Business Management System Manual

Introduction

Burns Engineering has made the Strategic Business Decision to develop and implement an effective Business Management Systems (BMS) to serve our customers and stakeholders across all industries we serve. The implementation of the BMS is intended to continuously improve the overall performance of the business, the quality of our products and services, and create highly satisfied customers that are confident in our solutions to their temperature measurement needs.

The BMS Manual is aligned with the International Standard ISO 9001:2015 and shall be used internally to provide direction and context of the requirements and how they apply at Burns Engineering. The BMS Manual is a key communication tool to share with our customers, and other external organizations as appropriate, as to how Burns strives to be a strong and confident supplier, an exemplary community member and valuable participant in the industry.

Policy Manual Revisions Log

Date	Summary of Revisions	Made By
12/14/17	Original Release	C. Bragg
3/14/2018	General clean up and clarifications	C. Bragg

Management Approval

Name:	Title:	Signature:	Date:
Jim Burns	President	*Jim Burns*	3/14/18
Chuck Bragg	Director of Business Development and Quality	*CBragg*	3/14/18

Burns Engineering Business Operating Policy

We are committed to achieving the highest level of customer satisfaction.

Business Objectives:

Achieve…

Our Vision: "Make a Difference Through Temperature Measurement Expertise"

Our Mission: "To Ensure Temperature Measurement Confidence"

Live…

Our Core Values:

- Strong business ethics and integrity
- Temperature experts in all that we do
- Strive for best quality practices
- We value each other
- Strong financial performance

Create…

Results that exceed our expectations

Quality Policy:

Committed to Continuous improvement

Quality Objectives:

➢ 100% customer satisfaction
➢ 100% on time delivery
➢ Zero defects

Execution and Implementation of these Objectives:

➢ Plan the process and Document the methods
➢ Monitor, measure and Continuous improvement
➢ Retain the information learned as "know-how" of the organization
➢ Focus on real data and evidence to inform decisions and actions
➢ Industry leading product/service quality and reliability
➢ Grow our service to the process industry
➢ Provide expertise that ensures measurement confidence
➢ Be engaged participants in relevant industry organizations
➢ Exemplary members of the community
➢ Compliant with all statutory and regulatory requirements, and recognized standards.
➢ Maintain a safe work environment
➢ Be mindful of Risks and Opportunities to our success and take action where prudent

Contents by ISO-9001: 2015 paragraph structure

1. **Purpose and Scope**
    The purpose of this manual is to provide a description of the processes, policies and procedures employed by Burns Engineering that assure adherence to quality standards consistent with Burns objectives, certifications, approvals and contractual obligations.

    Questions regarding this Manual or any portion of the Business Management System at Burns Engineering should be sent to BE-BMS@burnsengineering.com which is monitored by the Director of Business Development who is responsible to ensure that any concerns and questions are addressed.
    The scope of Burns Engineering business is:

    > *Design and manufacture of temperature measurement products and support devices for various OEM and process applications ranging from Metrology to Pharmaceutical and Biotech to hazardous industrial environments, and providing accredited temperature calibration services.*

2. **Reference**
    ISO-9001: 2015, Quality management systems - Requirements

    ISO-9000, 2015, Quality Management systems – Fundamentals and vocabulary

    ISO-17025, 2005; General requirements for the competence of testing and calibration laboratories.

    EU / IEC 80079-34; Explosive atmospheres - Application of quality systems for equipment manufacture

3. **Terms**
    ISO-9000, 2015, Quality management systems – Fundamentals and vocabulary

    VMS; Visual Management System

    VS; Value Stream

    MT: Management Team

4. **Context of the Organization**

    4.1. Understanding the Organization and its Context
    Burns has determined external and internal factors that are relevant to our purpose and strategic direction and that may affect our ability to achieve the intended result(s) of our Business Management System. These factors are documented in the Operations Meeting Measures document.

    Burns monitors and reviews information about these external and internal factors during the Operations meeting.

    4.2. Interested Parties

    To achieve our Business Objectives, we recognize that we are interdependent with various stakeholder relationships.

Relevant interested parties may include; Customers, Suppliers (of materials, services and business services), Contracted Sales relationships, and Employees.

Burns monitors and reviews the information about these interested parties and their relevant requirements during review meetings documented in the Meeting agenda.

4.3. <u>Scope of the Business Management System (BMS)</u>

All portions of the scope of Burns business are subject to the policies identified in this BMS Manual, addressed in annual Business Plans, and controlled by our Business Management System.

