



**QUALITY ASSURANCE POLICY MANUAL**

**QAPM 100**

**IN CONFORMANCE WITH ISO 9001:2015**

**Revision: 4**

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**AMENDMENT RECORD**

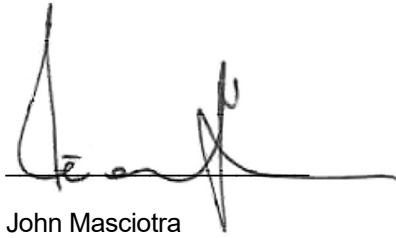
To record an amendment in this document, list affected pages with an explanation of the changes in the description column, record the date, and initial as having incorporated the amendment into the document.

<b>AMEND NO.</b>	<b>AFFECTED PAGES</b>	<b>DESCRIPTION</b>	<b>REV. DATE</b>	<b>Appr. By</b>
1	8	Section 1. Removed nonapplicable clause 7.1.5.2	2017/04/24	JM/RM
2	1,9	Removed Mondial from the manual	2018/10/10	JM/RM
3	10	Changed Daily Shipment Log to Daily Order Control Log	2020/04/14	JM/RM
4	All	Changed format of Quality manual	2021/02/15	JM/RM

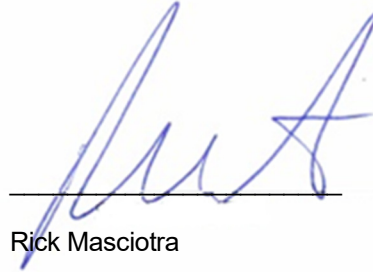
**MANUAL CERTIFICATION**

We hereby certify that this Quality Assurance Policy Manual, written in conformance to ISO 9001:2015, accurately describes the quality system in place within

DIVERSE ELECTONICS  
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John Masciotra



Rick Masciotra



Founded in 1993, **Diverse Electronics** is proud to be celebrating nearly 30 years of success in business.

## INTRODUCTION

**Diverse Electronics** is a franchised electronic component stocking distributor with a division dedicated to production floor product solutions. **Diverse Electronics** and its **PT&E division** present an extensive product range from more than 100 world-class manufacturers, resulting in the largest inventory of electronic component and production tools and equipment products in Canada. Our diverse portfolio differentiates us from our competitors.

**Diverse Electronics** is a privately-owned, Canadian company with in-depth industry knowledge and technical expertise. With its head office and distribution centre located in Montreal, the company also has dedicated sales representation across Canada, including Toronto, Quebec, Calgary and Eastern Canada. We are continuously striving to implement new and innovative programs that are adapted to our customer's needs. Our experienced sales team offers superior service on leading-edge technology through our design-in programs closely supported by our equally experienced and dedicated Marketing team.

## Electronic Components

Diverse Electronics stocks a complete range of electronic components including passive (capacitors, resistors), optoelectronics, discrete, electromechanical and interconnect products.

## Production Tools and Equipment

Our PT&E division stocks a full range of production tools, supplies and test instruments as well as all the required consumables in the manufacturing process. Products such as antistatic bags, solder bar, solder paste and solder wire. Also offered is a wide variety of chemicals and adhesives, labels, test instruments, tools and manufacturing equipment.

## Industrial Electronic Products

Diverse Electronics has now introduced a brand new division to support our ever growing Industrial and Electrical market. Customers in market sectors such as HVAC, Automation & Control, Transportation, Medical, Auto watercraft & RV industry, Electrical and Security will all benefit with Diverse Electronics additional focus, service and products required to support their needs. Our sales force will support many different types of industries including MRO, R&D, OEM, Test & Service with products such as Breakers, Industrial Switches, Din Rail & Barrier Terminal Blocks, Triac & SCR Modules, Wire Management, Sensors, Transformers, Safety products, Tools, Test Instruments, Chemicals and Adhesives.

## Our Mission Statement

Our mission at Diverse Electronics is to provide quality, personalized service through solid industry knowledge, innovation, and customized programs.

# 1 COMMITMENT TO SERVICE

**Diverse Electronics** is committed to providing quality, personalized service through solid industry knowledge, innovation, and customized programs.

**Diverse Electronics** is able to achieve this by adhering to a set of specific principles:

- Providing unparalleled service to all customers, regardless of company size or order size
- Focusing on each customer's specific needs and requirements on a case by case basis with dedicated specialists ready to address either component or production supply requirements
- Getting involved at the design stage to offer cost savings and part selection options with engineering support where required
- Decreasing component costs by selecting the right quality product from one of its worldwide supplier partners

- Focusing on 2 to 3 suppliers per commodity to give customer options based on their design and cost restrictions.
- Developing unique personal working relationships with supplier partners.

To the Sales and Marketing team, service means respect. The team prides itself on providing customers and suppliers with the utmost level of support and respect.

***People working with people to achieve a common goal.***

To the Sales Support team, service means always being ready to go the extra mile to serve customer's needs without compromise. Daily support, ready for you, when you need it. Standard or special requests – just ask.

