

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
Standard Operating Procedure	Page : 1 of 4	Revision : 11/17/05 Date : 10-28-2005
Jason Bumgarner Stacy Howell	Title: Control of Non-conforming Product, Customer Returns and Trial/Experimental Materials	

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Purpose:

To make certain that Giles Chemical Corporation does not produce or ship non-conforming product.

Definition:

Non-conforming product is material in process or finished which does not meet predetermined chemical or physical specifications. This may include product returned from customer.

Responsibility:

Non-conforming product is the responsibility of Customer Service Representative, Quality Assurance, and Operations Manager.

Procedures:

- 1. Raw Ingredient Material**-Raw material that may be delivered to Giles, that does not meet specification, is not accepted or unloaded and returned to the Supplier. If only slightly out of specification, management may decide to accept raw material with concessions.
- 2. Customer Returned Product**-Documented procedures have been established for repurchasing and disposition of product, which has been deemed by a customer to be unsatisfactory. The Customer prepared a packing list, which specifies the material, the grade, the packaging, and the nature of the non-conformity. When the shipment is received at GCC the packaging list is checked by the Operations Manager. The returned material is marked with a sticker label on each pallet **"Quality Hold"** and stored in the quarantine area in the warehouse. After inspection, the Operations Manager and the Quality Manager will jointly decide whether to dissolve and return to process at the digester stage, or regranulate if hard, repackage, and produce as agricultural grade. The Operations Manager may suggest sale to another customer who can tolerate the discrepancy. The Quality Manager will issue the Corrective Action Plan or Quality Incident Report for the non-conforming product.
- 3. Non-Conforming Production**-Finished product is inspected by Salt Operators as it discharges from the dryers. If product seems to be out of specification while bagging it is diverted to the super sack storage hopper, super sacked, tagged with **"Quality Hold"** stickers and returned to process at the digester stage by redissolving. If the aberration occurs, while producing super sacks, the salt is sacked, tagged with the **"Quality Hold"** stickers and likewise returned to process. The Quality Assurance/Lab Associate is furnished a sample of crystal production

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representing each shift for USP analysis. In the event that any sample does not meet USP or GCC specifications, production at the crystallizers is immediately stopped, and the salt produced during the shift(s) affected is sticker tagged and handled as above (Customer Returned Product).

4. **Trial/Experimental Material** – All trial/experimental designated for hold will be tagged with “**Quality Hold**” stickers and placed in hold area until disposition has been decided. Once the disposition of the material has been determined the sponsor of the trial/experiment must remove the “**Quality Hold**” stickers and have the materials move to a storage location in the warehouse. If the trial/experimental material is designated for a customer, the customer’s name shall be placed on the bin or material to segregate it from other shipments. However, trial/experimental designated for straight release or may be sold, shall be treated as standard product and stored normally without “**Quality Hold**” stickers

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TRAINING DOCUMENTATION

	EMPLOYEE	TITLE	SIGNATURE	DATE
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REVISION HISTORY

<u>Revision Date</u>	<u>Revision Number</u>	<u>Revision Description</u>
10/28/05	N/A	New Document
11/17/05	01	Added Trial/experimental Procedure