1.0 PURPOSE

1.1 To establish a procedure for:

i Corrective Action – to eliminate a non-conformity, its cause, and prevent recurrence; and

ii Preventive Action – to eliminate the cause of potential non-conformities in order to prevent their occurrence.

iii Control of Non-conforming product

2.0 RESPONSIBILITY

2.1 The Management Representative is responsible for ensuring this procedure is properly managed.

2.2 All employees are responsible for reporting Corrective and Preventive Actions when issues are observed.

2.3 All employees are responsible for identifying concerns on potential non-conforming product and other material to ensure it is identified and controlled to prevent its unintended use or delivery to customers.

2.4 Employees may not remove any item from a quarantine area unless instructed in writing on the CPAR form by the MR.

2.5 The CPAR process should be viewed by all employees as a positive method for the continual improvement of the organization; and not viewed negatively (e.g. the identification of blame for wrong-doing).

3.0 CRITERIA

3.1 To encourage accurate reporting of all issues and potential issues so as to achieve continual improvement of the QMS

3.2 To ensure prompt review and necessary action on all CPAR

3.3 To maintain records of all CPARs.

4.0 PROCESS

4.1 Identifying the Need for Corrective Action (AS9120: 8.4)

4.1.1 Customer Complaints – MCI defines a customer complaint as any product that is returned due to a defect or error on the part of MCI or the manufacturer. A field on the customer RMA form indicates a customer complaint as well. Parts
06. Corrective & Preventive Action and Control of Non-conforming Product

returned for convenience or as a favor to a customer do NOT constitute a customer complaint. Resolution of a customer complaint is described in paragraph 4.3 below.

4.1.2 Corrective Action is initiated in response to fixing a specific issue (non-conformity) that impacts the quality management system. A non-conformity that requires a CPAR might be identified through:

i Non-conformity report;
ii Customer complaint or other feedback;
iii Internal audit report;
iv Management Review
v RMA;
vi Analysis of data
vii Incoming material and concerns about suppliers.
viii Calibration issues such as measuring equipment error
ix General suggestion or comment from any source at any time

4.2 Identifying the need for Preventative Action (AS9120: 8.5.3)

4.2.1 Preventative action is proactive & systematic “risk prevention” planning and is targeted to fixing potential causes of non-conformities or adverse trends. Potential causes of non-conformities are identified through sources of information such as:

i Management review meetings
ii Analysis of statistical data, e.g. process measurements
iii Market analysis
iv Customer needs, expectations and satisfaction measurements
v Leading indicators of adverse operating conditions
vi Any general concern or improvement suggestion.

4.3 Customer RMA (AS9120: 8.2.1, 8.3, 8.5.2)

4.3.1 The customer contacts the account CSE and explains why they wish to return the items. If the customer is requesting an RMA the CSE must get signature approval from the QAM or senior management prior to issuing an RMA to the customer.

4.3.2 CSE reviews the cause of the problem (V = vendor; C = customer; M = MCI). If the customer caused the problem (e.g. ordering wrong part) then MCI may charge a re-stocking fee.

4.3.3 If the CSE accepts the RMA then CSE:
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i completes Return Material Authorization sheet and gives to WM so he knows to expect return

ii Fills in RMA excel log using date code (MMDDYY) and initials as RMA id (First, Middle & Last)

NOTE: If multiple RMA numbers are required for same date then add number behind initials starting with 1 and step by 1 (ie 1, 2, 3 and so on).

iii. The WM gives a copy of the RMA form to the QAM who then inspects the product once it arrives. Either the QAM or Management shall request an RMA from the manufacturer. QAM will ensure that a credit will be issued by the MFG; otherwise the customer will not be issued credit until MFG credit is received or the credit is authorized by Management.

iv. If the RMA parts require replacement, then the QAM instructs the PMA to open a new PO# using the RMA parts’ PO# appended with an ‘A’. This new PO# is used to request the RMA from the manufacturer and to receive the replacement parts against.

4.3.4 When RMA parts are received, WM:

i matches parts to the RMA form;
   • Create a record of customer receipt on the ‘Customer Receipt Log’
   • Determine if the parts are ours
   • Inspect parts for alterations, mishandling or improper packaging

ii actions the RMA (e.g. return to vendor, restock, destroy, etc) and records on RMA form. If the part is damaged, then it must be treated as for “Non-conforming product.

iii Enter the date parts are received from the customer on the RMA Log in the appropriate field. (Fields exist on the RMA Log to track when parts are shipped to the vendor, received from the vendor and the RMA is completed.)

iv A Customer Receipt Report / Log is filled out which serves as a record of non-conforming material disposition. This log along with the supporting paperwork is given to the QAM for disposition. Authority to disposition is given to the QAM by Top Management. Items can be disposition as scrap, RTV, Evaluation, or restock.

v submits RMA to the Order Entry Assistant to process any customer credit.

vi All personnel involved should refer to the flowcharts which describe the flow of the process for both Vendor and Customer returns.

