SCOPE

Marking Systems, Inc., T-Tycoon Solutions, Inc. and MS Die Cut, LLC (referred herein and in other documents as “MSI”.)

RESPONSIBILITIES

The following quality policy and quality objectives are evaluated monthly by top management and presented to all employees.

These set objectives are to be completed through the current year or until further modifications.

All employees of MSI are responsible to fulfill the quality objectives and to live up to the company quality policy throughout the current year or until further modifications.

QUALITY POLICY AND OBJECTIVES

Top Management has created the following Quality Policy for MSI:

*Marking Systems, Inc. meets or exceeds each of our customers’ requirements, providing products and customer service of the highest quality at a reduced cost. We are committed to maintain a quality management system and will continually improve its effectiveness to meet the requirements of both the AS9100D and ISO 9001:2015 standard.*

This Quality Policy is appropriate for the purposes and context of MSI and supports its strategic direction.

Top Management reviews the Quality Policy for continuing suitability in Management Review quarterly.

The Quality Policy provides the framework for establishing and reviewing Quality Objectives. MSI Quality Objectives, consistent with the Quality Policy are measurable, and approved by Top Management.

The Quality Policy includes commitments to

- comply with AS9100D and ISO 9001:2015 requirements
- comply with customer product quality requirements
- continually improve the effectiveness of the quality management system
Quality Objectives are

- To meet or exceed customer delivery expectations on at least 90% of the orders
- To reduce the internal rejects, not to exceed 2.5% of the orders
- To reduce customers’ rejects to a maximum 1% of the orders
- Compliance with statutory and regulatory requirements
  - This objective is measured by zero actions that lead to violations or findings from regulatory inspections.
- To maintain the ISO 9001 Standard requirements through 01/18/2019.
  - This objective is measured by no major non-conformance findings on surveillance audits.

The Quality Policy and Quality Objectives are communicated, understood and applied within MSI by several means, including:

- Posting of the Quality Policy and Quality Objectives throughout the site
- Periodic meetings, such as weekly DMI Meetings and monthly “Birthday” Meetings, at which the Quality Policy and Quality Objectives are discussed, and for which attendance is recorded. Along with the results, discussion about the employee’s contributions and implications of not conforming to QMS requirements are discussed.
- Internal audits inquire of auditees and witnesses their understanding of the Quality Policy and relevant Quality Objectives

The Quality Policy and Quality Objectives are made available to interested parties by posting on company web sites.

Top Management assures that Quality Objectives are established and understood throughout MSI, as appropriate, including those that support product quality requirements.

Top Management is responsible to ensure the objectives are met, working with production management and production team members.

Results of the Quality Objectives are evaluated weekly in the DMI Meeting, monthly at “All Hands” birthday meetings and at quarterly Management Review Meetings. Comparisons are made to previous results to determine negative trends. Actions arriving from analysis of the results are documented in DMI Meeting notes and, if warranted, in the B3 Log.
In addition to the Quality Objectives, MSI maintains additional Key Performance Indicators ("KPI") for its core processes.

**Sales & CS Process**
External Rejects to be less than 1% of total orders. Rejects attributed to Sales or CS are tracked by credit notes with specific credit analysis codes.

Internal rejects less than 2.5% of total orders. Rejects attributed to Sales or CS are tracked by entries in ENT Job Costing Module, with specific reason codes.

**Purchasing Process**
External Rejects to be less than 1% of total orders. Rejects attributed to Purchasing are tracked by credit notes with a specific credit analysis code.

Internal rejects less than 2.5% of total orders. Rejects attributed to shipping are tracked by entries in ENT Job Costing Module, with a specific reason code.

The goal for Vendor On-Time-Delivery is greater than 80%. This is evaluated through a comparison of the Purchase Order due date and the goods or services receipt date.

**Production and Shipping**
Internal rejects less than 2.5% of total orders. Rejects are tracked by entries in ENT Job Costing Module, with specific reason codes, by department.

External rejects less than 1.0% of total orders. Rejects are tracked by credit notes with specific credit analysis codes, by department.

The goal for On-Time-Delivery is greater than 90% of total orders. This is evaluated through a comparison of the Order Due Date to the Order Ship Date.

Quality management system (QMS) planning is intended to meet the applicable requirements of AS9100D and ISO 9001:2015 along with the Quality Policy and Quality Objectives. Planning is recorded in the Management Review Checklist (MRC).

<table>
<thead>
<tr>
<th>Revision Date</th>
<th>Nature of Revision</th>
<th>Revision Approval</th>
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<tbody>
<tr>
<td>1-26-16</td>
<td>Original Release of document</td>
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<tr>
<td>5-3-16</td>
<td>Updated year, added responsibilities to achieve objectives, etc.</td>
<td>Julia Rusmanica</td>
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<tr>
<td>12-6-16</td>
<td>Updated information on who is responsible for Objectives, how evaluated and actions taken</td>
<td>Joe Sofinowski</td>
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<tr>
<td>3-20-18</td>
<td>Added AS9100D Language</td>
<td>Joe Sofinowski</td>
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<tr>
<td>3-29-18</td>
<td>Added KPI information</td>
<td>Joe Sofinowski</td>
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