The BMS has incorporated the additional requirements, supplemental to the ISO-9001 requirements, that apply to hazardous location approved products, ISO/IEC 80079-34, as well as the requirements to maintain our Accredited Calibration Laboratory per ISO/IEC 17025 and other NVLAP® documents.   The *Accredited Calibration Laboratory Management* document is supplemental to this manual and addresses the specific requirements of the NVLAP Accreditation Body.

<u>Exclusion</u>

Burns complies with all the requirements of the ISO-9001: 2015 standard and sites no exclusions.

The Accredited Temperature Calibration Laboratory is compliant with all requirements of the ISO-17025: 2005 standard with the following specific exclusions:
- 4.5 and 5.10.6 – We do not subcontract calibration services for customers.
- 5.6.2.2 and 5.10.3 – We do not perform testing services for customers.
- 5.7 – We do not perform Sampling as part of calibration services for customers.

4.4. <u>Business Management System and Processes</u>

Burns Engineering has established, documented and implemented our Business Management System (BMS) in accordance with the requirements of ISO 9001:2015. The BMS is maintained and continually improved through the use of the quality policy, quality objectives, audit results, analysis of data, corrective actions and management reviews. Burns Engineering utilizes an effective set of Business System procedures and work instructions (SOPs) to provide our employees and external stakeholders where appropriate, with process requirements, detailed instructions and required documented information as a record of the process (where appropriate). The documents support the achievement of excellence, risk management, and reduction of human error for each of the process steps. We retain Business System Forms which provide a template for documented information as a record of process inputs and outputs, indicating the processes have been accomplished as planned. The core documents address, as appropriate, risk to the success of the processes, planned results, and Business Objectives.

Process Interactions:
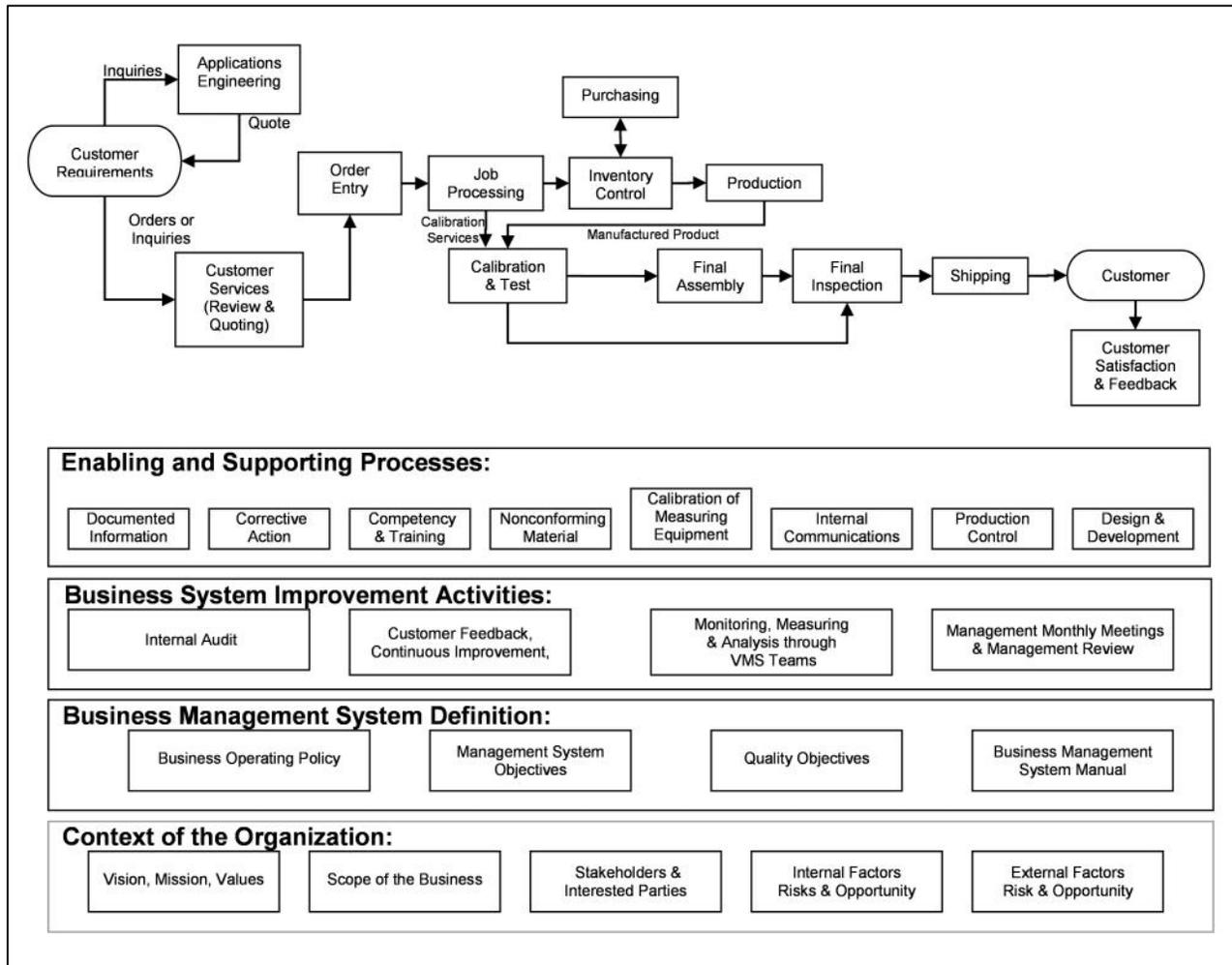
5. Leadership and Commitment

