Quality Manual

INTRODUCTION

ProTrans International, Inc. ® (PTI) has instituted a quality management system (QMS) based on the company philosophy, principles contained in the ISO 9001:2008 Standard, U.S. Customs C-TPAT Security guidelines, basic Good Manufacturing Practices (GMP) and Lean Concepts to enhance the company's ability to satisfy our customers' requirements based on a Balanced Scorecard.

PTI's commitment to the effective use and enhancement of technology and communication ensures the complete satisfaction of its customers and the supply chain. ProTrans International's goal is to be an extension of each client's supply chain, consistently providing innovative, cost-savings opportunities through state-of-the art services.

ISO 9000:2008 CERTIFICATION SCOPE and APPLICATION

PTI is a logistics company that specializes in integrated freight and inventory management with capability of performing customer-specific kitting and packaging with a Quality System based on the ISO 9001:2008 standard. Listed below are ISO elements not applicable to PTI. These exclusions do not affect PTI's ability or responsibility to provide the level of service that meets or exceeds customer and regulatory requirements.

ISO Element	Exclusion	Justification
7.3 Design and development	**Design and Development**	**PTI has no responsibility for the design/development of customer products or products' flow. This element is the customers' responsibility. PTI has various service offerings available for the customers' selection and approval.**
7.6 Control of monitoring and measuring devices	**Measuring Equipment**	**PTI does not require measuring equipment to provide evidence of conformity of service provided to customers. This element is not applicable to PTI.**

The above scope applies to PTI's ISO 9001:2008 registered facility addresses:

Corporate Office	Indianapolis Center	San Luis Potosi, Mexico Center	El Paso Center
ProTrans International Corporate 8311 N. Perimeter Road, Indianapolis, IN 46241 USA (HQ)	2405 S. West St., Indianapolis, IN 46225 USA	Circuito Exportacion 302 Parque Ind 3 Naciones, Segunda Etapa, San Luis Potosi, Mexico 78395	12425 Rojas Drive Bldg. #1 El Paso, TX 79928 USA

Quality Manual

MISSION

ProTrans International is committed to providing innovative logistics solutions that meet or exceed our customers' needs and expectations.

ProTrans International will accomplish this by:

- Providing a visionary approach to value added service enhancements, effective internal and external communications, and commitment to maintaining leading edge technology;

- Developing highly skilled, effective, and professional personnel / organization;

- Working with suppliers to optimize supply chain efficiencies;

- Creating value for customers, suppliers, employees, and shareholders;

- Focusing on continual improvement opportunities throughout our key quality processes for our external and internal customers that increase efficiencies and profitability.

COMPANY BACKGROUND

ProTrans International was certified by the State of Indiana as a corporation in 1993. Craig Roeder, CEO and founder of ProTrans International, recognized the emerging opportunity in providing innovative logistic concepts and lean-focused added-value services to achieve customer satisfaction and business profitability for both ProTrans International and its business partners. ProTrans International has adopted this basic philosophy as its foundation in achieving continuous improvement and growth.

ProTrans International has a network of Service Centers to provide our customers with optimum service and cost savings. The Sales / executive management team can provide a completel list for customer inquiry purpose.

4 Quality Management System

4.1 General Requirements

PTI's has adopted the process approach in applying our Quality System throughout our organization and has defined sequence and interaction of those key processes that affect our ability to meet or

exceed our customers' expectations. These processes can be found in the Quality System Processes chart [**Attachment: Spaghetti Diagram-Interaction of Key Processes**].

To support the management and continual improvement effort of each of these key processes, PTI's Quality System includes the following documentation:
• Quality Manual
• Quality System Procedures
• Departmental Work Instructions Manual
• Job Descriptions Manual
• Quality Forms and Records

These documents define ProTrans' Quality System and ensure compliance with ISO 9001:2008, so that all services meet or exceed customer expectations. The Quality System documentation is issued, controlled, changed, and maintained in accordance with ProTrans' Document Control Program.
Reference: CQP-ISO series Control of Documents

4.2 Documentation Requirements

4.2.1 General

The following are included in ProTrans' Quality System:
• Documented statement of the Quality Policy
• Documented Quality Objectives
• This Quality Manual
• Documented Quality Procedures required by ISO 9001:2008
• Departmental Work Instructions required to effectively implement the processes needed to complete the contract with customers
• Records required by ISO 9001:2008
Reference: CQP-ISO series Control of Documents, Quality Records

4.2.2 Quality Manual

This Quality Manual contains:
• A scope statement with exclusions
• References to documented Quality System procedures
• Sequence and interaction of key quality processes.

