TB PHILLY, INC.
400 Thoms Dr Suite 411
Phoenixville, Pa 19460

QUALITY MANUAL

Rev. 10
2013

This manual is the property of
TB Philly, Inc.
It is under a controlled distribution system.

This Quality Manual sets forth the quality system policies and defines compliance with the ISO-9001:2008 requirements.

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PURPOSE

TB Philly, Inc's quality management system complies with the ANSI/ISO/ASQC Q9001:2008 Quality Management System Requirements.

The purpose of this manual is to:

- Describe TB Philly, Inc. quality management system
- Define responsibilities, authorities, and the interrelationships of the key operating management segments
- Provide the direction for each of the functional activities
- Provide controls that ensure the requirements for quality will be met.

The manual is divided into sections that relate directly to the applicable elements of the ANSI/ISO/ASQC Q9001:2008 standard.

This manual is also used for external purposes such as third party audits and to provide customers with information concerning the quality system in place at TB Philly, Inc.

COMPANY OVERVIEW

TB Philly, Inc. was established January 1995 by Anthony Bartle and Peter Reardon. The company started out located in Norristown, Pa. in a 5,000 sq ft garage then moved to King of Prussia, Pa. TB Philly, Inc. is currently located in Phoenixville, Pa. TB Philly, Inc. now operates out of a 48,600 sq ft modern infrastructure. The company has grown from 2 employees to approximately 40 employees. OEM, Window & Door, & construction are among the various industries served.

1. SCOPE

The distribution and technical support of sealants, waterproofing, and masonry/concrete products, including blending/tinting services. The converting of window and door gasketing materials.

The facilities included in the scope of this quality management system are located at:

400 Thoms Dr Suite 411
Phoenixville, Pa 19460

TB Philly, Inc. is claiming exclusions to two standard requirements:

- 7.3 Design and Development – TB Philly, Inc. produces products to its customers' designs. We do not participate with the customer in the design process, design responsibility remains with the customer in all cases.
- 7.5.2 Validation of Processes for Production and Service Provision – There are no processes utilized by TB Philly, Inc. for which final inspection is not performed. There are no processes used that do not practically lend themselves to final inspection.

2. REFERENCES

ANSI/ISO/ASQ Q9001:2008 Quality Management System Requirements

3. TERMS AND DEFINITIONS

- Appropriate Management: President, Vice Presidents and all levels of Management.
- Contract: An accepted order from the customer.

- Continual improvement: Process of enhancing the quality management system to achieve improvements in overall quality and environmental performance in line with the organization's quality policy.
- Controlled Document: Any document that affects the quality of the product and is reviewed and approved prior to release for use or reference.
- Customer: The recipient of a product provided by the organization.
- Organization: The organization that provides a product is TB Philly, Inc.
- Policy: Statement by the organization of its intentions and principles in relation to its overall quality performance which provides a framework for action and for the setting the organization's quality objectives and targets.
- Process: A set of interrelated resources and activities that transform inputs into outputs.
- Process Leader: Person with primary process responsibility to document and maintain its procedures, work instructions, and forms; to control quality records; and to train process users. Selected by management based upon primary job responsibilities.
- Product: The result of activities or processes.
- Proposal: Offer or quote made by an organization in response to a request for quote to satisfy a contract to provide product.
- Supplier: The organization that provides a product to an organization; also referred to as a vendor.

4. QUALITY MANAGEMENT SYSTEM

4.1 GENERAL REQUIREMENTS

A company-wide quality system has been established, documented, implemented and maintained by the management of TB Philly, Inc. as a means to ensure product conformance to specified requirements and continued compliance to ISO-9001. TB Philly, Inc. documents its quality system utilizing the following hierarchy:

Quality Manual M42-1: Level 1 document that provides a general overview of the Quality System and defines the quality policy. The Quality Manual is divided into sections corresponding to each of the elements of ISO-9001 Quality System Requirement.

Quality Procedures: Level 2 documents that provide more detailed explanation of the Quality System elements and detail the structure of the quality system.

Work Instructions: Level 3 documents that provide step-by-step instructions on how activities are to be carried out.

Quality Forms and Records: Level 4 documents or data that contain the information, charts, checklists, or other form of records as evidence to demonstrate conformance to specified requirements and the effective operation of the Quality System.

In the course of developing this documented quality management system TB Philly, Inc.

- Identified the necessary processes and their application (see attachment 9.2)
- Determined the sequence and interaction of these processes (see attachments 9.2 & 9.3)
- Defined methods for evaluating the effectiveness of these processes through quality policy, quality objectives, management review and analysis of data.
- Ensured availability of resources
- Established corrective and preventive action and continual improvement processes

The Document Map and Process Sequence & Interaction attachments, sections 9.2 and 9.3 of this manual, identify the processes used to implement TB Philly, Inc.'s quality management system and their sequence and interaction.

4.2 DOCUMENTATION REQUIREMENTS

4.2.1 General

The responsibility to develop and effectively implement quality system procedures is held by the Process Leaders of each Level II procedure. Procedure details depend upon the complexity of the work, methods used, and the skills and training needed by personnel to carry out the activity.

At a minimum, the quality management system includes:

- Documented quality policy and objectives
- Quality manual
- Documented procedures required by ISO-9001
- Documents identified by the organization as necessary to ensure quality
- Records required by ISO-9001

All Level 1 and Level 2 controlled documents receive final approval from the Process Leader and the ISO Management Representative.

All management affected by the controlled documents are responsible to ensure that their personnel are adequately informed and trained, as necessary, to ensure the proper implementation of the procedure. Procedures and quality records may be created and/or maintained in the form of paper copy, electronic copy, or in other media as deemed appropriate.

4.2.2 Quality Manual

TB Philly, Inc. has established and maintains a quality manual M42-1 that includes:

- The scope of the quality management system including exclusions, defined in section 1. TB Philly, Inc. is claiming exclusions for elements 7.3 and 7.5.4 at this time.
- Documented procedures established for the quality management system are referenced in the Quality System Map (section 9.2).
- Description of the interaction between quality management system processes is defined, in general, in the Quality System Map (section 9.2) and Process Sequence & Interaction (section 9.3) and in detail in the level II documents.

