391 Route 312
Brewster, NY 10509
Phone 845-278-6118 Fax 845-279-3716
www.lamothermic.com

QUALITY MANUAL

650.P.001

Lamothermic Corp.
Precision Investment Casting

CHANGE RECORD

REV	SECTION	DATE	APPROVED BY	REVISED BY	BRIEF DESCRIPTION OF CHANGE
A	ALL	10/12/12	President - General Manager	Ed Calabrese	COMPLETE REWRITE - INITIAL RELEASE

Lamothermic Corp.
Precision Investment Casting

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Company Profile

LAMOTHERMIC is located in Brewster, New York. The Company specializes in investment castings for the Industrial, Commercial and Military Markets since 1976.

LAMOTHERMIC has developed and implemented the Quality Management System outlined in this Quality System Manual guided by the ISO 9000 specification to ensure that its products and services meet the requirements of our customers.

Section QM-02

OVERVIEW

1.0 **SCOPE**

The Quality System Manual contains the Quality Management System used by LAMOTHERMIC. Its purpose is to provide the controls necessary to:

- Achieve the highest possible quality standards for all products manufactured by LAMOTHERMIC.
- Establish the quality policy objectives of the company.

2.0 **APPLICATION**

The Quality Management System applies to all work undertaken by LAMOTHERMIC. If there is an identified discrepancy between the contents of this manual and any contract, customer requirement, the latter will apply.

3.0 **REFERENCE DOCUMENTS**

LAMOTHERMIC – Procedures, Work Instructions, and Military/Commercial Specifications as contractually dictated.

Section QM-03

DEFINITIONS

Quality Management System: establishes policies and objectives to achieve. A management system can include different management systems, such as a financial management system or an environmental management system.

Continual Improvement: is a recurring activity to increase the ability to fulfill requirements. The process of establishing objectives and finding opportunities for improvement is a continual process through the use of audit findings and audit conclusions, analysis of data, management reviews or other means and generally leads to corrective action or preventive action.

Section QM-04

QUALITY MANAGEMENT SYSTEM

1.0 GENERAL REQUIRMENTS

1.1. LAMOTHERMIC has established and maintains a Quality Management System.
LAMOTHERMIC has:

a) Identified the processes needed for the quality management system and their application throughout the organization;
b) Determined the sequence and interaction of these processes;
c) Determined criteria and methods needed to ensure that both the operation and control of these processes are effective;
d) Ensured the availability of resources and information necessary to support the operation and monitoring of these processes;
e) Monitored, measured and analyzed these processes; and
f) Implemented actions necessary to achieve planned results and continual improvement of these processes.

1.2. Top management which include processes for management activities, provision of resources, product development and measurement, administer these processes.

1.3. Where LAMOTHERMIC chooses to outsource any process that affects product conformity, the quality management system shall ensure control over such processes.

2.0 DOCUMENTATION REQUIREMENTS

2.1 The quality management system documentation includes:

- Documentation statements of a quality policy and quality objectives
- The quality system manual
- Documented procedures
- Documented quality system requirements
- Documents (such as customer drawings, specifications, etc.) needed by LAMOTHERMIC to ensure the effective planning, operation and control of its processes

3.0 QUALITY SYSTEM MANUAL

3.1 The quality system manual includes; the scope of the quality management system and a description of the interaction between the processes.

3.2 The Quality Assurance Manager is responsible for the control, updates, and promotion of the principles, intent and procedures contained in these Quality Management System Manuals.

3.4 Uncontrolled copies of the manual may be issued if requested to outside organizations or customers "for information only".

4.0 CONTROL OF DOCUMENTS

4.1 The purpose of this section is to provide an overview of information management principles and policy required for Lamothermic's quality system. Document and Data control procedures are necessary to provide efficient information management at all levels. The LAMOTHERMIC Procedures contain specific details on the control of essential documents and data. These procedures define the controls required to:

a. approve documents for adequacy prior to issue
b. review and update as necessary and re-approve documents
c. ensure that changes and the current revision status of documents are identified
d. ensure that relevant versions of applicable documents are available at points of use
e. ensure that documents remain legible and readily identifiable
f. ensure that documents of external origin are identified and their distribution controlled
g. prevent the unintended use of obsolete documents, and to apply suitable identification to them if they are retained for any purpose

5.0 CONTROL OF RECORDS

5.1. Records are established and maintained to provide evidence of conformity to requirements and of the effective operation of the quality management system at LAMOTHERMIC.