4.3.5 The CSE or WM may decide to create a CPAR If they consider the problem requires this.
4.3.6 If the issue is determined to be the fault of the manufacturer and indicates a negative trend, then a CPAR shall be requested by the QAM. This also applies when a customer requests a SCAR.

4.3.7 QAM tracks RMA requests to Manufacturers in the ‘Vendor RMA Log’

4.4 Dealing with Non-Conforming product (e.g. RMA) (AS9120: 8.3, 8.5.2, 8.5.3)

4.4.1 When an employee suspects that material, equipment or product is non-conforming for some reason, (e.g. damaged RMA) they should carry out the following actions:

i Identify the items concerned, e.g. placing product in a bag or container; attaching a label or document stating the date, item and problem;

ii Where possible the items should be segregated by moving to a designated “quarantine” area so as to prevent accidental use of the item;

iii Notify the Quality Manager (QM) as soon as possible. The QM will review the situation and decide whether to raise a CPAR (particularly if the issue cannot be resolved immediately).

iv The QM will check the remaining stock for similar failures. If found, include them in the quarantine and notify customers who have purchased from the same lot or batch.

v Determine if the non-conformance will cause further issues and take appropriate action. These actions apply also when a MFG notifies us of an issue with or a recall of a product.

4.5 Initiating a CPAR (AS9120: 8.5.2)

4.5.1 Any employee may initiate a corrective or preventive action by completing a CPAR form from the QAM. The information to be completed by the Originator includes:

i The Originators name;

ii A brief title for the issue

iii A brief description of the issue or problem stating all identifying information (e.g. PO, job no., equipment id, drawing no., operator, location, etc); copies of any supporting documents should be retained for future reference.

4.6 Investigation & Action( AS9120: 8.5.2)

4.6.1 As soon as reasonably possible, the responsible person will ensure that:

i The root cause of the issue is identified

ii propose action to resolve the actual or potential non-conformity
iii agree the action with the MR, if required
iv Record and date the actions taken on the CPAR form and reference any supporting documents (e.g. for retrained of staff, a statement of the training carried out, by who and who trained and the signatures of the trainer and trainees).

4.6.2 Where Non-conforming product is involved, the MR shall ensure the CPAR is resolved by one or more of the following methods:

i Eliminate the non-conformity by scrapping the item. The item must be disposed of in a way that prevents it from being accidentally retrieved back into circulation.

ii Authorizing the products use, release or acceptance under concession including, where applicable, authorization by the customer;

iii The MR may still need to ensure the issue is investigated further to prevent the non-conformity happening again. The MR may need to raise another CPAR as necessary for this purpose.

4.7 Verification (AS9120: 8.5.2)

4.7.1 Every “closed” CPAR must be verified to ensure that the action taken is effective.

i If the action taken is effective, the auditor records the details on the bottom of the CPAR form along with the auditors name and the date. The auditor “closes” the CPAR. The MR updates the CPAR log to show the issue as “verified”

ii If the action taken is not effective in fixing the non-conformity, then the auditor notes his reasons on the CPAR. The auditor does not “close” the CPAR form. The MR is required to reassign a responsible person to resolve the ineffectiveness of the CPAR for future verification.

5.0 QUALITY RECORDS

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<tr>
<th>Record Name</th>
<th>Responsible Person</th>
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## 5.1 Change History

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<thead>
<tr>
<th>Revision Level</th>
<th>Date</th>
<th>Description of Change</th>
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<tr>
<td>1</td>
<td>4/01/05</td>
<td>Corrected language para. 4.5.1</td>
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<tr>
<td>2</td>
<td>4/23/07</td>
<td>Added more detail to paragraph 4.3.3 ii (CPAR # 014)</td>
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<td>3</td>
<td>09/08/08</td>
<td>Added 4.3.6 / references to AS9120</td>
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<tr>
<td>4</td>
<td>09/23/08</td>
<td>Updated 4.3.3 to reflect RMA replacements procedure</td>
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<tr>
<td>5</td>
<td>11/18/08</td>
<td>Added paragraph 4.1.1 to define what constitutes a customer complaint</td>
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<td>6</td>
<td>11/20/08</td>
<td>Revised Para 4.3.6 to include noticing a negative trend</td>
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<tr>
<td>7</td>
<td>09/23/09</td>
<td>Revised Para 4.3.3 to describe tracking RMA activity via the RMA Log file and referring to the flowcharts to track the process.</td>
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<td>8</td>
<td>04/07/2010</td>
<td>Added Para 4.3.7 to include MFG RMA tracking thru Vendor RMA Log</td>
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<td>9</td>
<td>08/31/2011</td>
<td>Modified document for AS9120 Rev A. upgrade</td>
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<tr>
<td>10</td>
<td>12/13/2011</td>
<td>Modified Para 4.3.1 and 4.3.3 for CPAR #46</td>
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<tr>
<td>11</td>
<td>09/13/2012</td>
<td>Modified 4.3.1, 4.4.1 to conform to JEDEC standard</td>
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<td>12</td>
<td>10/09/2014</td>
<td>Removed reference to JEDEC. Added material disposition and approval to 4.3.4.</td>
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