- Collateral materials such as literature, brochures, and spec sheets
- Process engineering support for electronic manufacturing and production services
- Free Samples
- Online tracking capabilities with national carriers
- Expedites
- BOM Analysis
- Same-day shipping on all in-stock items on orders placed before 2 p.m.



**Total Customer Solutions Group**

Specific territory organization of our sales team is aimed at providing all customer types with the best possible support targeted to their particular needs. The organizational changes will enable Diverse Electronics to provide a faster and more targeted response and offer cost saving procurement solutions to the wide ranging requirements of our various customers

## **Our Vision**

Our vision was and remains to create a reliable source of electronic components at competitive prices with an unparalleled level of service. Our strategy for achieving and surpassing this goal is to increase the number of our "franchised" lines, increase the depth of our product lines and to improve our already outstanding level of customer service.

## **People**

Our professional sales staff is highly motivated and well trained, each possessing a unique background in electronics. Frequent training is provided so that they may stay abreast of changes in customer relations as well as product advances.

## **Quality**

At Diverse Electronics we maintain a stringent quality control system. All products are thoroughly inspected and catalogued before they are either placed into stock or shipped to our customers.

We also take special care in handling static sensitive devices and maintain up-to-date and accurate receiving and shipping logs.

## **Technology**

We are a company that has embraced the power of the internet and utilize its benefits to the maximum degree. Some tasks performed online include: product search, stock quotations, sales-lead gathering and targeting as well as obtaining product information.

Our warehouse contains millions of inventory items giving us the luxury of being able to sign LOI's, Blanket-orders or offer JIT service. Our inventory consists of large variety of Semiconductor, Passive and discrete products allowing us to service most BOM's.

**1. SCOPE**

The quality system described within this manual establishes the total DIVERSE ELECTRONICS INC. quality policy. The scope of our ISO 9001:2015 quality system is:

“Distribution of electronic components, production tools and equipment.”

The quality system described within this manual establishes the total DIVERSE ELECTRONICS INC. quality policy. The manual as written, addresses the requirements of ISO 9001:2015 with non-applicable clauses listed in the table below.

Non-applicable clauses include:

Section	Title	Justification
8.3	Design & Development of Products and Services	Design services are not provided to customers,

The manual also serves to direct the user from the policy statements to the procedures required to implement the policies.

**2. RELATED DOCUMENTS**

Documents related to this policy document include:

- Procedures with the prefix "QP" and other procedures referenced within this document.
- Forms used in conjunction with this policy.

**3. TERMINOLOGY**

**3.1 Quality Policy**

DIVERSE ELECTRONICS INC.’ policies on issues affecting quality.

**3.2 Quality Procedure**

DIVERSE ELECTRONICS INC.’ directions for implementing a Quality Policy.

**3.3 Quality Management System**

A structured approach to ensure that services are provided to our customers in a satisfactory manner.

**3.4 Management**

Management includes the President, CEO, Operations and Sales Director, Controller and Sales Manager.



**4 Context of the organization**

**4.1 CONTEXT**

DIVERSE has determined the external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended results of its QMS.

DIVERSE shall monitor and review information about these external and internal issues and shall record it on the Context Log. The Context Log is reviewed during the management review meetings.

**4.2 INTERESTED PARTIES**

The interested parties are relevant to the QMS are listed in the Context Log.

The company monitors and reviews information about these interested parties and their relevant requirements and presents any developments during Management Review.

**4.3 SCOPE OF THE QMS**

The scope of the DIVERSE Quality Management system is listed in section 1 of this manual.

**4.4 QUALITY MANAGEMENT SYSTEM PROCESSES**

DIVERSE has established, implemented, maintained and continually improves a quality management system, based upon the following:

- a) Inputs and outputs of processes;
- b) The sequence and interaction of these processes;
- c) The criteria and methods (including monitoring, measurements and related performance indicators) needed to ensure the effective operation and controls of these processes;
- d) The resources needed for these processes and ensures their availability;
- e) The responsibilities and authorities for these processes;
- f) Relevant risks and opportunities as determined in accordance with the requirements of 6.1;

The processes relevant to the QMS are shown below and detailed in Appendix 2.

<b>Process</b>	<b>Person Responsible</b>
Management	President
Distribution	Operations & Sales Director
Improvement	Operations & Sales Director

DIVERSE also evaluates these processes and implements any changes needed to improve the processes to ensure that these processes achieve their intended results.

**4.4.2 Documented Information to support QMS Processes**

DIVERSE maintains documented information and records to support the operation of QMS processes including

- a) a general description of relevant interested parties
- b) the scope of the quality management system, including boundaries and applicability
- c) a description of the processes needed for the quality management system and their application throughout the organization
- d) the sequence and interaction of these processes; and,
- e) assignment of the responsibilities and authorities for these processes.