Management is actively involved in implementing the BMS, and is accountable for its overall effectiveness. Management has established and fully supports the vision and strategic direction for the continued sustainability and enhancement of the BMS. The President and Director of Business Development have initiated and fully support the Operating Policy and Business Objectives. Management is committed to the development and implementation of the BMS and to support continually improving its effectiveness.

Management has determined the structure of the organization and established methods and systems to deploy the BMS requirements into each business process (as appropriate). The Management Team is committed to promoting the use of the Process Approach and Risk-Based Thinking, as well as the engagement and motivation of all employees throughout the BMS.

5.1. Customer Focus

The entire Organization realizes that the overall business objectives will not be achieved without a clear focus on achieving fully satisfied customers. It is imperative that all

customer requirements and expectations are clearly defined, understood and achieved at all levels of the organization. We are committed to achieving 100% customer satisfaction and will accomplish this by understanding and mitigating risks and leveraging opportunities that may affect the conformity of products and services and to assure Statutory and Regulatory compliance is maintained

5.2. <u>Communicating the Business and Quality Policy</u>

The President and Management Team have established communication methods, processes and operating approaches that continually share and re-inforce the Vision, Mission, Values and Business Objectives as well as our progress toward those objectives. The communication methods are defined in our *Communications* procedure and documented in meeting agendas, minutes, through the Visual management system (VMS), and in one-on-one conversations.

5.3. <u>Organizational Roles, Responsibilities and Authorities</u>

The Organization Chart has been established to provide the interrelation, reporting structure and clarity of responsibilities of personnel within the organization. The Director of Business Development has been appointed by the President to oversee and manage the overall effectiveness and compliance of the BMS.

The Director of Business Development has the following responsibility and authority to:
- ensure BMS conforms to the requirements of international standard ISO 9001:2015
- ensure interaction of processes and their ability to achieve planned results
- report to the management team on the results achieved by the BMS, opportunities for improvements and possible changes
- maintain BMS integrity when planning and implementing changes
- promote awareness of customer focus throughout the organization
- act as a liaison with external parties such as customers or auditors on matters relating to the BMS and its results
- ensure the resolution of all matters pertaining to quality issues and customer complaints
- Act as the liaison and coordinator for all actions related to hazardous location approval and status or revisions to approved products.

6. <u>Planning</u>

6.1. <u>Actions to Address Risks and Opportunities</u>

Based on the review of the context of the organization, the Strategic Plan and the BMS Management review; various items are identified as possible risks to the success of the BMS and its objectives, or opportunities to investigate and leverage to improve service to our current and future customers.

Areas considered may include, but are not limited to; resource needs, influences on our approved products and services, key areas of planning, product expansion opportunities, opportunities to grow our TME presence.

The specific items selected each year are determined during Strategic Planning and documented in the Management Team Monthly Measures agenda for review, consideration, and possible action at least quarterly. Any action will be appropriate relative to the potential impact or enhancement to the BMS and objectives.
Notes of the discussion are maintained within the Measures document.

6.2. Quality Objectives and Planning to Achieve Them

Quality Objectives have been established and deployed through the VMS. The VMS teams have the responsibility and authority to determine areas for improvement and work with the team leaders to implement. The Management Team is available to provide assistance and resources to help the VMS teams achieve the objectives.

6.2.1. Quality Objectives:

Quality objectives are established during Strategic Planning and are addressed at the organization level as well as the Value Stream level facilitated by the VMS teams.

The Objectives include:
• Scrap reduction
• On Time Delivery improvement
• Continuous Improvements

Goals for each category are established for each VMS team and posted on the VMS display boards in the meeting area. The team monitors and measures its progress toward the goals and indicates the status on the display boards.

Other Business objectives are also established, assigned to appropriate VMS teams, and managed by these teams.