5.2. Applicable records will be, legible, and readily identifiable and retrievable.

5.3. All records are available for review by customers and regulatory authorities in accordance with contract or regulatory requirements.

Section QM-05

MANAGEMENT RESPONSIBILITY

1.0 MANAGEMENT COMMITMENT

1.1. Top management has provided documented evidence of its commitment to the development and implementation of the quality management system and continually improving its effectiveness by:

- Communicating to the company through the quality management system the importance of meeting customer as well as statutory and regulatory requirements
- Establishing and approving the quality policy
- Continually ensuring that quality objectives are established and followed
- Ensuring the availability of resources to employees and customers, as required
- Creating an environment that encourages the involvement and development of people

1.2. Top Management has defined methods of measurement to determine whether planned objectives are being achieved. Lamothermic's performance assessment encompasses a broad discipline, which may include:

a) Financial measurement
b) Measurement of process performance throughout the company
c) External measurement, such as bench marking or third party evaluation
d) Assessments of satisfied customers, company personnel and other interested parties
e) Assessment of the customer perceptions and performance of products provided
f) Measurement of success factors identified by management

1.3. Customer Focus

1.3.1. The Quality Assurance Manager and Sales Manager, as appropriate ensure that customer requirements are determined and fulfilled with the aim of enhancing customer satisfaction. This is typically done through any of the following:

a) Determining the requirements specified by the customer, including the requirements for delivery and post delivery activities through past history, experience and/or customer needs
b) Determining the requirements not stated by the customer but necessary for specified use or known and intended use through past history, experience and/or customer needs
c) Monitoring information relating to customer perception as to whether the company has fulfilled customer requirements
d) Understanding current and future customer needs and expectations
e) Translating identified needs and expectations into requirements
f) Communicate the requirements throughout the company
g) Focusing on process improvement, ensuring value
g) Determining key product characteristics for customers
h) Identifying marketing opportunities, weaknesses, future growth, and advantages

2.0 PLANNING

2.1. Quality Objectives

2.1.1. The General Manager has ensured that quality objectives, including those needed to meet requirements for the services or products provided are established at relevant functions and levels within LAMOTHERMIC. The quality objectives are measurable and consistent with the quality policy and include the planning of product realization to include the quality objectives and requirements for the product. The quality objectives include customer satisfaction, process and product improvement, and quality management system improvements which are systematically reviewed and revised, as necessary or required.

2.2. Quality Management System Planning

2.2.1. Top management has ensured that the planning of the quality management system is carried out as well as the quality objectives, and that the integrity of the quality management system is maintained when changes to the quality management system are planned and implemented. The documentation of this commitment to quality management is contained in the following levels:

2.2.2. Quality Management System Level 1 Documentation

The Quality System Manual is the first-level document of the Quality Management System. It contains Lamothermic's Quality Policy and the Organizational Structure.

2.2.3. Quality Management System Level 2 Documentation

The LAMOTHERMIC Procedures make up the second level of company documentation. These procedures contain information on the purpose and scope of the procedure; departmental responsibilities; method and resources to be deployed; and regulatory and standard policy requirements.

2.2.4. Quality Management System Level 3 Documentation

The LAMOTHERMIC Work Instructions make up third level of company documentation. These work instructions contain detailed information on specific procedures and tasks, including but not limited to, the purpose and scope of the procedure, method, and processes.

3.0 RESPONSIBILITY, AUTHORITY AND COMMUNICATION

3.1. Responsibility and Authority

3.1.1. Top Management

a) Top management ensures that the responsibilities, authorities and their interrelation are defined, implemented, and communicated within LAMOTHERMIC. Effective quality controls are not task-specific functions; they are an integral part of all management activity and process planning.

b) The responsibility of management includes but is not limited to:

- The introduction of all personnel to the Quality Management System
- The introduction of the Quality Policy through training
- Audits of the quality system

3.2 Personnel

3.2.1 The Quality Assurance Manager has defined the specific quality responsibilities for management and other personnel as necessary. These responsibilities are defined in job descriptions, procedure documents and through the controlled organization charts, identified in this manual. These personnel have the authority and procedures to stop or take corrective action to the work process on nonconforming product or services.