## 5 Leadership

### 5.1 Leadership and Commitment

#### 5.1.1 General

Top management shall demonstrate leadership and commitment with respect to the QMS by:

- a. Taking accountability for the effectiveness of the QMS;
- b. Ensuring that the quality policy and quality objectives are established for the QMS and are compatible with the context and strategic direction of the organization;
- c. Ensuring the integration of the QMS requirements into DIVERSE's business processes;
- d. Promoting the use of the process approach and risk-based thinking;
- e. Ensuring that the resources needed for the QMS are available;
- f. Communicating the importance of effective quality management and of conforming to the management system requirements;
- g. Ensuring that the QMS achieves its intended results;
- h. Engaging, directing and supporting persons to contribute to the effectiveness of the QMS;
- i. Promoting improvement; and
- j. Supporting other relevant management roles to demonstrate their leadership as it applies to their areas of responsibility.

#### 5.1.2 Customer focus

Management assures that all customer requirements will be uncovered through the processes described in 7.2 later in this quality manual. Through all of the policies, objectives and processes described in this quality manual, Management assures an environment exists to consistently meet the customer requirements.

Top management demonstrates leadership and commitment with respect to customer focus by ensuring that:

- a. Customer and applicable statutory and regulatory requirements are determined, understood and consistently met;
- b. The risks and opportunities that can affect conformity of products and services and the ability to enhance customer satisfaction are determined and addressed;
- c. The focus on enhancing customer satisfaction is maintained.

## 5.2 Policy

### 5.2.1 Developing the Quality Policy

Top management shall establish, implement and maintain a quality policy that:

- a. Is appropriate to the purpose and context of the organization and supports its strategic direction
- b. Provides a framework for setting quality objectives
- c. Includes a commitment to satisfy applicable requirements
- d. Includes a commitment to continual improvement of the quality management system.

The Quality policy is as follows:

## Quality Policy

*It is the policy of DIVERSE Electronics to provide products and services that conform to customers' requirements & deliver them on time at a competitive price. Our name must represent quality to our vendors, our customers, & ourselves.*

*Management is committed to maintaining and continuously improving the quality of our services by effectively controlling all activities to ensure that all quality system requirements, including ISO 9001-2015, are being fulfilled.*

This quality policy is communicated to all employees. Employees at all levels of the organization are expected to fulfill the requirements of this policy in all their work-related efforts and decisions.

The quality policy is reviewed at least annually for suitability at the management review and is under document control.

### 5.2.2 Communicating the Quality Policy

The quality policy shall:

- a. Be available and be maintained as documented information
- b. Be communicated, understood and applied within the organization
- c. Be available to relevant interested parties, as appropriate.

### 5.3 Organization Roles, Responsibilities and Authorities

The Organizational Chart (Appendix 1) and the descriptions illustrate functions, their interrelations, responsibilities and authorities relevant to the quality management system. More specific quality management system responsibilities and authorities can be found in job descriptions, procedures and flow charts associated with services provided. The responsibilities for management are as follows:

## 6 Planning

### 6.1 Actions to address risks and opportunities

#### 6.1.1 Risks and opportunities are addressed to:

- a. Give assurance that the quality management system can achieve its intended results
- b. Enhance desirable effects
- c. Prevent or reduce undesired effects
- d. Achieve improvement

#### 6.1.2 Management shall plan:

- a. Actions to address these risks and opportunities
- b. How to integrate and implement the actions into the quality management system processes and to evaluate the effectiveness of these actions.

Actions taken to address risks and opportunities shall be proportionate to the potential impact on the conformity of products and services.

## **6.2 Quality objectives and planning to achieve them**

- 6.1.1 DIVERSE shall establish measurable quality objectives at relevant functions, levels and processes needed for the QMS.

The Quality Objectives are found in the Management review minutes and shall be updated as appropriate.

Quality objectives shall be consistent with the quality policy, be measurable, and be communicated to affected personnel

- 6.1.2 To achieve the quality objectives, DIVERSE will determine what will be done, resources required, who will be responsible, when it will be completed and how the results will be evaluated.

## **6.3 Planning of changes**

Changes to the quality management system shall be carried out in a planned manner. DIVERSE shall consider:

- a. The purpose of the changes and their potential consequences
- b. The integrity of the quality management system
- c. The availability of resources
- d. The allocation or reallocation of responsibilities and authorities.

When significant changes occur in categories such as the organization, the facilities or business strategy, a meeting is summoned to discuss the changes and to assure integrity and compatibility of the quality management system.

# **7 Support**

## **7.1 Resources**

### **7.1.1 General**

DIVERSE shall determine and provide the resources needed for the establishment, implementation, maintenance and continual improvement of the quality management system and its effectiveness.

DIVERSE shall consider:

- a. The capabilities of and constraints on internal resources
- b. What needs to be obtained from external providers
- c. To ensure customer satisfaction through the consistent achievement of customer requirements.

**7.1.2 People**

DIVERSE shall determine and provide the persons necessary for the effective implementation of its quality management system and for the operation and control of its processes.

**7.1.3 Infrastructure**

DIVERSE shall determine, provide and maintain the infrastructure necessary for the operation of its processes and to achieve conformity of products and services.

Consideration is given to the following:

- Buildings, workspace and utilities.
- Office equipment – hardware and software
- Supporting services such as transportation, communication, or information system.

