

NANDTB Management System

Policy: It is NANDTB Policy to always apply professional standards of governance and ethics in the management of NANDTB business.

1. Introduction

The NANDTB Management System (NMS) describes the systematic management of its business activities to consistently achieve an acceptable quality standard, and effectively manage and minimise associated risks. It establishes standards which support the NANDTB to maintain transparent, fair and compliant outcomes for its customers and stakeholders.

The NANDTB is a not-for-profit entity and has risks which may prevent it implementing its strategies and achieving its objectives. These are financial and operational and include the safety of its members, quality and delivery of its services, regulatory compliance and stakeholder experience. The NMS is a framework to manage risk and enable the Board's members to be consistent, efficient and effective in the delivery of services and for the management of the Board's operations.

Continuous improvement is a policy of the NANDTB. Accordingly, Board members are encouraged to share experiences and knowledge to further develop and improve the Management System. Members are to provide a commentary each year, anonymously if desired, on the performance of the Board.

2. Relationships

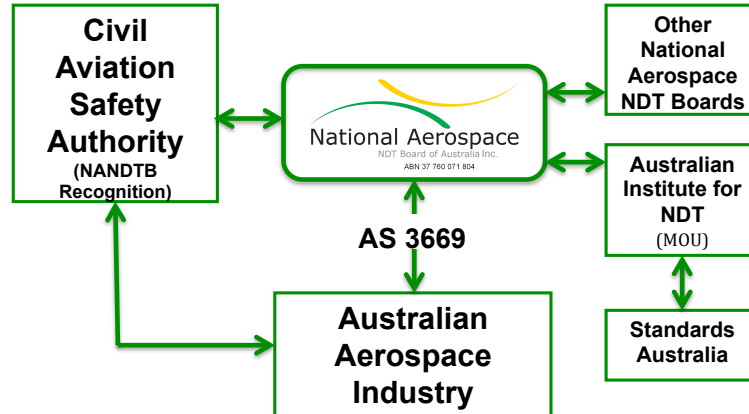


Figure 1 NANDTB relationships with its customers and stakeholders

3. Regulations and Compliance

The NANDTB is incorporated in the State of Victoria and is compliant with the reporting and governance requirements of that legislation.

CASA has identified in its maintenance regulation CASR Part 145 Acceptable Means of Compliance and CAAP 30-4, that the standard of qualification for Specialist Maintenance (NDT) is the Australian Standard AS 3669 "Qualification and Approval of NDT Personnel-Aerospace", (or other standard acceptable to CASA). It further recognizes that the Australian NANDTB as described in that standard, as the

industry representative body which is suitable to set and recognise standards of training and qualification for Specialist Maintenance (NDT). The NANDTB works with Standards Australia to maintain AS3669.

Policy: It is NANDTB policy to adopt the wording of the current version of EN 4179 *Aerospace series — Qualification and approval of personnel for non- destructive testing*, as AS3669, with modification to meet the specific requirements of the Australian Aerospace industry.

Recognition by CASA is underpinned by a Financial Grant Agreement between CASA and the NANDTB, wherein the relationship between the Board and CASA is described, and the Board's obligations under the Grant are defined.

The Board monitors its performance and compliance through internal auditing according to its NA-017 procedure.

4. Management System Structure

The NANDTB Management System consists of four main elements;

- Leadership
- Management of Business
- Review and Assurance
- Promotion and Improvement

4.1 Leadership.

The leadership of the NANDTB is vested in the executive consisting of the Chairman, Deputy Chairman and Secretary/Treasurer. They are elected from the Board members and their respective roles and responsibilities are shown here;

Chairman:

- Shall convene the Board and manage the business of meetings.
- Shall mediate discussions, guiding members to consensus decisions.
- Shall represent and act on behalf of the Board, based on decisions reached by the Board.
- Shall release information on behalf of the Board or authorise its release.
- Shall liaise with all Board members and others as appropriate for the efficient conduct of Board business.
- Shall co-opt other persons to assist with the conduct of business as required.
- Shall prepare reports to CASA as required by the Deed of Agreement.
- Shall have custody of Level 3 recognition applications.

Deputy Chairman:

- Shall act as the Chairman in the absence of the Chairman.

Secretary/Treasurer:

- Shall provide secretariat service to the Board as required.
- Shall have custody of all documents and correspondence of the Board, except for Level 3 recognition applications which are held by the Chairman.
- Shall manage the financial dealings of the Board,
- Shall prepare financial reports to the Board and CASA.