4.2.3 Control of Documents

TB Philly, Inc. has established and maintains procedures P42-1 and P42-3 to control all documents and data that relate to the requirements of ISO-9001, including documents of external origin, such as standards and electronic media.

The Level 1 and 2 Quality System Map (Section 9.2) outlines the procedures and documents within the Quality System and serves as the master list for Level I and Level II documents.

The Quality Manual defines the policies and structure of the Quality System.

Quality Procedures describe work processes and how specific ISO-9001 requirements are met. Quality procedures are typically defined using a flowchart format.

Work Instructions define how a particular work process or part of a process is performed when the absence of such instructions would adversely affect quality.

Quality Records, (including forms, reports, and computer-stored data) provide evidence of the effectiveness of the Quality System.

External Documents – TBP has identified the following external documents used in our process:

Formula Books Tinting
Model 1220P 40 Ton Hydraulic Press Operator and Service Manual
LS6200 Slitting Machine Technical Manual Model LS62180E/LS62220E

Quality System documents may be initiated by anyone, and are issued after review and approval by authorized personnel. All documents are reviewed for adequacy prior to issue.

- Level 1 (Quality Manual) - Approved by the President and Management Representative
- Level 2 (Quality System Procedures) – Approved by the Process Leader and the Management Representative
- Level 3 (Work Instructions) - Approved by the Process Leader
- Level 4 (Forms) - Approved by the Process Leader

A master lists of controlled documents is maintained. It identifies the current revision, and is readily available to preclude the use of invalid and/or obsolete documents.

Documents are distributed to personnel and locations where they are used. Invalid or obsolete documents are removed from points of use to prevent unintentional use. Any obsolete documents retained for legal or knowledge preservation purposes are suitably identified.

Document changes are reviewed and authorized by the same function or department that issued the original document, unless specifically designated otherwise. Designated functions have access to pertinent background information upon which to base their review and approval.

4.2.4 Control of Records

P42-4 is a documented procedure for identification, collection, indexing, filing, storage, retention and disposition of quality records.

Quality records are maintained to demonstrate conformance to specified requirements and the effective operation of the Quality System. Pertinent supplier quality records are an element of these data.

All quality records are legible and are stored and retained in such a way that they are readily retrievable in facilities that provide a suitable environment to prevent damage or deterioration and to prevent loss.

Retention time of quality records is established and recorded.

Quality records are identified on the cover page of each Level 2 procedure and may be in the form of any type of media, such as hard copy or electronic.

5. MANAGEMENT RESPONSIBILITY

5.1 MANAGEMENT COMMITMENT

TB Philly, Inc.'s management demonstrates its commitment to the development and implementation of the quality management system, and its continual improvement, by:

- Communicating to the organization the importance of complying with customer, regulatory and statutory requirements
- Establishing and communicating the quality policy
- Establishing, communicating and enforcing quality objectives
- Conducting management reviews
- Providing for necessary resources

5.2 CUSTOMER FOCUS

TB Philly, Inc. is intent on meeting all customer expectations and requirements, and maintains a documented procedure (P82-1) for determining the level of customer satisfaction through customer surveys.

5.3 QUALITY POLICY

TB Philly, Inc. top management has established and ensures that the quality policy:

- Is appropriate to the purpose of the organization
- Includes a commitment to comply with the requirements and continually improves the effectiveness of the quality management system
- Provides a framework for establishing and reviewing quality objectives
- Is communicated and understood throughout the organization
- Is reviewed for continuing suitability

Quality Policy

PREMIUM SERVICE AND COMPLETE SATISFACTION ARE THE FOUNDATION OF OUR COMPANY. TB PHILLY, INC. WILL MAKE EVERY EFFORT TO PROVIDE OUR CUSTOMERS WITH THE PRODUCTS NEEDED TO FULFILL THEIR PROJECT NEEDS. OUR FLEXIBLE PRODUCTION FACILITY ALLOWS US TO MEET OUR CUSTOMER REQUIREMENTS QUICKLY AND ACCURATELY. WE USE OUR QUALITY MANAGEMENT SYSTEM TO CONTINUALLY IMPROVE OUR PRODUCTS, PROCESSES AND SERVICE TO OUR CUSTOMERS. TB PHILLY, INC'S SALES STAFF AND RESPONSIVE CUSTOMER SERVICE TEAM WILL PROVIDE EXCELLENT SERVICE AND SUPPORT AFTER THE SALE.

5.4 QUALITY PLANNING

5.4.1 Quality Objectives

TB Philly, Inc. top management has established quality objectives, including those necessary to meet product requirements, at all relevant functions and levels within the organization. The quality objectives are measurable and consistent with the quality policy. Strategic quality objectives are summarized as:

- Use of Quality Materials
  - Measured through MAS200's (TBP's Software) Purchase Order Entry under Vendor Performance Option with an acceptance rate of 96% or better.
- Customer Satisfaction – Surveys
  - Measured by a rating of Satisfactory or better on 98% of the surveys
- On Time Delivery – Stats
  - Measured by system report, +/- 1 day delivery time on 98% of customers orders
- Fast Turn Around on Customer Quoting
  - Measured by system report, 72 hour turnaround time on 96% of the quotes
- Measuring Acceptance Rate Through RMA (Return of Material Authorization)
  - Measured by Return Reason Codes not subject to our sales policy with a 98% acceptance rate.

TB Philly, Inc. quality objectives are defined and reviewed periodically in Management Review (P56-1). Performance against these objectives is evaluated during management review meetings and documented in meeting minutes.

5.4.2 Quality Management System Planning

TB Philly, Inc. top management ensures that:

- The planning of the quality management system is implemented by Senior Management and carried out by Process Leaders and other TB Philly, Inc. employees in order to meet the requirements given in section 4.1 as well as the quality objectives.
- The integrity of the quality management system is maintained when changes to the quality management system are planned and implemented. TB Philly, Inc. manages changes to its QMS through Document Control (P42-1 through P42-4) and Training (P62-1, P62-2) processes. TB Philly, Inc. monitors its change performance through Internal Audit (P82-2) and Management Review (P56-1) processes.