The management team reviews the progress/status at monthly meetings and retains any actions assigned as documented information on the status of our quality objectives. If shortfalls are identified, management may revise objectives, issue corrective action requests, or take other appropriate actions to address the issue.

6.3. Planning of Changes

Changes to the BMS are considered during Strategic Planning or during monthly meetings if such a need arises. Incremental improvements to procedures, processes, methods are addressed at the procedure level and managed through the various change control documents. Changes are reviewed by those involved with the process to ensure that any impacts on other processes are identified and addressed and to ensure that the change will not adversely impact the overall Business Management System.

All BMS procedures are reviewed and approved by the Director of Business Development. Lower level procedures are approved by the owners of the processes. Revised procedures are routed for training and awareness and signed by the parties involved. The signed document is retained as a record of the training and communication of the change.

7. **Support**

7.1. Resources:
7.1.1. General:
To achieve the Business Objectives it is imperative that Burns maintains adequate resources to ensure the sustainability and scalability of the business. Resources include:

- team members who encompass the necessary skills, training, education and dedication to effectively work within the BMS
- a work environment that promotes and enables safe, effective and organized work flow
- Tools and equipment that effectively support the processes
- Financial success that funds the advancement of capability

The Management Review monitors the health of the team, environment and equipment, as well as the performance of our external support resources to ensure that the BMS is effective and continuously improving.

7.1.2. People
The competency and training of Burns employees is managed through the *Employee Competence and Training* procedure. Hiring decisions are documented. Training is specific to the job requirements as well as an overview of the BMS and the various procedures. Performance is monitored through annual reviews, mid year check-in discussions and periodic one-on-one meetings between employee and direct supervisor. Records of personnel qualifications and training are maintained.

7.1.3. Infrastructure
The infrastructural system available to ensure the BMS and Quality objectives are achieved includes:

- Sufficient utilities to meet the operational demand
- An open structure facility to support easy communication between all employees
- Kitchen, lunchroom, rest rooms available to meet the needs of the organization
- Easy access with plenty of parking and outdoor green space
- An ERP system that is scalable to meet the business needs well into the future

Infrastructural needs are reviewed and planned during Strategic Planning. Potential impacts on the BMS and objectives are addressed as part of this planning process and documented as necessary.

7.1.4. Environment for the Operation of Processes
The facility, as described above, is well controlled to ensure comfortable working conditions. Temperature and humidity controls are in place to meet the specific requirements of the Accredited Calibration Laboratory and to provide a comfortable work environment. Space utilization is part of our objective to shorten lines of communication, minimize product movement waste, and operate efficiently. Access to technical and management resources are near by and openly accessible.

A comprehensive Safety Program has been implemented to ensure safety practices throughout the organization. Specific work areas where safety protections are required are segregated, well marked, and the necessary personal protective equipment is made available.

7.1.5. <u>Monitoring and Measuring Resources</u>

7.1.5.1. <u>General</u>

Burns Engineering has implemented the necessary monitoring and measurement tools, equipment, and resources appropriate for the requirements related to the manufacture of temperature instruments and performing Accredited Temperature Calibration services. This is managed by the *Control of Monitoring and Measurement Equipment* procedure. Records are maintained where appropriate to ensure compliance with customer and agency requirement's.

7.1.5.2. <u>Traceability</u>

All instruments used for monitoring or measuring of process outputs are calibrated by an ISO-17025 Accredited organization per the required frequency as documented in the Burns Tool Management system. New tools are logged into the management system and are validated and verified prior to being placed into service. Certificates of verification/calibration are retained as documented information for each tool, instrument and meter.

7.1.6. <u>Organizational Knowledge</u>

The knowledge to ensure success in various areas of the organization is sustainable through documenting of the processes, methods, techniques and understanding of the results achievable through careful adherence to these documented processes. Burns is recognized in the industry is as Temperature Measurement Experts. The knowledge to maintain this position is supported by various test reports, technical papers, application notes, internal Temperature Training (Level I and II), developing and providing free on line temperature training sessions (RTDology), participation in key Industry standards development organizations, experience of staff resources, and through frequent interactions with technical staff at companies across the globe.

The VMS engages everyone in problem and opportunity solution thinking that continues to enhance the understanding of processes, tools, and techniques to drive improvements.

Sustainability and growth of Burns knowledge base is accomplish through:
- Engineering Reports
- Corrective action records
- Procedure revisions
- SOP development
- Cross training
- Published Technical Papers and Application Notes

When addressing changing needs and trends, or identified areas of Risk, the Management Team considers our current knowledge and determines how to acquire or access additional knowledge to build technical capability and enhance our position as Temperature Measurement Experts.