3.2.2 The Quality Assurance Manager may, in their absence, delegate the quality management responsibility to another employee provided that the employee has received the appropriate training and/or authorization.

3.2.3 The relevant sections contained in this manual, together with the job descriptions, procedure documents, and organizational chart define the individual responsibility and authority of personnel for all immediate quality actions. An employee may:

- Initiate action to prevent the occurrence of quality nonconformance relating to the product or process of the quality management system through their supervisor
- Identify and record any product, process and/or quality assurance or quality system problems
- Suggest, recommend or provide solutions through channels

3.3 Management Representative

3.3.1 Top management has appointed the Quality Assurance Manager as the management representative for the Quality Management System, irrespective of other responsibilities. The Quality Assurance Manager has complete and full responsibility, authority and organizational freedom to resolve matters pertaining to quality that include:

a) Ensuring that processes needed for the quality management system are established, implemented and maintained.

b) Reporting to top management on the performance, effectiveness and any deficiencies in the quality management system and any need for improvement.

c) Ensuring the promotion of awareness of customer requirements throughout LAMOTHERMIC through coordination with department directors, managers, supervisors and other personnel including sub-contractors and outside vendors, as necessary to achieve and maintain the quality objectives contained in the policy commitment

3.3.2 The Quality Assurance Manager is responsible to monitor and coordinate the Quality System by providing advice and pertinent input to the management and supervisory functions.

3.3.3 The Quality Assurance Manager reports directly to the Engineering Manager of LAMOTHERMIC on all issues pertaining to the Quality Management System.

3.3.4 The Quality Assurance Manager has the delegated authority to stop, review and/or reject any production or service process that does not conform to the specific quality standards contained in this manual or, in his or her judgment, does not conform to the intent of the quality policy statement.

3.4 Internal Communication

3.4.1 The Quality Assurance Manager ensures there are appropriate communications regarding the effectiveness of the Quality Management System.

3.4.2 This is typically achieved through internal training, meetings, nonconformance reports, management reviews, and any other tools that may be developed and/or implemented to monitor the effectiveness of the quality system or employ continual improvements.

4.0 MANAGEMENT REVIEW

4.1 General

Top management is responsible to ensure continuing suitability, adequacy and effectiveness of the quality management system. Management reviews include assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and policy objectives.

4.2 Review Input

4.3.1 The input to management reviews include information on:

- Results of audits
- Customer feedback
- Process performance and product conformity
- Status of preventive and corrective actions
- Follow-up actions from previous management reviews
- Planned changes that could affect the quality management system
- Recommendations for improvement

4.3 Review Output

4.3.1 The output from the management reviews include any decisions and actions related to:

- Improvement of the effectiveness of the quality management system and its processes
- Improvement of product or services related to customer requirements
- Developed conclusions that address suitability and adequacy of the Quality Policy, Quality System, and top quality issues
- Planning objectives and action requirements
- Resource needs

Section QM-06

RESOURCE MANAGEMENT

1.0 PROVISION OF RESOURCES

1.1. LAMOTHERMIC will determine and provide the resources needed to implement and maintain the quality management system, continually improve its effectiveness, and to enhance customer satisfaction.

2.0 HUMAN RESOURCES

2.1. It is the policy of LAMOTHERMIC to provide adequate training for all employees. Personnel performing work affecting product quality are competent on the basis of appropriate education, training, skills and experience.

3.0 COMPETENCE, AWARENESS, AND TRAINING

3.1. All employees are properly trained in the tasks and functions they are expected to perform. It is a management responsibility to ensure personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives, and to provide or arrange all necessary on-the-job training.

3.2. All new employees, at any level, must undergo an orientation. The purpose of this session is to generate awareness of the company's policies, procedures, and for training new employees in the safety of their specific work center with the benefits of working within the quality system prior to starting work.

3.3. Employees recruited to specific and skilled task-oriented functions must be suitably qualified and/or experienced.

3.4. Training records, as appropriate are maintained on all permanent employees.

4.0 INFRASTRUCTURE

4.1. The General Manager has determined, provided and maintained the infrastructure needed to achieve conformity to product requirements. The Infrastructure includes:

- Buildings, workspace and associated utilities
- Process equipment, both hardware and software
- Supporting services such as transport or communication

4.2. Work Environment

4.2.1. The General Manager determines and manages the work environment needed to achieve conformity to product requirements. The work environment has a positive influence on motivation, satisfaction, and performance of people in order to provide continuity in performance and development.