4.2.3 Control of Documents

All documents required by the quality management system are controlled through ProTrans International's document control system.
All documents that are elements of the Quality System are reviewed and approved prior to issue. Applicable quality documents are available for reference/download through ProTrans International's webpage.
Reference: CQP-ISO series Control of Documents. Quality Records procedures

4.2.4 Control of Records

The complete list of Quality System records is retained as noted in the Quality Forms and Records Matrix . Quality Procedures provide for identification, storage, protection, retrieval, retention, and disposition of records.
Reference: CQP-ISO series Control of Documents, Quality Records Procedures

5 Management Responsibility

5.1 Management Commitment

ProTrans' management provides evidence of its commitment to develop, implement and improve the effectiveness of the Quality System such as:
- Documentation and communication of the quality policy to the workforce.
- Management's provision of necessary resources and required participation for relevant functions in internal audits, performance measurement programs, and continual improvement efforts.
- Departmental Quality Objectives are established, measured, and reviewed by top management in support of both continual improvement and customer satisfaction efforts.
- Execution of periodic Management Review activities.
Reference: QA-ISO series – Management Review Procedures & form

5.2 Customer Focus

The highest level of management assures that all customer requirements will be covered through the processes and various Lean initiatives focused on identifying and addressing customer requirements and expectations.
Reference: QA-ISO series Continuous Improvement, Customer Satisfaction/Customer Concern

5.3 Quality Policy

Quality Policy/Mission Statement – Same as Mission Statement – Page 1 of this manual

Reference: QA-ISO This Quality Manual

5.4 Planning

5.4.1 Quality Objectives
Measurable Quality Objectives have been formulated with the involvement and approval of the Executive / management team including operational and workforce performance metrics.
Reference: QA-ISO series – Continuous Improvement, Metrics captured by PTI's system-on file.

5.4.2 Quality Management System Planning

Top Management ensures that Quality objectives are established at relevant functions of the organization. The planning and maintenance of the quality management system when changes are implemented involve a cross-functional team to ensure alignment with PTI's goals.
Reference: QA-ISO series – Quality Management System Planning

5.5 Responsibility, Authority and Communication

5.5.1 Responsibility and Authority

The Executive Management team, which includes the CEO and President, is responsible for defining the responsibilities and authorities within the ProTrans organization.
Reference: PTI-Organization Chart -, Job Descriptions

5.5.2 Management Representative

The Corporate Director of Quality has the responsibility of ISO management representative. Irrespective of other responsibilities, assigned duties include:
- Overseeing the implementation and maintenance of the Quality System in accordance with ISO 9001:2008 requirements.
- Reporting to the Management Review Team on the performance and need for improvement of the quality management system.
- Promoting awareness of customer requirements to the degree necessary throughout the organization.
- Acting as liaison with external parties on matter relating to the quality management system, as required.

Reference: QA-ISO series – Management Review

5.5.3 Internal Communication

ProTrans Executive/Management team is involved in the promotion and implementation of internal communication regarding the effectiveness of the quality management system. Some examples of ProTrans' communication tools are: documented training, internal audits, corrective/preventive action process as well as regular formal and informal communications within the different ProTrans' centers.
Reference: CQP-ISO series – Management Review, Continuous Improvement Program, PTI Newsletter

5.6 Management review

5.6.1 General

ProTrans' Executive/Management team performs a periodic review of the quality management system to ensure its continuing suitability, adequacy and effectiveness. These reviews include assessment of opportunities for continuous improvement and the need for changes to the quality management system, quality policy or quality objectives as needed.

As a dynamic lean-focused company, ProTrans performs this activity during various on-going management review meetings at a minimum of once a month or more as needed.

Reference: QA-ISO series – Management Review, Continuous Improvement Program, Internal Audit Program, Process Walk program

5.6.2 Review Input

Management review input includes, but not limited to, the following elements:
- Results of audits using Lean tools
- Customer feedback and expectations
- Process analysis of performance and service conformity to PTI customers' requirements
- Status on trend of preventative and corrective actions
- Changes that could affect the quality management system
- Follow up actions from previous management reviews
- Performance metrics and improvement initiatives

5.6.3 Review Output

Actions associated with the following are included in the output from the management reviews:
- Improvement to Quality System processes and procedures to enhance system effectiveness.
- Service improvements or initiatives associated with customer requirements
- Resource requirements

Reference: QA-ISO series: Control of Documents, Control of Quality Records Procedures

6 Resource Management

6.1 Provision of Resources

ProTrans has various programs, such as Human Resources input and contract review, to ensure appropriate resource management to:
- Implement and maintain the Quality System
- Continuous improvement of the Quality System's effectiveness
- Enhance customer satisfaction through consistent achievement of customer requirements.