7.2. Competence
Burns Engineering has established a comprehensive procedure, *Employee Competency and Training*, to address employee hiring, training, competence and growth. Records of these phases of development are retained and reviewed during annual performance reviews.

7.3. Awareness
Burns has established multiple methods to ensure awareness of the Policy, objectives, customer importance, and how every role contributes to the success of the BMS. This is accomplished through various company and department level meetings, information flow through the organizations structure and ongoing conversation, coaching and involvement in the VMS teams.

7.4. Communication
The *Communications* procedure provides an overview of the various communication methods, timing, audience, general content and presenters involved.   The communication approaches include, at a minimum; Quarterly company meetings, VMS team meetings, and various postings.

External communication regarding the Business Policy and Objectives are managed by the *Communications* procedure. This communication is generally reserved for key business partner relationships, contracted Sales relationships and general communication to key customers/suppliers based on the level of the relationship.

7.5. Documented Information

7.5.1. General
Burns Engineering maintains a documented BMS as a means to ensure that products and services conform to specified requirements. The BMS consists of the following levels of documented information:

Level 1 Business Management System Manual:

Provides the scope of the BMS, the direction to the organization of our commitment to customer satisfaction, achieving the Business objectives, and alignment with ISO 9001:2015.

Level II Business System Procedures:

Provides requirements for each of our key functional processes with the intent to specify who does what, when, and what documentation is used to verify that all required quality related activities have been executed as required.

Level III Standard Operating Procedures (SOPs):

Provides detailed requirements for various processes with the intent to provide specific steps to perform a specific action/task/process. These cover approximately 14 areas of the business with over 250 documented SOPs.

Level VI: Business System Forms:

Provides a framework document that when completed provides the objective evidence that the required product or service, quality and customer requirements were achieved, and that the company's quality management system has been implemented as stated.

BSF refers to tags, labels, stickers, preprinted sheets, stamps, and other means to identify the status of materials, products, equipment, gauges, documents, and other devices used in the company to achieve the specified requirements.

Additional documented information:
Documents from external origins are managed by the SOP Q101: *Review of Documents of External Origin*. Various documents such as; customer supplied drawings, protected Logos, specific relevant industry standards, and approval certificates related to our hazardous location approved products are managed and reviewed to ensure requirements are understood, can be achieved, that regulations are appropriate for our approvals, and we are in compliance.

All levels of documented information are protected from unintended alterations.

7.5.2. Creating and Updating
The release or change of Burns documented procedures is managed by the *Procedure Release and Change Control* procedure. The review process to ensure accuracy, suitability and appropriateness to the BMS is managed by SOP Q103: *Quality System Document Review*. Records of training and the periodic review are retained as documented information.

7.5.3. Control of Documented Information
Documented information required to support the effectiveness of our BMS is controlled the follow procedures:

Level II procedures (BSP):
- *Document Control*
- *Records Control*
- *Quality System Folder Security*
- *Procedure Release and Change Control*
- *Design-Engineering Change Control*
- *Manufacturing Change request*
- *Configurator Change Control*
- *Option Code Change Control*

Level III Procedures (SOPs):
- Q103 *Quality System Document Review*
- Q101 *Review of Documents of External Origin*
- SM101 *Customer Order Change*
- IS101 *Electronic Data Validation Process*
- IS104 *IS Change & Project Request and Handling Process*

8. Operations

8.1. Operational planning and control
The Management Team evaluates and determines the needs of the production operation to best achieve the business objectives and ensure customer satisfaction.

The facility is organized to support the products and processes utilized. Processes are developed, verified, documented, trained, and monitored to ensure effectiveness. Any

tools, equipment and support systems are selected and managed to support achieving the quality objectives and efficient operations.

A system of documentation is established to define the processes, work areas, sequence of operations, results, product requirements and test and inspection requirements.

Changes are controlled by the various procedures that address change management.

Materials and services provided externally are managed by various Engineering, Purchasing and Quality procedures.

8.2. Requirements for Products and services

8.2.1. Customer Communication

Burns Engineering has implemented a system for communicating with customers regarding products and services offered. Many communications are as needed and as appropriate based on department, role, information, and situation.

The communication about products offered is per the *Quoting Process* procedure. The Quote will define the item number, definition of the configuration, availability and provide supporting documents such as specification sheets and catalogs.

Requests and quotes for products for use in hazardous locations are limited to only configurations allowed per the approval certificate(s) and as defined by the internal Exp/Ex control drawings. The quote communicates the specific Hazardous Rating information associated with the product and rating code selected.

The customer is requested to reference the Quote when submitting a Purchase Order. Order Processing ensures the Order is in alignment with the Quote and any deviations are resolved prior to accepting the Purchase Order.