4.2.2. The determination of the work environment may be determined by any of the following:

a) Processes set up in that location
b) Level of skill
c) Amount of employees set up in that location
d) Type of environment, temperature, humidity, light, and air
e) Cost of equipment
f) Safety factors associated with process or equipment
g) Level of supervision
h) Ergonomics
i) Affects on product conformity relating to temperature, humidity, lighting and cleanliness

Section QM-07

PRODUCT REALIZATION

1.0 PLANNING OF PRODUCT REALIZATION

1.1. Lamothermic has planned and developed the processes needed for product realization. Planning of product realization is consistent with the requirements of the quality management system.

1.2. When planning product realization, LAMOTHERMIC has determined the following as appropriate:

a) Quality objectives and requirements for the product or services provided
b) The need to establish processes, documents, and provide resources specific to the product and services provided
c) Required verification, validation, monitoring, inspection and test activities specific to the product and services, and the criteria for acceptance
d) Records needed to provide evidence that the realization processes and resulting product or services fulfills requirements
e) Identification of resources to support operation and maintenance of product and services

2.0 CUSTOMER-RELATED PROCESSES

2.1. Determination of Requirements Related to the Product

2.2. Management has determined:

a) Requirements specified by the customer, can be met, which may include the requirements for delivery and post-delivery activities

b) Requirements not stated by the customer but necessary for specified or intended use, where known, to the final product or output, can be met

c) Statutory and regulatory requirements related to the product or service can be met

d) Additional requirements determined necessary by LAMOTHERMIC based on experience, knowledge and history of the product or output

2.3. Review of Requirements Related to the Product

2.3.1. Prior to submission of a tender or proposal, LAMOTHERMIC conducts a review of the customer requirements including the technical and quality requirements related to the services to be provided.

2.3.2. All contracts are reviewed prior to the submission of LAMOTHERMIC'S commitment to supply a product to the customer. Acceptance of contracts or orders, acceptance of changes to contracts or orders) and are ensured that:

- Product and service requirements are defined and accepted, including special requirements
- Contract or order requirements differing from those previously expressed are resolved and accepted
- LAMOTHERMIC has the ability to meet the defined requirements
- The delivery schedule and pricing has been agreed on
- Any special skills or training of personnel have been identified

2.3.3. Where the customer provides no documented statement of requirements, management and the customer, as necessary confirm the customer requirements before accepting the order.

2.4. Customer Communication

2.4.1. LAMOTHERMIC has implemented effective communication with customers utilizing documentation, electronic correspondence or person to person conversation in relation to:

- Customer support, requirements or special arrangements that may be necessary
- Product and service information
- Provided Engineering Support
- Enquiry's, of contracts or order handling, including amendments
- Customer feedback, including customer complaints

2.4.2. Customer communication is generated by authorized personnel so as not to stop production, delay delivery schedules, or for any other unforeseen purpose. Communication is also generated to keep the customer informed on special projects, approval, delivery status, etc.

2.5. **PURCHASING**

2.5.1. Purchasing Process

2.5.1.1. LAMOTHERMIC ensures that purchased items or services conform to specified requirements, including customer-designated sources when required.

2.5.1.2. LAMOTHERMIC:

a) maintains a register of approved suppliers in the ERP system when applicable
b) takes necessary actions when dealing with suppliers that do not meet the requirements
c) ensures, where required, that both LAMOTHERMIC and all suppliers use customer-approved special process sources
d) ensures that the function having responsibility for approving supplier quality systems has the authority to disapprove the use of sources

2.5.2. Purchasing Information

2.5.2.1. Purchasing information describes the item or service to be purchased, including, where appropriate:

a) Requirements for approval of product, procedures, processes, services and equipment
b) Customer directed approved special process sources
c) Requirements for qualification of personnel
d) Requirements for test, examination, inspection and related instructions for acceptance by LAMOTHERMIC;
e) Quality management system requirements

2.5.2.2. Purchase orders are to be reviewed to establish that all information is correct to ensure the adequacy of specified purchase requirements.

2.5.3. Verification of Purchased Product

2.5.3.1. Lamothermic has established and implemented the inspection or other activities as necessary for ensuring that purchased items or services meet specified purchase requirements.

2.5.3.2. When the need for on-site inspection is determined, such inspection requirements will be clearly stated in the purchase order.