5.5 RESPONSIBILITY, AUTHORITY AND COMMUNICATION

5.5.1 Responsibility and Authority

As outlined in the organizational chart, attachment 9.1, the Vice President has delegated to the General Manager the freedom and authority to manage, perform and verify work affecting quality at TB Philly, Inc. Specific authorities for the Vice President and his delegates include:

General Manager

- Assure the overall quality of TB Philly, Inc. products and services
- Assign organization authorities required to ensure compliance with the quality system defined in this manual

Management Representative

- Perform the function of the ISO Management Representative as appointed by the General Manager
- Ensure the quality system is established and maintained throughout the organization
- Develop and maintain relevant Quality System procedures intended to ensure products meet all customer specifications

Managers

- Lead and initiate actions to prevent the occurrence of any nonconformities relating to product, process, and Quality System

- Ensure the Quality System is maintained through appropriate audits, tests, inspections, and surveys
- Review organizational requirements and provide recommendations for changes
- Report quality and nonconformance data and trends
- Maintain methods for appropriately identifying and tracing product
- Identify resources to maintain the Quality System

All Employees

- Understand and support the Quality Policy and the appropriate elements of the Quality System for their areas of work
- Dedicate efforts to the reduction, elimination and prevention of quality deficiencies
- Initiate action to prevent the occurrence of nonconformities related to product, process, and Quality System

Responsibility for each element specific process of ISO-9001 is defined on the Quality System Map (see Attachment 9.2).

5.5.2 Management Representative

TB Philly, Inc. has assigned the position of Management Representative to the Operations Specialist. In the capacity of Management Representative this position reports directly to the General Manager. Irrespective of other responsibilities the Management Representative has the authority, delegated by the General Manager to:

- Ensure the Quality System is established, implemented, and maintained in accordance with ISO-9001 requirements
- Evaluate and report on the performance of the Quality System to management for review and as a basis for improvement of the Quality System
- Ensure the promotion of awareness of customer requirements throughout the organization

All TB Philly, Inc. employees are required to know to whom the responsibility of Management Representative has been assigned.

5.5.3 Internal Communication

TB Philly, Inc. has processes in place that ensure effective management of activities from sales order entry through production. Our company uses a multi-disciplinary approach for decision making and has the ability to communicate necessary information and data regarding the effectiveness of the quality system.

A method for internal communication includes, but is not limited to:

- Meetings
- Memos
- Emails
- Equation ASP

5.6 MANAGEMENT REVIEW

5.6.1 General

TB Philly, Inc. top management reviews the quality system at planned intervals, according to procedure P56-1, to ensure its continuing suitability and effectiveness in relation to ISO-9001 and this quality manual. Management representing each functional area performs this review that includes assessing opportunities for improvement and the need to change the quality management system, including the quality policy and objectives.

Records of management reviews are maintained.

5.6.2 Review Input

The activities reviewed during management review meetings include, but are not limited to the following:

- Internal audit status
- Corrective & preventive action summary
- Delivery performance
- Customer feedback, complaints
- Operations performance metrics
- Recommendations for improvement
- Previous management review activities
- Changes that could affect the quality management system

5.6.3 Review Output

The output from management review meetings include decisions and actions relating to:

- Improvement of the effectiveness of the quality management system and its processes
- Improvement of the product related to customer requirements
- Resource needs

6. RESOURCE MANAGEMENT

6.1 PROVISION OR RESOURCES

Management has the responsibility and authority to ensure there are adequate resources to support the Quality System throughout their functional area of responsibility. Each member of management is to provide adequate resources to:

- Implement and maintain the quality management system and continually improve its effectiveness
- Enhance customer satisfaction by meeting customer requirements
- Place trained personnel in the right place at the right time to ensure TB Philly, Inc. meets its company goals and objectives

6.2 HUMAN RESOURCES

6.2.1 General

The competence of personnel performing work affecting product quality is determined based on appropriate education, training, skills and experience.

6.2.2 Competence, Awareness and Training

TB Philly, Inc. has established and maintains documented procedures, P62-1 and P62-2, for identifying training needs and providing for the training of all personnel performing activities affecting quality. These procedures include:

- Determining the necessary competence of personnel performing work affecting quality
- Providing training or other actions to meet these competency needs
- Evaluation of the effectiveness of the training and other actions taken are evaluated during the periodic performance evaluation process
- Ensuring that personnel are aware of the importance of their activities and how they contribute to the achievement of quality objectives

Appropriate records of training are maintained.

6.3 INFRASTRUCTURE

TB Philly, Inc. management utilizes a systematic approach to facilities, equipment, and process planning, to optimize performance. Resources and systems are maintained to effectively develop and manage all tooling. Capability requirements are reviewed during the quotation process to ensure an accurate quoting process.

6.4 WORK ENVIRONMENT

TB Philly, Inc. has determined and manages the work environment to assure its suitability for achieving conformity to product requirements.

7. PRODUCT REALIZATION

7.1 PLANNING OF PRODUCT REALIZATION

The quality planning requirements for individual customer requirements, related processes and supporting documentation are described in the Level II procedures for each process (see Quality System Map, section 9.2), for example, this quality manual, the quotation review procedure, purchasing procedure and other process procedures.

If a particular customer request cannot be fulfilled by the existing procedures, quality plans are created to ensure that the specific requirements are met. Quality plans are consistent with all other requirements of the Quality System. Consideration shall be given to the resources or skills required to meet specified requirements whenever there is a significant change to an existing product, process, test, inspection, verification, measurement.

The quality planning process, when initiated, shall provide for the following:

- Identification and acquisition of necessary controls, equipment, fixtures, resources and skills needed to achieve business goals and objectives.
- Provision for procedures, work instructions, inspections, tests, etc. to ensure product is manufactured to customer expectations and requirements.
- Updating test and inspection equipment and techniques.
- Clarification of all acceptable standards of features and requirements of finished product.
- Identification and preparation of quality records.

7.2 CUSTOMER-RELATED PROCESSES

7.2.1 Determination of Requirement Related to the Product

The determination of the requirements relating to the product includes:

- Requirements specified by the customer, including delivery and post-delivery
- Requirements not specified by the customer but necessary for intended use, where known
- Statutory and regulatory requirements relating to the product
- Additional requirements determined by the organization

7.2.2 Review of Requirements Related to the Product

The Quotation procedure P72-1 and Order Entry procedure P72-2 were established to ensure customer requirements and amendments to these requirements are communicated in a controlled manner.