Changes to the infrastructure are discussed at the management review. When all the needs have been identified, it is the responsibility of Management to approve those necessary for the achievement of service requirements.

Preventive maintenance records for the lift truck are kept.

**7.1.4 Environment for the operation of processes**

DIVERSE shall determine, provide and maintain the environment necessary for the operation of its processes and to achieve conformity of products and services.

**7.1.5 Monitoring and measuring resources**

The only measuring instruments that are used, are scales for weighing or counting. The scales are calibrated by a qualified company and they provide a certificate with traceability to national standards. Calibration is done yearly.

**7.1.6 Organizational Knowledge**

DIVERSE shall determine the knowledge necessary for the operation of its processes and to achieve conformity of products and services.

The knowledge shall be maintained and be made available to the extent necessary through meetings, training and mentoring new employees.

When addressing changing needs and trends, DIVERSE shall consider its current knowledge and determine how to acquire or access any necessary additional knowledge and required updates.

**7.2 Competence**

Management shall determine the necessary competence of person doing work under its control that affects the performance and effectiveness of the quality management system.

Management ensures that these persons are competent on the basis of the appropriate education, training or experience. Competence is recorded on the Training Assessment Spreadsheet. Competence of personnel is discussed at the management review. Where applicable, management shall take actions (training) to acquire the necessary competence and evaluate the effectiveness of the actions taken. Training records spreadsheet is used to record training activities.

Documented information for evidence of competence (training assessment spreadsheet) shall be maintained.

One or more of the following will evaluate effectiveness of the training and other actions taken:

- Testing or certification
- Certificates of completion for internal or external training

- Reviewing effectiveness of internal training at the management review

### **7.3 Awareness**

Management shall ensure that persons doing work under their control are aware of:

- a. the quality policy
- b. relevant quality objectives
- c. their contribution to the effectiveness of the quality management system including the benefits of improved performance
- d. the implications of not conforming with the quality management system requirements.

### **7.4 Communication**

DIVERSE shall determine the internal and external communications relevant to the quality management systems including:

- a. On what to communicate
- b. When to communicate
- c. With whom to communicate
- d. How to communicate
- e. Who communicates

### **7.5 Documented Information**

#### **7.5.1 General**

DIVERSE's quality management system includes documented information required by ISO 9001:2015 and determined by DIVERSE as being necessary for the effectiveness of the quality management system, including:

- Statements of quality policies and quality objectives
- This quality policy manual
- The documents referred to in this quality policy manual
- Any documents required to avoid varied implementation of the processes needed to deliver our services
- The records described in Quality Records QP4.2.4.

#### **7.5.2 Creating and Updating**

When creating and updating documented information, DIVERSE shall ensure the appropriate identification and description, format and review and approval for suitability and adequacy.

The Document Control procedure QP4.2.3 shall define the following controls:

- a. Document approval for adequacy prior to issue
- b. Revisions and updates and re-approval of documents.
- c. Change controls and revision status
- d. Legibility and identification of documents.

**7.5.3 Control of documented information**

7.5.3.1 Documented information required by the quality management system and ISO 9001:2015 shall be controlled to ensure that:

- it is available and suitable for use, where and when it is needed
- it is adequately protected.

7.5.3.2 DIVERSE shall address in procedures QP 4.2.3 and QP 4.2.4 the following activities:

- a. distribution, access, retrieval and use
- b. storage and preservation, including preservation of legibility
- c. control of changes
- d. retention and distribution
- e. Prevention of the unintended use of obsolete documents, applying suitable identification if the obsolete documents are retained.

Documented information of external origin determined by DIVERSE to be necessary for the planning and operation of the quality management system shall be identified as appropriate and be controlled.

Documented information retained as evidence of conformity shall be protected from unintended alterations.

**8 Operation****8.1 Operational Planning and Control**

DIVERSE shall plan implement and control processes needed to meet the requirements for the provision of products and services and to implement actions determined by:

- a. Determining the requirements for the products and services
- b. Establishing the criteria for the processes and the acceptance of products and services
- c. Determining the resources needed to achieve the conformity to the product and service requirements
- d. Implementing control of the processes in accordance with the criteria
- e. Determining and keeping documented information to the extent necessary in order to have confidence that the processes have been carried out as planned and to demonstrate the conformity of products and services to their requirements.

**8.2 Requirements for products and services****8.2.1 Customer communication**

Communication with customers shall include:

- a. Providing information relating to products and services
- b. Handling enquiries, contracts or orders, including changes
- c. Obtaining customer feedback relating to products and services including customer complaints
- d. Handling or controlling customer property



- e. Establishing specific requirements for contingency actions when relevant.

### 8.2.2 Determining the requirements related to products and services

DIVERSE shall ensure when determining the requirements of products and services offered to customers that:

- a. The requirements for the products and services are defined including any applicable statutory and regulatory requirements and those considered necessary by the organization.
- b. DIVERSE can meet the claims for the products and services it offers.
  - Customer specifications and performance requirements
  - Customer stated availability and delivery requirements
  - Requirements not stated by the customer but necessary for specified use or known and intended use.