2.5.3.3. The method of product release will also be contained in the purchase order.

2.6. Production and Service Provision

2.6.1. Control Of Production and Service Provision

2.6.1.1. Controlled conditions shall include, as applicable:

a) The availability of documented information that describes the characteristics of the product
b) The availability of work instructions and procedures
c) The use of suitable equipment
d) The availability and use of monitoring and measuring devices
e) The implementation of monitoring and measurement of the product
f) The implementation of release, delivery and post-delivery activities

2.6.2. Validation of Processes for Production and Service Provision (Special Processes)

2.6.2.1. It is the responsibility of Engineering to validate the capability of special processes. Special processes are production or service processes for which the output results cannot be verified through inspection or testing. These validations shall confirm that specified results are met. The control of special processes shall include acceptance criteria, necessary equipment and qualified personnel, operating instructions and required records. Revalidation shall be performed as required.

2.6.3. Identification and Traceability

2.6.3.1. Procedures are established for the identification of product at receiving, during all stages of production, test, inspection, storage, delivery, installation and servicing as applicable. This identification shall define the product as well as the required data for traceability.

2.6.4. Customer Property

2.6.4.1. LAMOTHERMIC exercises care with customer property, including intellectual property, customer furnished personal data and data used for processing, manufacturing, tooling, sampling, repairing, installation, assembly and inspection, while it is under the control or being used by the company.

3.5.4.1 Customer property is identified, verified for quantity and condition, recorded and placed in a protected environment. If any customer property is lost, damaged or otherwise found to be unsuitable for use, this is immediately reported to the customer for disposition.

3.5.5 Preservation of Product

3.5.5.1 LAMOTHERMIC preserves the conformity of customer and internal items or products during internal processing of identification, handling, storage, packing, and delivery to the intended destination.

3.6 Control of Monitoring and Measuring Devices

3.6.1. Lamothermic Corp identifies the measurements to be made and the measuring and monitoring devices required to provide evidence of conformity of product to specified requirements as required.

3.6.2. The Quality Assurance Manager, or designee, maintains an Equipment Calibration Log of these monitoring and measuring devices, which includes equipment type, unique identification, and frequency of checks.

3.6.3. Where necessary, measuring and monitoring equipment will:

a) Be calibrated or verified at specified intervals, or prior to use, against measurement standards traceable to international or national measurement standards; where no such standards exist, the basis used for calibration or verification will be recorded
b) Be recalibrated as necessary
c) Be identified through a recall system for calibration status
d) Be safeguarded from adjustments that would invalidate measurements
e) Be protected from damage and deterioration during handling, maintenance and storage

3.6.4. The Quality Assurance Manager, or designee, assesses and records the validity of the previous measuring results when the equipment is found not to conform to requirements. Management will take appropriate action on the equipment and any product affected and may contact customers if results were found to be significantly out of tolerance affecting proper operation. Records of the results of calibration and verification are maintained by Quality Assurance. (Computer software calibration not applicable)

Section QM-08

MEASUREMENT, ANALYSIS AND IMPROVEMENT

1.0 MEASUREMENT, ANALYSIS AND IMPROVEMENT

1.1. LAMOTHERMIC has implemented the monitoring, measurement, analysis and improvement processes needed to:

a) Demonstrate conformity of the product or service provided

b) Ensure conformity of the quality management system

c) Continually improve the effectiveness of the quality management system

1.2. This includes determination of applicable methods, including trend analysis. Performance is continually monitored through the quality management system with reports for review.

2.0 MONITORING AND MEASUREMENT

2.1. Customer Satisfaction

2.1.1. Measurement of customer satisfaction is a vital tool and is continually monitored by LAMOTHERMIC as to whether we have been successful in fulfilling the perceptions and/or requirements defined by the customer.

2.1.2. Customer information is collected, analyzed, and evaluated for necessary changes, resolution, customer satisfaction, etc. Customer related information is collected from any of the following, but not limited to:

a) Customer feedback, verbally or through documentation

b) Customer requirements, as defined in the contract

c) Delivery schedules being met

Customer satisfaction coming from information such as returns, complaints, direct communication, writing or verbal, are also analyzed and submitted to the Quality Management Team

2.2. Internal Audit

2.2.1. LAMOTHERMIC conducts internal audits to determine whether the quality management system:

a) Conforms to the quality management system requirements established by LAMOTHERMIC

b) Is effectively implemented and maintained

2.2.2. Internal Audits verify the implementation and measure the effectiveness of the Lamothermic's total quality performance. Trained and qualified personnel who do not have direct responsibility for the activities being audited conduct audits. All elements of the quality system are audited.