Reference: QA-ISO series – Management Review, Continuous Improvement Program Procedures

6.2 Human Resources

6.2.1 General

The workforce competency requirements are assessed through various factors including appropriate educational achievement, work experience, training, skills or other requirements deemed necessary by the Executive/Management or Human Resource to help achieve ProTrans' goals. Continuing competency and workforce and expansion of knowledge base are

addressed in various programs, including Lean-focused initiatives incorporated in ProTrans' quality/operational management system.
Reference: Job Descriptions, Internal Audit Program, Continuous Improvement

6.2.2 Competence, Awareness and Training

PTI has various systems to achieve and evaluate the competence, training and general awareness of the workforce on ProTrans' quality objectives and goals. Some examples of these systems are:
- Training Program
- Continuous Improvement Program

Reference: Training module including web based program, Training Records, Job Descriptions

6.3 Infrastructure

ProTrans' infrastructure requirements are identified and managed through the implementation of several programs such as, but not limited to the following:
- Contract review to identify building, workspace and other associated supporting systems
- Continuous improvement program to evaluate processes/equipment and supporting services such as communication or information, etc.

Reference: QA-ISO series - Continuous Improvement program, Contract Review - Statement of Work, Management Review

6.4 Work Environment

ProTrans considers and addresses many different aspects of the work environment in support of its Quality System including compliance to the various regulatory requirements governing ProTrans' industry. Examples of programs covering this requirement include but not limited to the following: Quality Plan, Safety and Security program and other external regulatory agencies applicable to ProTrans' industry.
Reference: Lean program, Training program, Job Descriptions, Operational work instructions

7 Product Realization

7.1 Planning of Product Realization

The Management Review Team and a multi-functional team representing various phases of the organization oversee the planning and implementation activities to ensure the following:
- Customer requirements and quality goals are established and met.
- Proper facilities, equipment, and supporting services are available.
- Quality management system is consistently implemented to achieve process / customer requirements.
- Services and/or process performance are monitored and verified as necessary to ensure conformance to quality requirements.

- Properly trained personnel are available to perform the services necessary to accomplish these goals.

Reference: Customer Contract (e.g. SOW), Lean-focused continuous improvement program, Operational work instructions, Job Descriptions

7.2 Customer-related Processes

7.2.1 Determination of Requirements Related to the Product

ProTrans has developed programs or systems to identify and implement customer requirements:
- Documentation system to record and relay customer requirements to the workforce
- Application of other requirements not stated by the customer but necessary to achieve customer requirements (e.g. compliance with regulatory requirements governing ProTrans' business, Good Manufacturing Practices, etc.)

Reference: same as 7.1, above

7.2.2 Review of Requirements Related to the Product

Customer satisfaction is one of ProTrans' business metrics. One key element in achieving this goal is to determine the customer requirements' compatibility with ProTrans' system prior to the contract acceptance. Some of the tools used in this assessment include, but not limited to: Service Agreement / Statement of Work, Review of Customer Processes versus ProTrans' process flow, etc.
Change management is implemented via document control and change request review specific to each customer.

Reference: same as 7.1, above and Change Request form

7.2.3 Customer Communication

Several communication channels are available to facilitate information and feedback exchange with ProTrans' customers.
- ProTrans' Sales and Customer Representative teams are available as primary customer contact
- Customer Concern Program – tool for submission and management of customer complaints
- ProTrans' website at www.ProTrans.com

Reference: QA-ISO series: Customer Concern Program, Sales/Customer Rep Job Descriptions

7.3 Design and Development

Due to the nature of the service supplied, design this clause and subsequent sub-clauses are not applicable and therefore excluded from this manual.

7.4 Purchasing

7.4.1 Purchasing Process

The Purchasing / Procurement function with input from the Executive/management team, as needed, has the responsibility of ensuring that specified purchase requirements of elements affecting ProTrans' service realization are met. This responsibility includes the selection, evaluation and development of the supplier base.
Reference: Purchasing procedures

7.4.2 Purchasing Information

Purchasing documentation and information requirements are reviewed and managed by the Procurement / Purchasing function with input from the Management team as needed.
Reference: Purchasing procedures

7.4.3 Verification of Purchased Product

Purchased products may be inspected prior to receipt as required by the originator, or their designated representative.
Reference: Purchasing procedures

7.5 Production and Service Provision

7.5.1 Control of Production and Service Provision

The services provided by ProTrans are planned, implemented, monitored and updated using guidelines such as: contract requirements or documented procedures, process flow and departmental work instructions.
Reference: Purchasing procedures, SOW, ProTrans or Customer-specific work instructions