### 8.2.3 Review of requirements related to products and services

8.2.3.1 DIVERSE shall ensure that it can meet the requirements for products and services to be offered to customers. DIVERSE shall conduct a review before committing to supply products and services to a customer to include:

- a. requirements specified by the customer, including for delivery and post-delivery activities
- b. requirements not stated by the customer but necessary for the specified or intended use, when known
- c. requirements specified by DIVERSE
- d. statutory and regulatory requirements applicable to the products and services

The Sales Representative will review all identified customer requirements and other identified product requirements. Quotes are sent by fax or e-mail based on pricing provided by Purchasing.

Customer orders are received by the Sales Rep., who reviews the order for price, delivery and terms. Verbal orders are not accepted. Purchasing will confirm the price of the parts with the supplier. Logistics will enter the order into the Quickbooks to generate a sales order.

If the price has not changed, Logistics will issue a purchase order to the supplier (see 7.4) and then acknowledge the customer's order (by e-mail usually).

Records of reviews and follow-on actions are maintained (see Quality Records QP4.2.4).

Customer purchase order changes are coordinated by the Sales Rep. If the customer wants to return or exchange product, Purchasing will speak to the supplier to find out if the supplier accepts the change. If not, the President decides on the course of action.

8.2.3.2 DIVERSE shall retain documented information as applicable on the results of the review and on any requirements for the products and services.

### 8.2.4 Changes to requirements for products and services

DIVERSE shall ensure that relevant documented information is amended and that relevant persons are made aware of the changed requirements, when the requirements for products and services are changed.

**8.3 Design and Development of products and services**

Not applicable since DIVERSE does not perform design activities for its clients.

**8.4 Control of externally provided processes, products and services**

**8.4.1 General**

DIVERSE ensures that items purchased in order to provide products to our customers conform to specified requirements. Selection of the suppliers is based on delivery, availability and customer requirements. A new supplier must provide trade references. Approved suppliers are entered into the computer system.

Purchasing reviews the supplier on electronic search engines and if acceptable, Accounting will add to the supplier to Quickbooks. The evaluation of the new supplier is based on the acceptance of the receiving inspection.

The majority of suppliers provide DIVERSE with catalog parts. DIVERSE assesses its suppliers on an annual basis on its non-conformance performance at the management review.

All records involving the assessment of suppliers are considered quality records.

**8.4.2 Type and extent of control**

Warehouse Coordinator verifies items received with the supplier packing slip for quantity, identity and damage. If acceptable, the receiver signs and dates the Diverse purchase order. In all cases, a photograph magnifying the markings of components including the lot number and date code are taken and saved in the computer system. The receipt is entered into Quickbooks.

When DIVERSE ELECTRONICS INC. stipulates in any contract that purchased product is subject to source inspection by DIVERSE ELECTRONICS INC. or its customer, the details for such an inspection and subsequent release of accepted material will be stated in the purchase agreement.

**8.4.3 Information for external providers**

DIVERSE issues Purchase Orders for purchasing activities based on customer requests. These Purchase Orders are generated by Sales and approved by a member of Management prior to being sent to the supplier.

The Purchase Orders shall contain data clearly describing the product ordered including, where applicable requirements for approval of product, procedures, and processes

**8.5 Production and service provision**

**8.5.1 Control of production and service provision**

Procedure QP 8.5 describes the distribution process. The control of DIVERSE's activities is assured by:

- The easy access to necessary instructions and details on the order form
- The implementation of monitoring and measurement activities as planned.
- The use of suitable equipment
- The implementation of release and delivery activities.
- The availability of specified measuring and monitoring equipment

### 8.5.2 Identification and traceability

The products to be delivered are identified and traced by the DIVERSE invoice number and customer PO number which should be reflected on documents used to manage the delivery of quality services.

### 8.5.3 Property belonging to customers or external providers

Customer property is provided to DIVERSE ELECTRONICS INC. as consigned parts. The parts are identified to the customer and part number. All sales are communicated to the customer. Any problems or damages will be communicated by Management to the customer. DIVERSE does not normally receive property belonging to the supplier. Supplier's do not provide any property.

DIVERSE shall exercise care with property belonging to customers or external providers while it is under its control or being used by DIVERSE,

DIVERSE shall identify, verify, protect and safeguard customers' or external providers' property provided for use or incorporation into the products and services.

When the property of the customer or external provider is lost, damaged or otherwise found to be unsuitable for use, the President or delegate shall report this to the customer or external provider and retain documented information on what has occurred.