The Quotation and Order Entry procedures require the appropriate review of each proposal, contract, or order to ensure that:

- Customer requirements and contract scope are adequately defined and documented.
- All terms and conditions of sale are clearly defined and documented.
- Any contract or accepted order requirements differing from those in the quotation tender are resolved, documented, and acknowledged by the customer.
- Both TB Philly, Inc. and the customer have the capability to meet the contract or accepted order requirements.
- Proprietary information is adequately protected.
- Adequate definition of the responsibilities of both TB Philly, Inc. and the purchaser including specification, acceptance, and related support activities

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Amendments to the order or customer's specification are handled and correctly transferred to the concerned functions within the company utilizing documented procedures and confirmed with the customer.

Where the customer provides no documented statement of requirements, the customer requirements are confirmed by TB Philly, Inc. prior to acceptance.

Records of contracts, contract reviews, proposals and contract amendments are maintained in the customer file.

7.2.3 Customer Communication

TB Philly, Inc. has determined and implemented effective arrangements for communicating with customers through customer service representatives in relation to:

- Product information
- Inquiries, contracts or order handling, including amendments
- Customer feedback, including customer complaints

7.3 DESIGNS AND DEVELOPMENT

"Out of Scope"-TB Philly, Inc. is claiming an exclusion to standard requirement 7.3 Design and Development. TB Philly, Inc. builds products to its customers' designs. While TB Philly, Inc. may participate with the customer in the design process, design responsibility remains with the customer in all cases.

7.4 PURCHASING

7.4.1 Purchasing Process

Procedures are established and maintained to ensure that services and products in the production of TB Philly, Inc. products, which contribute to the quality of the product, conform to specified requirements.

TB Philly, Inc. procedures ensure suppliers and contracted services, which impact product quality (directly or indirectly), are assessed and selected based on their ability to meet company specified requirements. The assessments are documented. Procedure P74-1 for evaluation of suppliers includes monitoring of delivery, quality, and any other items required on the purchase order.

Our company maintains a list of suppliers approved to supply materials and services that directly affect product quality. The list of approved suppliers is maintained and updated as described in documented procedures (P74-1).

Suppliers are approved based on one or more of the following:

- Price
- Quality
- Delivery
- Lead Time
- Sample material

7.4.2 Purchasing Information

According to procedure P74-2 purchasing documents clearly and completely describe ordered products. Purchasing documents clearly define, where appropriate:

- Material requirements and may include reference to applicable drawings, schematics, inspection instructions, relevant technical data and quality system standards.
- Applicable quality management system requirements

Purchasing reviews and approves all purchasing data for adequacy and completeness prior to release to suppliers.

7.4.3 Verification of Purchased Product

Verification of Purchased Product is defined in procedure P74-3.

Where TB Philly, Inc. or the customer requires verification of purchased product at the supplier's premises (source inspection), purchasing documents will define the verification arrangements and the method of quality release.

Purchased and customer supplied products and services are prevented from use until the required verifications are conducted and the product or service is verified as conforming to specified requirements. Incoming product is inspected prior to release to production.

Verification of the specified requirements is in accordance with the quality plan or documented procedures. TB Philly, Inc. utilizes receiving inspection as the methodologies to ensure incoming product meets requirements.

The amount and nature of the verification activities is dependent on the level of control exercised at the supplier's site and the recorded evidence of conformance provided.

TB Philly, Inc. does not permit the early release of incoming material for urgent production purposes prior to verification.

If specified in the contract, TB Philly, Inc. customers have the right to verify at the supplier facilities that the product conforms to specified requirements.

- Customer verification does not preclude subsequent rejection by the customer
- Customer verification is not sole evidence of effective control of quality.

7.5 PRODUCTION AND SERVICE PROVISION

7.5.1 Control of Production and Service Provision

TB Philly, Inc. has established documented procedures P75-1, P75-2, P75-3 & P75-7 which plans and carries out production under controlled conditions, which include, as applicable:

- Scheduling for production
- Availability of product characteristic description information such as drawings & schematics
- Availability of work instructions, where the absence would adversely affect quality
- Use of suitable equipment
- Availability and use of measuring devices
- Implementation of measuring processes where required to assure product quality
- Implementation of suitable release, delivery and post-delivery activities.

7.5.2 Validation of Processes for Production and Service Provision

TB Philly, Inc. is claiming exclusions to standard requirement 7.5.2 Validation of Processes for Production and Service Provision. There are no processes utilized by TB Philly, Inc. for which final inspection is not performed. There are no processes used by TB Philly, Inc. that do not practically lend themselves to final inspection.

7.5.3 Identification and Traceability

Documented procedure P75-4 describes how raw material, in-process items, and finished goods are uniquely identified.

Traceability is not currently required for any of the products supplied by TB Philly, Inc.

Inspection and test status for all products is identified by suitable means as defined in documented procedure. The status identified indicates the conformance or nonconformance of product with regard to inspection and tests performed.

7.5.4 Customer Property

TB Philly, Inc. does not currently handle customer property**.** If the case arises where this happens we will develop a plan to preserve the integrity of customer owned property.

7.5.5 Preservation of Product

TB Philly, Inc. has established documented procedure P75-5 for preventing damage to material, work-in-process and finished product through handling, storage, packaging, preservation and delivery.

7.6 CONTROL OF MONITORING AND MEASURING DEVICES

TB Philly, Inc. has established a documented procedure P76-1 to control, verify, and maintain inspection, measuring, and test equipment used to demonstrate the conformance of product to the specified requirements.

Inspection, measurement and test equipment is used in a manner that ensures that measurement uncertainty is known and consistent with required measurement capability.