4.2 Management of Business

The business of the Board is conducted at regular meetings in accordance with NA-005 where consensus is reached on decisions, policy, procedures, and future work which may be conducted out of session. Members sign an agreement shown in NA-003 to act impartially and avoid self-interest.

4.2.1 Governance

Members of the Board each owe their fiduciary duty solely to the Board when acting in their capacity as a member. Each member of the Board more generally also has a duty to:

- Act honestly, and in good faith
- Exercise care, skill and diligence
- Exercise the powers, duties and responsibilities of their membership for the purpose for which they were conferred
- Avoid conflicts of interests.

4.2.2 Risk Management Strategy

Risk management can reduce risks and mitigate their consequences by providing the Board with timely information for making decisions and taking action. The Board's strategy is to define its risk profile, have reasonable policies to avoid those risks, and have recovery measures if avoidance fails. Risk assessment considers the following;

- What can happen? When, where, why and how might this occur?
- Who and what might be involved?
- What are the potential effects and who will be affected? What are we doing about this now?

Risk assessment is described in NANDTB procedure NA-023. It is an estimation of risk, and considers the probable outcomes (i.e. harm to the Board, its members or its stakeholders) if the risk is not avoided or mitigated. *Caution is to be exercised to avoid overestimating the probable outcomes.*

Risk mitigation identifies controls and actions which eliminate the risk or otherwise reduce it to an acceptable level. Mitigation may take the form of;

- procedures;
- training;
- communications;
- increased resources;
- SME guidance;
- avoiding the source of the risk
- higher level of control/monitoring.

4.2.3 Documentation

Documentation consists of Board procedures, minutes and correspondence:

- All documentation in a language, style and standard format that is clear, concise and easily understood by users; identifiable by title, document type, version and date of issue. A summary of correspondence is tabled at each meeting. Board procedures are;

- controlled and maintained including periodical electronic backup;
- prepared or modified and offered for Board acceptance prior to issue;
- periodically reviewed for currency, legislative compliance, accuracy, relevance, consistency and continual improvement;
- available on the NANDTB web site.

NANDTB operational procedures shown in Appendix 1 support its strategies and objectives. The NANDTB is a small NFP organization. Accordingly, its documents are designed to be simple yet descriptive. A systematic approach is used to develop Board procedures by following change management principles described in the Figure 2 flowchart below. Each development step receives wide consideration of the influencing factors, both positive and negative.

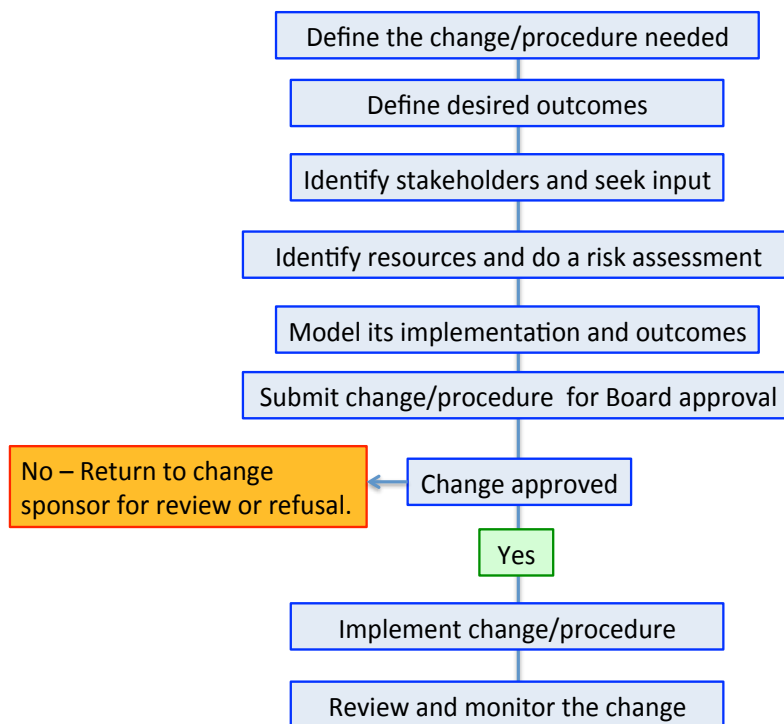


Figure 2 Procedure development flowchart.