### 8.5.4 Preservation

DIVERSE's process for handling, storage, packaging, preservation and delivery of product is as follows:

- a. General handling requirements. Items received are usually in boxes and are either hand carried or with a hand truck. If necessary, an ESD protected workstation is available for handling static sensitive components. The workstation is grounded. The warehouse coordinator wears an ESD smock and only handles ESD sensitive items at the workstation. DIVERSE ELECTRONICS INC. has also implemented Moisture Sensitivity Handling Precautions. When the product is received, the receiving inspector verifies the shelf life of the product and the client assumes the responsibility of re-baking the part prior to production. Moisture sensitive products are purchased as per customer orders and are not kept in inventory. Moisture sensitive parts are packed with dry pack (desiccant) and humidity indicator cards.
- b. General storage requirements. Stock is placed on shelves and identified with the part number or supplier identification label. Products are only placed into stock after they have been verified for identity and quantity. The quantity is tracked on the computer system.
- c. General packaging & preservation requirements. Products are packaged for protection against damage during shipment or as per customer requirements indicated on the packing slip.
- d. Delivery requirements are stated on the customer purchase order. Products are usually shipped with the client's courier using the client's account number.

**8.5.5 Post-delivery activities**

Post-delivery activities include the handling of returned product. Procedure QP 8.3 describes the process.

**8.5.6 Control of changes**

DIVERSE shall review and control changes for service provision to the extent necessary to ensure conformity to requirements.

DIVERSE shall retain documented information describing the results of the review of changes, the persons authorizing the change and any necessary actions arising from the review.

**8.6 Release of products and services**

DIVERSE shall implement planned arrangements, at appropriate stages, to verify that the product and service requirements have been met.

The Warehouse Coordinator monitors products prior to shipment by verifying the items to be shipped with the packing slip. The Warehouse Coordinator or delegate confirms their acceptance of the item by signing the sales order and identifying the package with the Order number, customer name and customer PO number. If there is a discrepancy the procedure for Nonconformance applies (Non-Conformance Control QP8.3).

Warehouse Coordinator verifies items received with the supplier packing slip for quantity, identity and damage. If acceptable, the receiver signs and dates the Diverse purchase order. In all cases, a photograph magnifying the markings of components including the lot number and date code are taken and saved in the computer system. The receipt is entered into Quickbooks.

The release of products and services to the customer shall not proceed until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and as applicable, by the customer.

DIVERSE shall retain documented information on the release of products and services. This shall include the evidence of conformity with the acceptance criteria and traceability to the person authorizing the release.

**8.7 Control of nonconforming outputs**

8.7.1 DIVERSE shall ensure that outputs that do not conform to their requirements are identified and controlled to prevent their unintended use or delivery. Refer to procedure QP 8.3.

DIVERSE shall take appropriate action based on the nature of the nonconformity and its effect on the conformity of products and services. This shall also apply to nonconforming products and services detected after delivery of products during or after the provision of services. Nonconforming outputs are recorded on the incident report.

DIVERSE shall deal with nonconforming outputs in one or more of the following ways:

- a. Correction
- b. Segregation, containment, return or suspension of provision of products and services
- c. Informing the customer
- d. Obtaining authorization for acceptance under concession

Conformity to the requirements shall be verified when nonconforming outputs are corrected on the incident report.

8.7.2 DIVERSE shall retain documented information that describes the nonconformity, actions taken, concessions obtained and identifies the authority deciding the action in respect to the nonconformity.

Non-conformities are recorded on the RMA by the Operations Director who is responsible with Management to investigate the problem and issue a disposition. The RMA is the primary vehicle used in the control of non-conforming material or service.

Records of Nonconforming product are maintained as indicated in Quality Records QP4.2.4.

Discovery of Nonconforming product after delivery is immediately followed by the actions necessary to minimize its impact and preserve customer satisfaction to the highest level possible under the circumstances as addressed in QP8.3.

## **9 Performance evaluation**

### **9.1 Monitoring, measurement, analysis and evaluation**

#### **9.1.1 General**

DIVERSE shall determine:

- a. What needs to be monitored and measured
- b. The methods for monitoring, measurement, analysis and evaluation needed to ensure valid results.
- c. When the monitoring and measuring shall be performed.
- d. When the results from the monitoring and measurement shall be analyzed and evaluated.

DIVERSE shall evaluate the performance and effectiveness of the quality management system.

DIVERSE shall retain appropriate documented information as evidence of the results.

#### **9.1.2 Customer satisfaction**

DIVERSE customer satisfaction program includes:

- Customer feedback is obtained by Sales in their correspondence with customers. Feedback shall be recorded on e-mails. Management will review the feedback at the monthly meeting and shall act if required.
- Customer feedback may also be monitored through the use of surveys. Survey results are analyzed at the management review.
- Customer feedback is discussed at the management review.

#### **9.1.3 Analysis and evaluation**

DIVERSE shall analyze and evaluate appropriate data and information arising from the monitoring and measurement.

The results of the analysis shall be used to evaluate:

- a. Conformity of products and services
- b. The degree of customer satisfaction
- c. The performance and effectiveness of the quality management system
- d. If planning has been implemented effectively

- e. The effectiveness of actions taken to address risks and opportunities
- f. The performance of external providers
- g. The need for improvements to the quality management system

## **9.2 Internal audit**

### **9.2.1 Procedure QP8.2.2 describes the internal audit process**

Internal audits of the quality management system are conducted in accordance with Internal Audits QP8.2.2. Frequency of audits of specific areas and/or specific requirements will vary with the need. That variation will be reflected in the required audit plans along with the scope, the methods and the assigned auditors. The audits seek conformance with the requirements of ISO 9001:2015.