Other communications may include: Gathering feedback, follow up through Burns contracted sales reps, communication on Burns performance to key customers, Acknowledgement of Orders or Order Changes, and direct follow up on complaints, product concerns or Burns performance concerns. Issues that necessitate action are documented in our Corrective action system. Not all communication is recorded and retained.

Communication regarding Customer Property is managed by the *Control of Customer Property* procedure.

Various 'push' communication techniques and methods have been implemented as contingencies to reduce the risk of miscommunication, incomplete information, and ensure clear understanding. These methods are modified and expanded as issues arise to ensure customer satisfaction and achieve business objectives.

8.2.2. Determination of Requirements Related to Products and Services

Burns Engineering ensures alignment of product performance and customer requirements based on the products and nature of the inquiry.

Standard catalog product requirement review is performed by Application Engineering. This role is to assists the customer in selecting which product best fits the customer requirements..

For Burns Standard Catalog products/services; the definition of the product, its performance and configuration is defined by Burns in conjunction with the industry standards associated with temperature sensors and are shared with the customer via Marketing and technical documents such as catalogs, specification sheets, and/or top level product drawings. Engineering reports are used to document the verification of product performance as described in the literature.

For products that, based on their intended use, must comply with specific regulatory requirements, the documentation will indicate this compliance through symbols, notes or other means. Records supporting conformance to these regulatory requirements are documented in accordance with the type of requirement (Ex: 3-A, Exp. Proof, ATEX, IECEx, NVLAP, etc.).

The requirements and verification of conformance when the catalog products will not meet the customers' needs are determined through the design and development process.

8.2.3. Review of Requirements for Products and Services

Burns Engineering ensures contracts, purchase orders or other requirements differing from those previously defined, are reviewed and approved prior to incorporating into our business systems. This process is managed by the *Quote Process*, the *Order Entry* process, and several Order Entry related SOPs.

All received orders are reviewed to ensure they represent products that Burns has available within the catalog offering. The order is verified to the Quote, the availability is verified thought the ERP system, and any other customer requirements communicated are addressed prior to accepting the order. Other details as part of executing the order are entered in to the Business system as part of the order entry process.

The order is acknowledged to the customer indicating the model structure, price, Hazardous Rating code details if appropriate, and delivery after the review. The Acknowledgement is the record of alignment of requirements and acceptance of the order.

When it is determined that a catalog product will not meet the customers' needs, the requirements as determined through the design and development process are reviewed by confirming the order against the customer signed Proposal Drawing and the associated Quote.

8.2.4. Changes to Requirements for Products and Services

In the event that requirements change in the Order the action is dependent on the status of the order processing.

For customer requested changes for orders still in the review process; an updated quote is provided to the customer, a revised PO is requested and the process continues as documented.

For customer requested changes for orders that have been acknowledged and the job is in process, SOP SM101: *Customer Order Change* is followed.

Important communications regarding the changes and the new documents are retained with the original documents for traceability.

8.3. Design and Development of Products and Services

8.3.1. General

Burns has established the processes for planning the development of products based on the source of the requirement definition.

Accredited Temperature Calibration Service is the only business service that Burns provides to its customers.   The requirements for this service are defined by the Accrediting Body NVLAP®, in accordance with ANSI/ISO/IEC-17025, NIST Handbook 150, and ANSI/NCSL Z540-1. This service is managed by extension of this BMS by the document; *Accredited Calibration Laboratory Management.*

8.3.2. Design and Development Planning

The development process is managed by one of the following procedures:

Catalog products, products designed by Burns, follow the *Design-Catalog Products* procedure. This is a multi-phase, rigorous process is structured to plan, define, verify/validate, and document the requirements and performance of a new catalog product family.

Custom designed products, designed by Burns and modified to meet specific customer requirements follow the *Design-Customer Initiated* procedure. This process leverages existing designs and expertise and is closely managed by the Engineering and Application Engineering resources in collaboration with the customers' engineering department

Burns product development procedures address the inputs, controls, outputs, and management of changes to ensure an effective process that achieves the customers' requirements.

8.4. <u>Control of Externally Provided Processes, Products and Services</u>

8.4.1. <u>General</u>
Burns Engineering has established a *Supplier Qualification* procedure for the qualification of suppliers, and all new item-supplier relationships, that is flexible based on the complexity and design control of the item. Supplier capability is evaluated based on evidence of a quality system, breadth of offering, and an assessment of stability, longevity and sustainability. Supplier performance including measures of supplier quality, on time delivery, responsiveness, and communication, is evaluated periodically. The critical nature of the supplier is assessed based on items such as single source, level of business, involvement in Burns Ex approved products, and breadth of contribution to our Value Stream segmentation.