2.2.3. When an Audit identifies significant failures and/or recommends immediate remedial action, it is the responsibility of the related department manager to complete any corrective or preventive actions on time.

2.2.4. Follow-up activity includes the verification of the actions taken and the reporting of verification results verifies that all necessary corrective actions are effective.

2.3. Monitoring and Measurement of Processes

2.3.1. LAMOTHERMIC applies suitable methods for monitoring and, where applicable, measurement of the quality management system processes. These methods demonstrate the ability of the processes to achieve planned results. Correction and corrective action is taken as appropriate, when planned results are not achieved to ensure conformity of product requirements and the effectiveness of the Quality Management System.

2.4. Monitoring and Measurement of Product

2.4.1. LAMOTHERMIC monitors and measures the characteristics of the product or process to verify that requirements are fulfilled. This is carried out at appropriate stages of the product realization process.

2.4.2. Inspection and testing is carried out at specified stages to verify that the product/process meets or exceeds the specified requirements and includes acceptance/rejection criteria.

2.4.3. Inspection and Test Records

Inspection and test records clearly indicate the pass or fail status including the employee ID, the inspector or inspecting authority. Product release and service delivery will not proceed until all planned arrangements have been satisfactorily completed unless otherwise approved by Management and where applicable by the customer. Evidence of conformity with the acceptance criteria is maintained.

2.5. Control of Nonconforming Product

2.5.1. LAMOTHERMIC ensures that product or process that does not conform to product requirements is identified and controlled to prevent its unintended use or delivery.

2.5.2. The controls and responsibility for identifying nonconforming product, and the authority to order its disposition, are contained in the Lamothermic Procedure Manuals.

2.5.3. Nonconformity Review and Disposition

a) Nonconforming product may be identified at any inspection stage of the process and, when identified, is held, recorded, re-inspected and disposed of in an approved manner by the MRB consisting of Executive Management and Department Supervisors. The disposal method may be one of the following:

- Rework the product to conform to specifications
- Repair the product to meet requirements for intended use
- Use as is
- RTV (Return to Vendor)
- Scrap

b) Any reworked and/or repaired product or materials will be re-inspected before reintroduction into the production process. Any product or materials that are classified as unacceptable for rework or repair are disposed of in an approved manner.

c) When a nonconforming product is detected after delivery or use has started, LAMOTHERMIC will take action in a timely manner-reporting product that may affect reliability or safety.

d) Records are maintained on nonconforming product and materials. The occurrence, nature, extent, and disposal of the failure is recorded and maintained.

2.6. Analysis of Data

2.6.1. LAMOTHERMIC determines, collects and analyzes appropriate data to demonstrate the suitability and effectiveness of the quality management system and to evaluate where continual improvement of the quality management system can be made. This includes data generated as a result of monitoring and measurement and from other relevant sources.

2.6.2. The analysis of data provides information relating to:

a) Customer satisfaction

b) Conformance to product requirements

c) Characteristics and trends of processes and products including opportunities for preventive action

2.7. Improvement

2.7.1. Continual Improvement

LAMOTHERMIC continually improves the effectiveness of the quality management system through the use of the quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.

2.7.2. Corrective Action

The purpose of corrective action shall be the prevention of recurrence of nonconformities. The corrective action taken shall be appropriate to the importance of the problem or nonconformity with the requirements defined in an establish procedure.

Specific procedures developed for corrective action:

a) The review of customer complaints and other reports of product nonconformity
b) Determine causes of nonconformities
c) Evaluate the need for action to ensure prevent recurrence
d) Determine and implement corrective action needed
e) Record results of action taken
f) Review the effectiveness of the corrective action taken

2.7.3. Preventive Action

LAMOTHERMIC determines action to eliminate the causes of potential nonconformities in order to prevent their occurrence. Preventive actions are appropriate to the effects of the potential problems.