The criteria for auditor independence and clarification of auditor responsibilities are found in Internal Audits QP8.2.2. The results are recorded (See Quality Records QP4.2.4) to enable management and others to take timely correction and corrective action and to allow for proper verification of effectiveness in accordance with the Internal Audits QP8.2.2 procedure.

## **9.3 Management review**

### **9.3.1 General**

Top management shall review the DIVERSE quality management system at a minimum annual basis to ensure its continuing suitability, adequacy, effectiveness and alignment with strategic direction of the organization.

An expected outcome of that review is the determination of the need for any changes or to reveal opportunities for improvement to the quality management system, including adjustments to the quality policy and quality objectives. Management review minutes are maintained in accordance with Quality Records QP4.2.4.

### **9.3.2 Management review inputs**

Management review inputs include:

- a. Status of actions from previous management reviews
- b. Changes in external and internal issues that are relevant to the quality management system
- c. Information on the performance and effectiveness of the quality management system including trends in customer satisfaction and feedback, extent to which quality objectives are met, process performance and conformity of products and services, nonconformities and corrective actions, monitoring and measuring results, audit results and performance of external providers.
- d. Adequacy of resources
- e. Effectiveness of actions taken to address risks and opportunities
- f. Opportunities for improvement

### **9.3.3 Management review outputs**

The management review outputs shall include decisions and actions related to:

- a. Opportunities for improvement
- b. Any need for changes to the quality management system
- c. Resource needs

## **10 Improvement**

### **10.1 General**

DIVERSE shall determine and select opportunities for improvement and implement any necessary action to meet customer requirements and enhance customer satisfaction.

The improvements shall include improving product and services to meet current and future requirements, correcting, preventing or reducing undesired effects and improving the performance and effectiveness of the quality management system.

### **10.2 Nonconformity and corrective action**

Procedure QP 8.5.2 describes the corrective action process.

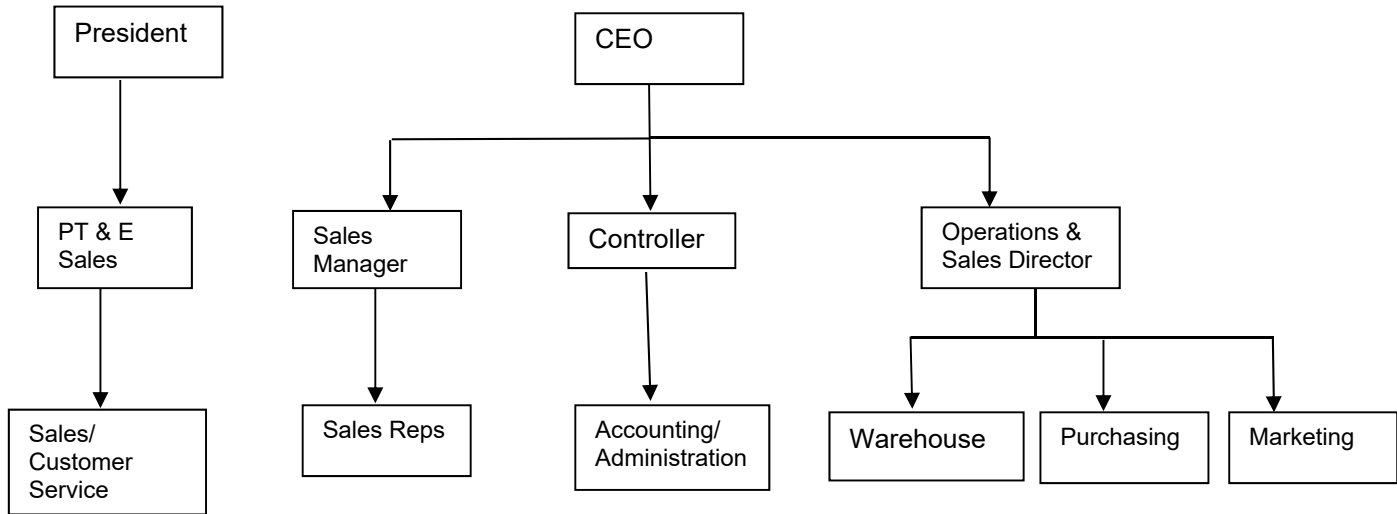
### **10.3 Continual improvement**

DIVERSE shall continually improve the suitability, adequacy and effectiveness of the quality management system.

DIVERSE shall consider the results of analysis and evaluation, and the outputs from management reviews, to determine if there are needs or opportunities that shall be addressed as part of continual improvement.

Appendix 1.