8.4.2. <u>Type and Extent of Control of External Provision</u>
Burns Engineering utilizes the following actions, based on risk/potential impact, to ensure supplied items do not impact our ability to meet customer needs and business objectives:
- Supplier on-site review – when appropriate
- First Article Inspection – when appropriate
- Incoming inspection per RIP (Receiving Inspection Procedure)
- Test upon receipt – when technically appropriate
- Require an inspection report, certification, test report – when appropriate

The Supplier Corrective Action is an effective tool to address various performance issues, drive improvement and document actions that reduce or eliminate the risk of re-occurrence.

8.4.3. <u>Information for External Providers</u>
Burns Engineering communicates requirements to Suppliers through the following documents and methods:
- Burns Specifications
- A purchase part engineering drawing
- A Purchase Order document with Burns' Terms and Conditions of purchase
- Any necessary information based on the Supplier Qualification and selection evaluation, as appropriate

8.5. <u>Production and Service Provisions</u>

8.5.1. <u>Control of Production and Service Provisions</u>
Production operations are established, planned and implemented to effectively produce products offered. This is defined in the *Production Control* procedure. Manufacturing drawings, work instructions (SOPs) and Job Routing documents are planned and release to Production to provide direction during production. The Work Center assignment is used to ensure the appropriate resource is performing the required operations. The Job is the signed/dated record of completion of each operation.

Production equipment is maintained per the Maintenance procedure. Tools and other support items are managed per the *Production Control* procedure or the *Control of Monitoring and Measuring Equipment* procedure.

Processes are planned and managed by manufacturing engineering and validated as part of the release to production and periodically re-validated.

Acceptance of product is guided by specific test actions as defined on the job routing, and

by Inspection per the *Inspection and Test* procedure. The job routing is reviewed at Inspection to ensure all planned operations were completed successfully and the acceptance transaction into stock is the record of acceptance.

Any changes during production are managed by the follow procedures:
- *Production Control*
- *Document Control*
- SOP G115: *Production Advance Deviation Authorization (PADA)*

Purchased materials and services that are required to meet the product requirements are managed by the purchasing procedures, *Supplier Qualification* and *Purchasing*, monitoring of supplier performance and verified during incoming inspection.

8.5.2. Identification and Traceability
Traceability is maintained by sensor serialization, lot tracked materials and any data collected pertinent to traceability is associated to the Serial Number within the ERP system. The production job number and sales order number maintained within the ERP system are key components to traceability. This information is retained per the *Records Control* procedure.

8.5.3. Property Belonging to Customers or External Providers
Customer owned material is sent to Burns for various reasons. In all cases the handling of the customer property is according to the *Control of Customer Property* procedure and facilitated using the RMA process maintained in the ERP system.

Procedures are established for the management, control, storage, and communication regarding Customer property supplied to Burns.
- *Control of Customer Property*
- SOP SM112: *RMA Creation*
- SOP Q102: *RMA Processing*

These procedures define the reasons for return, the responsibilities and actions to appropriately manage the property under Burns control.

The use of Trademarks owned by external organizations is controlled per the owners requirements. Specifically, the NVLAP® logo and text mark use is controlled by the *Control and Use of NVLAP Logo and Text Mark* procedure.

8.5.4. Preservation
Burns Engineering preserves the conformity of parts and products during internal processing and delivery to the intended destination including outside services. Procedures (SOPs) include instructions for identification and packaging.

The shipping department ensures that documents required by the order to accompany the product are present at delivery and are protected against loss and deterioration.

8.5.5. Post-Delivery Activities
Post delivery support is outlined in the product manual provided with the shipment. Other activities are limited to technical support (not on customers site), addressing feedback, managing non-conformances discovered through the RMA (Returned Material Authorization) process defined in the *Control of Customer Property* procedure.

8.5.6. <u>Control of Changes</u>

Burns Engineering shall review and control changes for production or service operations to the extent necessary to ensure continuing conformity of customer, approval agencies or internal requirements.

Changes to production operations are managed through the following Procedures:
- *Production Control*
- *Design-Engineering Change Orders*
- *Configurator Change Control*
- *Maintenance*
- *Manufacturing Change Request*
- *Equipment Validation*

Records of the approvals and review of changes are retained.

In cases where communication is necessary due to customer requirements or other Agency communication requirements of changes to product design or performance, these communications are managed by: SOP Q106: *Communication to Customer-Third Party Agency.* Records of these changes and communications are retained as documented information within the ERP system.