For all test equipment used for product verification TB Philly, Inc.

a) Selects the device based upon the measurements to be made and the accuracy and precision required
b) Documents the basis used for calibration in situations where no standard exists for calibration
c) Identifies, verifies, and labels the device prior to use and re-verifies the device at prescribed intervals
d) Provides instructions for calibration method and frequency
e) Safeguards all test equipment against misuse, environmental changes that could affect calibration accuracy, unintended access or changes that would invalidate the verification status of the systems.

f) Equipment is calibrated using standards having a known valid relationship to internationally or nationally recognized standards (NIST).
g) Equipment is handled, stored and preserved in a manner such that the accuracy and fitness for use are maintained

Records of all calibration activities for inspection, measurement and test equipment are maintained.

8. MEASUREMENT, ANALYSIS AND IMPROVEMENT

8.1 GENERAL

TB Philly, Inc. plans and implements the monitoring, measurement, analysis and improvement processes needed to:

- Demonstrate conformity of the product
- Ensure conformity of the quality management system
- Continually improve the effectiveness of the quality management system

This includes determination of applicable methods, including statistical techniques, and the extent of their use.

8.2 MONITORING AND MEASURING

8.2.1 Customer Satisfaction

TB Philly, Inc. is intent on meeting all customer expectations and requirements, and maintains a documented process, P82-1, for determining the level of customer satisfaction.

8.2.2 Internal Audit

Procedures are documented to plan and implement internal quality audits to verify whether quality activities and related results comply with planned arrangements, and to determine the effectiveness of the quality system.

Internal quality audits are scheduled on the basis of the status and importance of the activity to be audited and are carried out by personnel independent of those having direct responsibility for the activity being audited. Housekeeping and work environment conditions are included in the audit.

The results of the audits are recorded and brought to the attention of the personnel having responsibility in the area audited. The management personnel responsible for the area takes timely action to correct deficiencies found during audits.

Follow-up audit activities verify and record implementation of corrective action. The results of internal quality audits form an integral part of the input to management review.

Auditors are qualified and maintain qualification based on defined requirements.

8.2.3 Monitoring and Measurement of Processes

Documented procedures define the methods used for controlling the manufacturing processes and make reference to any applicable instructions utilized to define how work is conducted. Where required, these procedures are available at the workstation.

In general, the effectiveness of processes is evaluated by measuring compliance with the quality policy and quality objectives. The quality policy is stated in section 5.3 and the quality objectives are stated in section 5.4.1 of this manual. TB Philly, Inc. quality objectives are further defined in Management Review (P56-1). Performance against these objectives is evaluated during management review meetings and documented in meeting minutes.

8.2.4 Monitoring and Measurement of Product

Product is inspected and/or tested in order to verify that the specified requirements for the product are met. Required inspection and/or testing, and the records to be established are detailed in the quality plan, and/or documented procedures.

In-process inspection and testing is performed as required by documented procedures P82-3, P82-4, P82-5 & P82-6.

All final testing is conducted in accordance with the quality plan or documented procedures to complete the evidence of conformance of the finished product to the specified requirements.

The quality plan or documented procedures require that:

- In-Process inspections are carried out.
- Final inspection may include accumulation of in-process inspection results, or specific final testing as appropriate
- Final inspection and testing includes the verification that all previous inspection and testing activities, including those specified at receipt of products or in-process, have been carried out with results meeting the specified requirements.

All inspection and testing is recorded and approved by the personnel performing the inspection and/or testing to provide evidence the product has been inspected and/or tested.

- These records show clearly whether the product has passed or failed the inspections and/or tests according to defined acceptance criteria.
- Traceability exists between the test records and the product tested.
- Where the product fails to pass any inspection and/or test, the procedure for control of nonconforming product shall apply.

8.3 CONTROL OF NONCONFORMING PRODUCT

Product that does not conform to specified requirements is prevented from unintended use. Controls are provided for identification, documentation, evaluation, segregation, disposition of nonconforming product, and for notification of the functions concerned.

The responsibility for review and authority for the disposition of nonconforming product is defined in documented procedure P83-1.

Nonconforming product is reviewed in accordance with documented procedures:

- Use-as-is
- Return to supplier
- Scrap

Where required by the contract, the proposed use or repair of product that does not conform to specified requirements is reported to the customer or customer's representative for concession.

The description of a nonconformity that has been accepted "as is" is recorded.

8.4 ANALYSIS OF DATA

Company-level data is used throughout the company to better ensure the ability to meet customer expectations. The Management Review process includes analyzing this data for problem solving and problem prevention purposes.

Trends in company level data are analyzed and compared to overall business goals and objectives. Key product and service features are included in analysis and if deficiencies are noted, action is taken to correct them to ensure customer satisfaction.

Currently, we use the following data:

- Customer Surveys
- Vendor Surveys
- Receiving Results
- RMA
- Non-Conforming Logs

This information is analyzed and discussed in Management Review meetings.

8.5 IMPROVEMENT

8.5.1 Continual Improvement

TB Philly, Inc. management system and practices promote continuous improvement in quality, service and price that benefit all customers.

- Each activity within the company pursues continuous improvement in all aspects of performance, with emphasis on customer-perceived quality, cost, and delivery factors.
- Executive management monitors selected objective indicators of performance in the management review meeting.
- Long-term performance history is periodically evaluated and trends are analyzed in the management review meeting.
- Targets are established based on performance. Priority is given to indicators that do not attain satisfactory customer performance levels.
- Performance is monitored against planned targets. Formal corrective action is initiated when planned targets are repeatedly missed.

8.5.2 Corrective Action

Procedures are documented and maintained to implement corrective actions. Employees, customers and suppliers are encouraged:

- To propose corrective actions to eliminate actual or potential nonconformities
- To continuously improve processes and products

Any corrective action taken to eliminate the causes of actual or potential nonconformities shall be to a degree appropriate to the magnitude of problems and commensurate with the risks encountered.

Any changes to documented procedures resulting from corrective action are implemented and recorded.