7.5.2 Validation of Processes for Production and Service Provision

Internal processes and/or customer specific requirements requiring validation or verification of capability to achieve planned results are identified and monitored via various levels of verification depending on basic factors such as, but not limited to the following: complexity, nature of application and impact on the system.
Examples of verification processes, but not limited to the following:
  • Change Request Program
  • Information System Quality Assurance Program
  • Customer-specific verification requirements
Reference: QA-ISO series: Change Request Program, Information System (IS)-Verification/QA system

7.5.3 Identification and Traceability

Products handled by ProTrans are identified throughout the stages of handling, storage, and delivery based on Good Manufacturing Practices in addition to customer requirements.

Reference: ProTrans Material Management system (e.g. ProTrack, etc)

7.5.4 Customer Property

ProTrans has various systems in implementation to safeguard the customers' materials/products while under ProTrans' control and responsibility.
Reference: C-TPAT certification program, Operational Work instructions

7.5.5 Preservation of Product
The systems include, but not limited to the list below:
- Operational procedures to safeguard the integrity and security of customers' materials.
- Management of OS&D (overage, shortage and damage) including customer communication as applicable.
- Training program which includes proper material identification, tracking, handling, packaging (as applicable), storage and material preservation/protection.

Reference: ProTrans Material Management system (e.g. ProTrack, etc, Operational Work Instructions for key activities, OS&D procedure.

7.6 Control of Monitoring and Measuring Devices

Due to the nature of the service supplied, this clause and subsequent sub-clauses are not applicable to ProTrans International and therefore excluded from this manual.

8 Measurement, Analysis and Improvement

8.1 General

Lean-focused philosophy is part of ProTrans' business culture. ProTrans is continually developing lean methodologies to monitor, measure, analyze and improve processes to satisfy the external customers as well as the internal elements of ProTrans' operations (Balanced Scorecard approach).
Reference: Management Review Program

8.2 Monitoring and Measurement

8.2.1 Customer Satisfaction
As one of the performance of the quality system, ProTrans monitors information relating to customer perception as a tool for assessing satisfaction of customer requirements and input to the company's business goals.
Reference: Management Review Program, Customer Concern Program, Continuous Improvement Program

8.2.2 Internal Audit
A Lean-based internal audit program consisting of Lean-trained team leads and/or coordinates the internal audit program including Process Walks (self-audit) to assess the quality management's performance. These activities focus on identifying compliance to regulations and opportunities for improvement.

Reference: QA-ISO series: Internal Audit procedures, Management Review Program and Continuous Improvement Program

8.2.3 Monitoring and Measurement of Processes
The ability of processes to achieve planned results are monitored and measured through various operational and quality management process performance metrics. Some examples are: on time delivery, customer satisfaction and other in-process metrics.
Reference: ProTrans Material Management system (e.g. ProTrack, etc, Operational Work Instructions for key activities, OS&D procedure.

8.2.4 Monitoring and Measurement of Product
ProTrans International measures and monitors applicable parameters to verify completion of customers' requirements at the appropriate stages of the contract realization process.
Reference: Same as 8.2.3, above.

8.3 Control of Nonconforming Product

ProTrans' system includes the management and control of nonconforming products to ensure one or more of the following:
- Taking action to minimize or eliminate the detected nonconformity, as applicable
- Authorizing its use or acceptance by a relevant authority and where applicable, by the customer
- Taking action appropriate to the effects or potential effects of the nonconformity after delivery, as applicable to the scope of contract
  Reference: QA-ISO: Control of Nonconforming Material Procedure, Customer Concern

8.4 Analysis of Data

ProTrans has various data analysis programs at the different stages of the operation to demonstrate the suitability and effectiveness of the quality management system and continually improve the system. This analysis also includes evaluation of customer satisfaction including compliance with the quality plan.
Reference: Same as 8.2.3 in addition to Customer Concern, Management Review

8.5 Improvement

8.5.1 Continual Improvement
ProTrans' continuous improvement program is based on Lean-based initiatives through the use of quality policy, quality objectives, audit results, analysis of data, corrective and preventive actions and management review.
Reference: Same as 8.4, above

8.5.2 Corrective Action 8.5.3 Preventive Action
ProTrans' Corrective and Preventive Action program includes the following elements:
- Review of nonconformities

- Root cause analysis
- Evaluation of action to prevent or minimize reoccurrence
- Implementation of action plan
- Documentation of action taken
- Verification of the action's effectiveness

Reference: Customer Concern, Continuous Improvement Program, Internal Audit Program