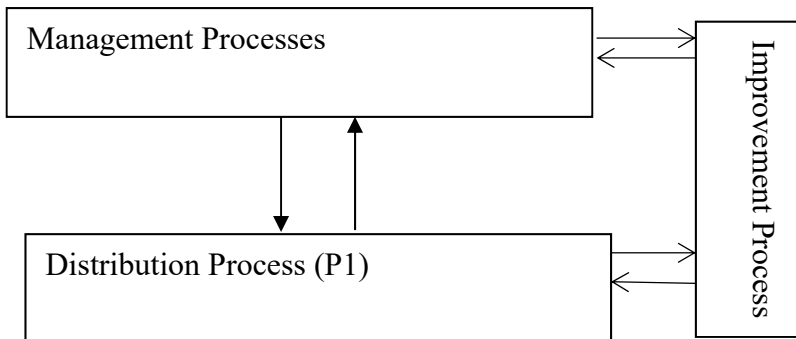
Organizational chart: Diverse Electronics



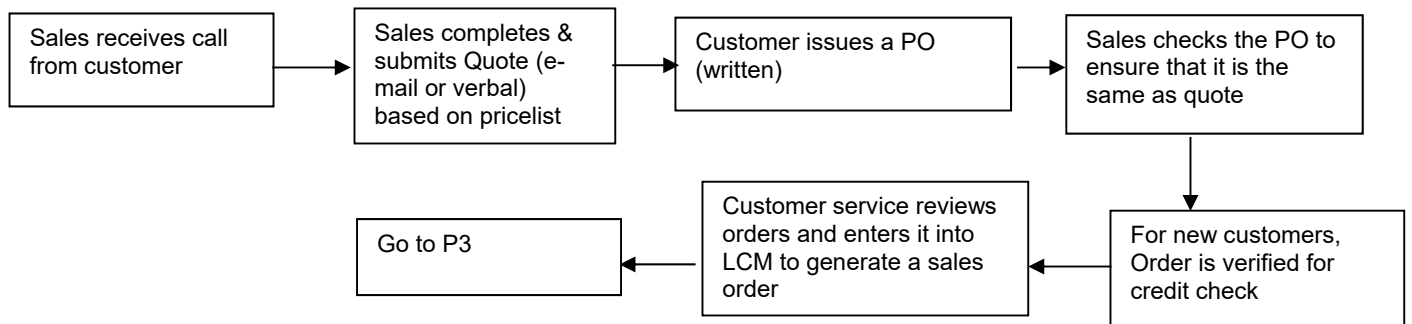


Appendix 2

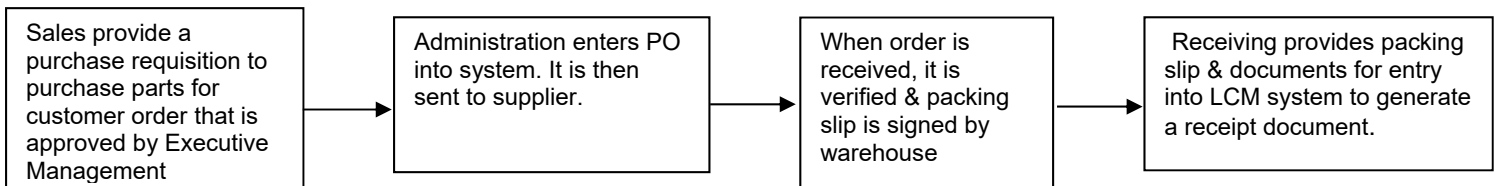
Overall Process Interaction



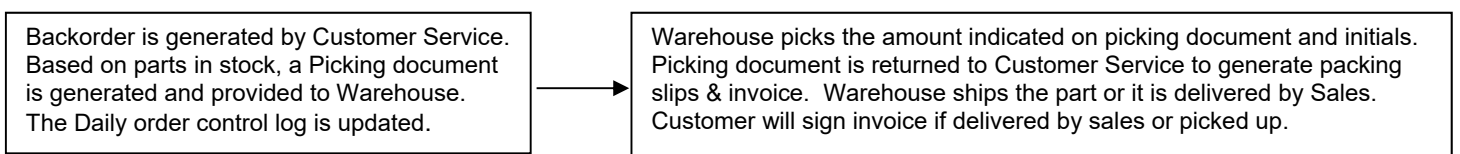
Distribution Process (P1) - Sales Process



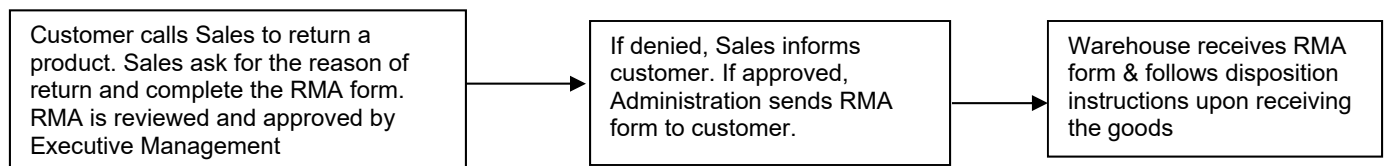
Distribution Process 2 (P2) - Purchasing & Receiving Process



Distribution Process 3 (P3) - Warehouse Process



Distribution Process 4 (P4) - Return Process



Distribution Process 5 (P5) – Measurement & support processes

