Approved By: Mike Orsini, Quality Manager

Purpose: To document methods of identifying and dispositioning non-conforming material.

Scope: All non-conforming material received from suppliers or rejected in production lines.

Authority: The Quality Manager has the authority to change or modify this procedure.

Reference Documents and Records

- Policy Element 8.3 Control of nonconforming product
- DMR
- Supplier Corrective and Preventive Action Procedure P8.5.2/3-2
- Quality Records Procedure P4.2.4

Change History

<table>
<thead>
<tr>
<th>Date</th>
<th>Change</th>
<th>Rev</th>
<th>By</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/10/96</td>
<td>Initial release after rewrite</td>
<td>C</td>
<td>MO</td>
</tr>
<tr>
<td>03/19/97</td>
<td>Changed to use new DMR form – step 2</td>
<td>D</td>
<td>MO</td>
</tr>
<tr>
<td>4/16/02</td>
<td>Removed ref. To DMR database – no longer used.</td>
<td>E</td>
<td>MO</td>
</tr>
<tr>
<td>10/29/2002</td>
<td>Updated to the ISO 9001:2000 requirements and flow charted.</td>
<td>F</td>
<td>MO</td>
</tr>
<tr>
<td>10/9/03</td>
<td>Updated procedure to reflect CPAP initiated as result of review.</td>
<td>G</td>
<td>MO</td>
</tr>
</tbody>
</table>
Determine that product is non-conforming. Place non-conforming product into the Hold area located at the receiving area.

Complete a DMR Form (Q-DMR-XX). Attach copy of the DMR to material. Segregate material as described in step 1. Route remaining copies of the DMR to QM.

Verify non-conformity and disposition material.

Disposition material:
- Scrap - dispose of material in an authorized manner.
- Return - Determine if supplier may rework.
- Authorized concession - Notify customer and get written or verbal concession sign and date authorization.
- Use as is - determine that there was no nonconformity and re-train inspector or regrade the material.

The DMR is reviewed by the MRT, if the DMR is of a severity high enough, (either due to percentage and or cost) then start the Supplier Corrective and Preventive Action Procedure (P8.5.2/3-2). Ensure that the supplier is notified of the non-conformity and a copy of the DMR is routed to Purchasing. If material reject impacts production schedule then notify customer service to notify customer of possible delays in delivery.

Route copies of DMR to appropriate personnel based on disposition of parts.

File DMR according to Quality Records Procedure P4.2.4.

Enters all Requests for corrective action into the Harrington Group Corrective Action Database and follows Procedure P8.5.2/3-2 Supplier Corrective and Preventive Action Procedure.