The Corrective Action system procedure includes consideration of the following:

- Effective handling of customer complaints and reports of product nonconformance
- Investigation of the cause of nonconformities relating to product, process, and quality system, and recording the results of the investigation
- Determination of the corrective action needed to eliminate the cause of nonconformities
- Application of controls to ensure that corrective action is taken and that it is effective
- Confirmation that relevant information on actions taken is submitted for management review

The typical corrective action will consider the following disciplined problem solving steps:

- Problem statement and description
- Containment (action required to address the immediate problem)
- Root cause
- Long-term solution
- Preventive action
- Monitoring status

8.5.3 Preventive Action

The Preventive Action system procedure includes consideration of the following:

- Use of appropriate sources of information such as design processes and work operations which affect product quality, concessions, audit results, quality records, service reports, root cause analysis, and customer and employee complaints to detect, analyze and eliminate potential causes of nonconformities
- Determination of the steps needed to deal with any problems requiring preventive action
- Initiation of preventive action and application of controls to ensure that it is effective
- Confirmation that relevant information on actions taken is submitted for management review

9. ATTACHMENTS

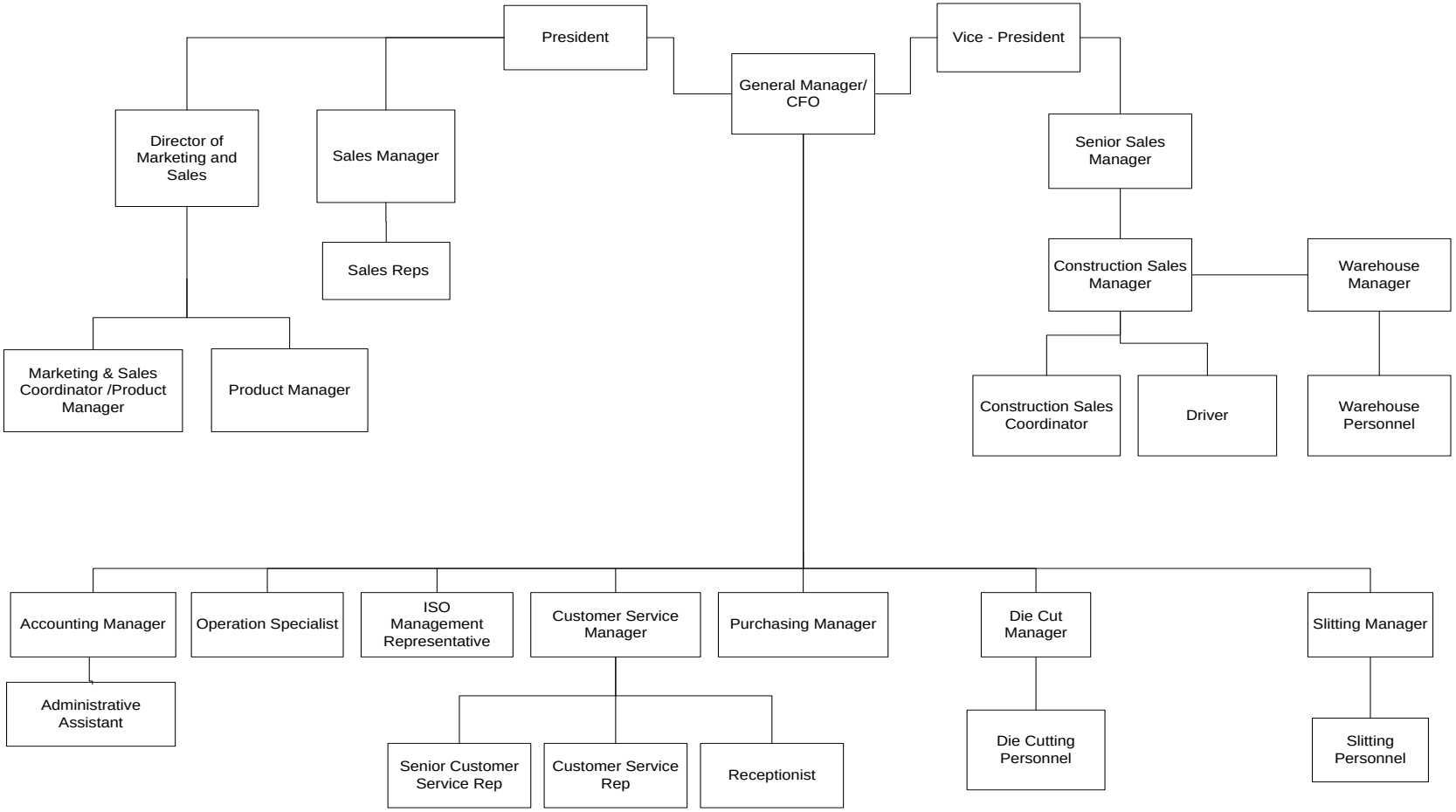
9.1 ORGANIZATION CHART

9.2 QUALITY SYSTEM MAP

9.3 PROCESS SEQUENCE & INTERACTION

9.4 SUMMARY OF CHANGES

9.1
TB Philly, Inc.
ORGANIZATION CHART
2010

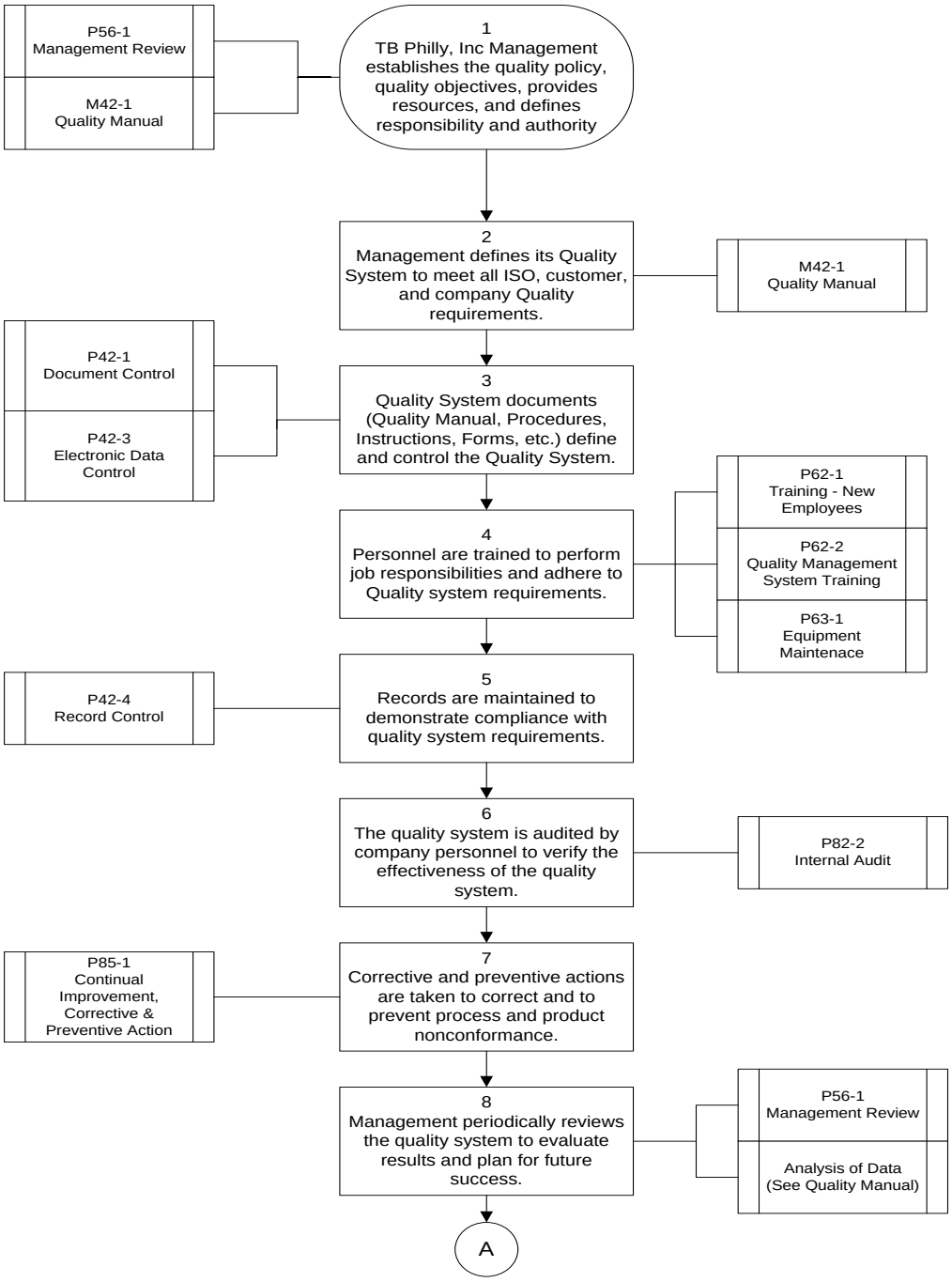


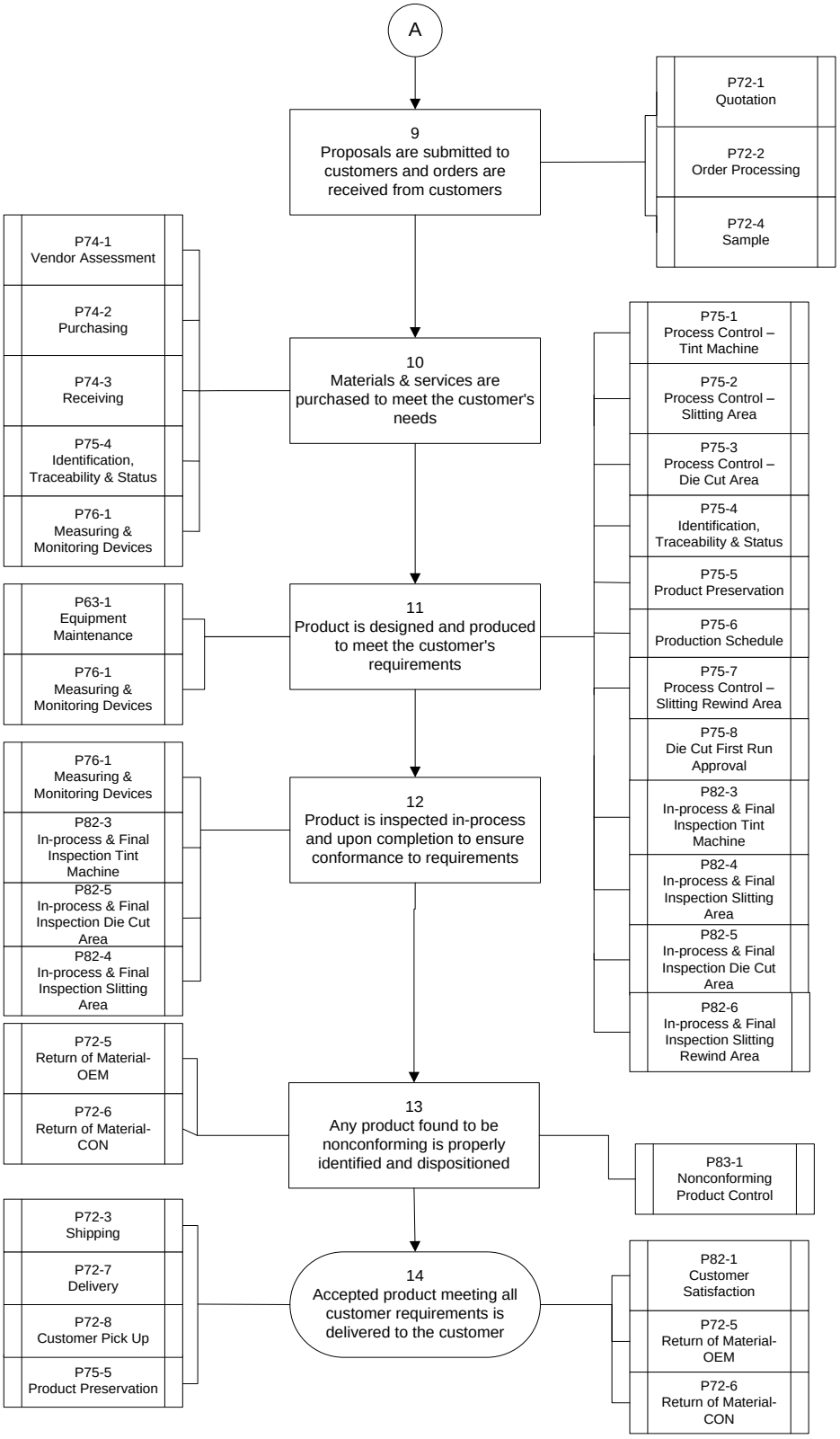
9.2
QUALITY SYSTEM MAP

Document Name	Document Identifier	Process Leader	Element	Process Interaction
4 Quality Management System				
Quality Manual	M42-1	General Manager/CFO	4.2.2	All level 2 documents
Document Control	P42-1	Operations Specialist	4.2.3	
Electronic Data Control	P42-3	Operations Specialist	4.2.3	
Record Control	P42-4	Accounting Manager	4.2.4	
Management Review	P56-1	General Manager	5.6	
6 Resource Management				