Amendments to Documents

Proposed changes to Board documents are circulated to members for review and tabled at a Board meeting. The final form of the amendment will/will not be incorporated by the secretary as determined by the Board and noted in the minutes. Documents shall show a revision status and date of issue. Superseded versions of procedures need not be retained. If a change affects material shown on the web site, the secretary will arrange for the web site to be amended accordingly.

4.2.4 Records

Records are:

- managed and retained in accordance with legislative and Board requirements including fiscal or financial obligations;
- electronically backed up as necessary;
- made available as appropriate, giving regard to confidentiality, sensitivity and legislative requirements.

4.3 Review and Assurance

NANDTB routine activities are reviewed as part of an annual audit based on the adherence to the applicable procedure. Special events or projects are reviewed at the next Board meeting after they conclude. Recommendations arising from these reviews are fed back to the Board as part of continuous improvement.

A Risk Management review is conducted annually and forms part of the Chairman's annual report.

4.4 Promotion and Improvement

4.4.1 Communications

The values, policies and standards of the NANDTB are promoted through communications. These can be disseminated through the web site (www.ndtboard.com), press releases or presentations. It is NANDTB policy that its operation is transparent to its stakeholders and between its members. Communication coming from the NANDTB is only on the authority of the Chairman. This requirement is not to inhibit the transparency of the Board's activities, but rather to ensure that decisions and outcomes are communicated clearly and as a consensus view of the Board.

Communication at all levels is professional, informative and productive. Some communication must by its nature or by NANDTB policy remain confidential, or at least have restricted access, however what may be placed in the public domain will be made available.

Confidentiality: Board members are bound to treat all Board matters as confidential unless in the public domain. Release of information from the Board is only by authority of the Chairman.

Communications from CASA or the aviation industry which require an answer must be received in writing, email or hard copy. If the communication is to a Board member directly rather than the Secretary, the recipient will forward it to the Secretary as soon as practicable. The Chairman may offer a response directly or seek input from members as necessary before responding. The response will be within 14 days from receipt and be shown on the record of correspondence at the next Board meeting.

4.4.2 Training and Education

NANDTB members bring to the Board a wide range of skills, knowledge and experiences. Where possible, tasks will be undertaken by members with a suitable skill set. If members do not possess the required skills and knowledge either individually or collectively, the Board may decide to train or mentor a member(s) to overcome that shortfall, or may outsource the task.

4.4.3 Continuous improvement

The NANDTB is committed to continuous improvement. Feedback from stakeholders, members and audit findings are used to develop initiatives which improve the Board's performance, and service. The annual Chairman's report includes continuous improvement initiatives.

4.4.4 AINDT Certification Board

The NANDTB is invited by the AINDT Certification Board (CB) to attend its meetings to represent the interests of the NANDTB. The NANDTB representative to the CB meetings who shall;

- Maintain the confidentiality of the CB as it requires.
- Make no decisions on behalf of the NANDTB which have not been passed by a consensus vote of members.
- Refer immediately to the NANDTB Chairman, issues arising at the meeting which need the Board's timely consideration or action.
- Report to the CB, decisions of the NANDTB relevant to CB business.
- Provide a copy of the CB minutes to the NANDTB secretary.
- Provide a report of the CB business in regard to issues relevant to the NANDTB, for inclusion in the next Board meeting agenda.
- Respond to CB questions regarding NANDTB policies and procedures.
- Refer to the NANDTB Chairman questions he/she is unable (or unwilling) to answer.

Appendix 1. List of NANDTB Procedures

- 001: Identity and Recognition
- 002: Withdrawn
- 003: Membership
- 004: Rules of Governance
- 005: Meetings
- 006: Dispute Resolution
- 007: Withdrawn
- 008: Electoral Procedure to Elect a Member
- 009: Information and Communications
- 010: Board Member's Agreement
- 010: Withdrawn
- 011: Withdrawn
- 012: Recognition of Outside Agencies
- 013: Requirements for Control of Examinations
- 014: Withdrawn
- 015: Finance
- 016: Withdrawn
- 017: Audit and Monitoring
- 018: Withdrawn
- 019: Level 3 Technical Qualification Recognition
- 020: Recognition of NDT Technician Training
- 021: Recognition of NDT Technician Qualification
- 022: Recognition of In-house Training and Assessment
- 023: NANDTB Risk Assessment.