

**Phillips Service Industries**  
**Quality Assurance**  
**Definitions**

**1. MRB**

Material Review Board – This is a defined number of individuals identified at our Company that have the authority to disposition nonconforming materials. This includes at a minimum one representative from Engineering and one from Quality Assurance.

**2. NCMR**

Nonconforming Material Report – This is a form utilized at our Company to track all nonconforming material internally and externally with our suppliers and to document all subsequent cause and corrective action.

**3. Source Inspection**

Source Inspection - This is a function arranged between our Company and the supplier to inspect parts on the supplier premises prior to the supplier shipping any product to our Company.

**4. First Piece Inspection**

First Piece Inspection – This is the first part off the current machine set-up which requires submittal to Quality Assurance for inspection and approval of machined characteristics prior to machining resuming on the balance of parts.

**5. Dock to Stock**

Dock to Stock – An Approved Supplier List (ASL) identification used of suppliers with “A” ratings and excellent receiving inspection history, when the supplier is designated as such parts by-pass receiving inspection and go directly to stock and/or next operation.