2
Title: PREVENTATIVE ACTION	Revision: A

6.0 AMENDMENT HISTORY

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Ref: DCR	Page Number	Amendment Details	Original Issue	Revision Level	Date