Specific procedures developed for preventive action have been defined to:

a) Determine potential nonconformities and their causes
b) Evaluate the need for preventive actions to correct potential nonconformities
c) Determine and implement the actions needed
d) Monitor and review any preventive action taken to assess its effectiveness

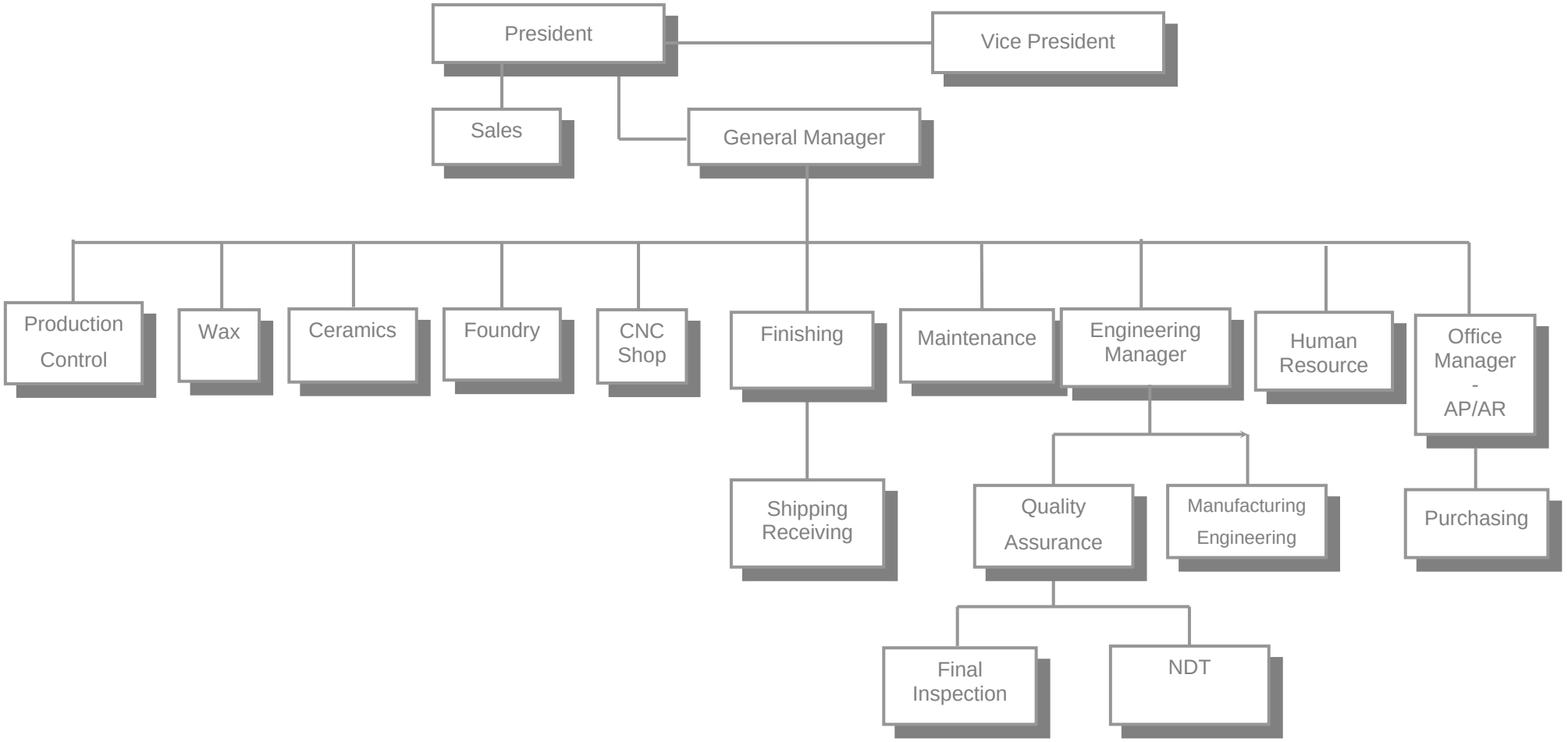
ADDENDUM 1

QUALITY POLICY

LAMOTHERMIC is dedicated to providing products and services that consistently meet our customer specified requirements. We are committed to achieving customer satisfaction through excellent customer service, workmanship, teamwork and continuous improvement to our manufacturing and the quality management system.

Lamothermic Corp.
Precision Investment Casting

ADDENDUM 2 ORGANIZATION CHART



ADDENDUM 3 QMS INTERACTION PROCESSES