Training – New Employees	P62-1	Department Heads	6.2.2	
Quality Management System Training	P62-2	Accounting Manager	6.2.2	
Equipment Maintenance	P63-1	Die Cut/Slitting/Construction Sales Managers	6.3	
7 Product Realization				
Quotation	P72-1	Product Manager	7.2	
Order Processing	P72-2	Customer Service Manager	7.2	
Shipping	P72-3	Warehouse Manager	7.2	
Sample	P72-4	Customer Service Manager	7.2	
Return of Material - OEM	P72-5	Operations Specialists	7.2	
Return of Material - CON	P72-6	Construction Sales Manager	7.2	
Delivery	P72-7	Construction Sales Manager	7.2	
Customer Pick Up	P72-8	Construction Sales Manager	7.2	
Vendor Assessment	P74-1	Director of Marketing & Sales	7.4.1	

Document Name	Document Identifier	Process Leader	Element	Process Interaction
Purchasing	P74-2	Purchasing Manager	7.4.2	
Receiving	P74-3	Warehouse Manager	7.4.3	
Process Control – Tint Machine	P75-1	Construction Sales Manager	7.5.1	
Process Control – Slitting Area	P75-2	Slitting Manager	7.5.1	
Process Control – Die Cut Area	P75-3	Die Cut Manager	7.5.1	
Identification, Traceability & Status	P75-4	Warehouse Managers	7.5.3	
Product Preservation	P75-5	Warehouse Managers	7.5.5	
Production Schedule	P75-6	Senior Customer Service Rep	7.5.1	
Process Control – Slitting Rewind Area	P75-7	Slitting Manager	7.5.1	
Die Cut First Run Approval	P75-8	Die Cut Manager	7.5.1	
Measuring & Monitoring Devices	P76-1	Die Cut/Slitting Managers	7.6	
8 Measurement, Analysis & Improvement				
Customer Satisfaction	P82-1	Customer Service Manager	8.2.1	
Internal Audit	P82-2	Accounting Manager	8.2.2	
In-Process & Final Inspection Tint Machine	P82-3	Construction Sales Manager	8.2.4	
In-Process & Final Inspection Slitting Area	P82-4	Slitting Manager	8.2.4	
In-Process & Final Inspection Die Cut Area	P82-5	Die Cut Manager	8.2.4	
In Process & Final Inspection Slitting Rewind Area	P82-6	Slitting Manager	8.2.4	
Non-Conforming Product Control	P83-1	Director of Marketing & Sales/Construction Sales Manager	8.3	
Analysis of Data	See Quality Manual		8.4	
Continual Improvement, Corrective & Preventive Action	P85-1	Accounting Manager	8.5.1	

9.3
Sequence and Interaction of Processes




A
9
Proposals are submitted to customers and orders are received from customers
P72-1
Quotation
P72-2
Order Processing
P72-4