8.6. <u>Release of Products and Services</u>

Acceptance and release of products is guided by specific test actions as defined on the job routing, and by Inspection per the *Inspection and Test* procedure. The job routing is reviewed at Inspection to ensure all planned operations were completed successfully and the acceptance transaction into stock is the record of acceptance and release.

Acceptance and release of Calibration services is manage by the Calibration Technician performing the work and monitored by the Lab Technical Manager. The signature on the Calibration Certificate is the record of review of the data and acceptance for release. See the *Accredited Calibration Laboratory Management* procedure.

8.7. <u>Control of Nonconforming Outputs</u>

Non conforming material is managed by the *Nonconforming Material Control* procedure. This procedure defines requirement for segregation, containment, identification, evaluation and disposition. Nonconforming items returned from customers are managed by the *Control of Customer Property* procedure and SOP Q102: *RMA Processing.*

The *Accredited Calibration Laboratory Management* procedure addresses nonconformance's identified within the calibration laboratory.

When a nonconforming product or calibration service is detected after delivery, or if acceptance is being sought, communication to the customer or Approval Agency is managed by SOP Q106: *Communication to Customer-Third Party Agency.*

In all cases, records are retained concerning non conforming material, the actions taken, any concessions, and those responsible for the action and disposition.

Other related procedures are: SOP G114: *Material Control: Shelf Life Management*

9. **Performance Evaluation**

   9.1. **Monitoring, Measurement, Analysis and Evaluation**

   9.1.1. **General**
   Monitoring, measurement, analysis and evaluation is determined during Strategic Planning prior to each Fiscal year with the desire to obtain an indication of the health and effectiveness of the BMS.

   The plans are incorporated into the VMS team plans and documented in the Management team meeting agenda for periodic review and analysis.

   The business objectives and key financial and performance metrics are included. Also monitored overall, and at the VS level are Scrap, on time delivery, implemented Improvements, and progress on key projects.

   9.1.2. **Customer Satisfaction**
   Customer satisfaction feedback is managed by the *Customer Feedback* procedure, as well as by the *Accredited Lab Feedback* procedure. Various methods from direct contact to targeted surveys are used to gain insight on the customers' perception.

   Customer satisfaction is reviewed at least quarterly by the Management Team during periodic meetings.

   9.1.3. **Analysis and Evaluation**
   Analysis and evaluation is performed at the management meetings and during the VMS meetings. The VMS teams review their data as an indicator of progress and effectiveness of processes. They determine areas for improvement from the data and trends observed.

   Management analyzes the trends during periodic review meetings, during the annual Management Review and Strategic Planning to determine actions necessary, where resources may be needed, the effectiveness of the BMS, and if the organizations is on track to achieve the business objectives.

   Records of the analysis and actions are captured in the VMS display boards and in the Management monthly meeting agenda document and Management Review document.

   9.2. **Internal Audit**
   Internal Audits are planned, scheduled and documented per the Internal Audit procedure. The schedule is established each fiscal year, and reviewed and adjusted as necessary each quarter. Auditing resources are selected and trained to ensure an effective audit, and check list are established to guide the audit process in each main area of the BMS. Audit results are communicated and retained as documented information. Reference the *Internal Audit* procedure.

9.3. <u>Management Review</u>

The Management Review process is intended to ensure the BMS is effective, adequate, aligned with the strategic direction and goals will achieve the business objectives and enhance customer satisfaction. The review addresses the effectiveness of the BMS with respect to products and control methods associated with products approved for use in Hazardous Locations (Exp/Ex).

The Management Review is managed by the *Management Review* procedure and is retained as a record of the review and is an important input to Strategic Planning for the business.

10. <u>Improvement</u>

10.1.   <u>General</u>

Burns Engineering is focused on continuous improvement. It is a cornerstone of every objective and teams purpose. The goal is to:
- improving products and services to meet requirements as well as to address future needs and expectations
- correcting, preventing or reducing undesired effects
- improving the performance and effectiveness of the BMS

10.2.   <u>Corrective Action</u>

Burns Engineering manages Corrective Action through the *Corrective Action* procedure. The process considers corrective action for non-conformities, addresses containment and potential impact and risk, analyses the situation, investigates the root cause, determines the appropriate corrective action, addresses the risk of the issue arising in other areas, performs follow up on the implemented action and retains the record after review and signature from Management.

10.3.   <u>Continuous Improvement</u>

Burns Engineering plans continuous improvement into the operation of the business and as a critical part of Strategic Planning. Consideration of improvements are part of all the conversations regarding procedures, products, services, customer service, the facilities, the infrastructure, resources, the objectives, and company meetings and company social events.