Sample
10
Materials & services are purchased to meet the customer's needs
P74-1
Vendor Assessment
P74-2
Purchasing
P74-3
Receiving
P75-4
Identification, Traceability & Status
P76-1
Measuring & Monitoring Devices
11
Product is designed and produced to meet the customer's requirements
P63-1
Equipment Maintenance
P76-1
Measuring & Monitoring Devices
P75-1
Process Control – Tint Machine
P75-2
Process Control – Slitting Area
P75-3
Process Control – Die Cut Area
P75-4
Identification, Traceability & Status
P75-5
Product Preservation
P75-6
Production Schedule
P75-7
Process Control – Slitting Rewind Area
P75-8
Die Cut First Run Approval
P82-3
In-process & Final Inspection Tint Machine
P82-4
In-process & Final Inspection Slitting Area
P82-5
In-process & Final Inspection Die Cut Area
P82-6
In-process & Final Inspection Slitting Rewind Area
12
Product is inspected in-process and upon completion to ensure conformance to requirements
P76-1
Measuring & Monitoring Devices
P82-3
In-process & Final Inspection Tint Machine
P82-5
In-process & Final Inspection Die Cut Area
P82-4
In-process & Final Inspection Slitting Area
13
Any product found to be nonconforming is properly identified and dispositioned
P72-5
Return of Material-OEM
P72-6
Return of Material-CON
P83-1
Nonconforming Product Control
14
Accepted product meeting all customer requirements is delivered to the customer
P72-3
Shipping
P72-7
Delivery
P72-8
Customer Pick Up
P75-5
Product Preservation
P82-1
Customer Satisfaction
P72-5
Return of Material-OEM
P72-6
Return of Material-CON

9.4 Summary of Changes

REV	DESCRIPTION OF CHANGE	DATE	CHANGED BY
02	Add External Documents	6/11/09	Lisa Torre
03	Quality Map	7/1/09	Tammy Norris
03	Quality Policy	7/1/09	Tammy Norris
03	Quality Objectives	7/1/09	Tammy Norris
04	Quality Objectives	5/18/10	Lisa Torre
05	Quality Objectives	6/7/10	Tammy Norris
06	Organization Chart	10/22/10	Lisa Torre
07	New Procedure	03/29/12	Lisa Torre
08	Changing ISO 9000 to Correct Term ISO 9001 throughout the manual	6/13/12	Tammy Norris
09	Changed Process Leader on Quotation from Operations Specialist to Product Manager	7/23/12	Tammy Norris
10	New Procedure – P75-8 Die Cut First Run Approval added to Sequence and interaction of processes and Quality Systems Map	8/5/13	Tammy Norris