

**MILLS
BIOPHARMACEUTICALS
INC.**

120 N.E. 26TH STREET
OKLAHOMA CITY, OKLAHOMA 73105
405-525-3141
405-5253143 Fax

September 14, 2001

John Jankovich, Ph. D. , Sr. Engineer
Materials Safety and Inspection Branch
Division of Industrial and
Medical Nuclear Safety
Office of Nuclear Materials Safety
And Safeguards

SUBJECT: Amendment to Registration Certificate No. NR-1081-S-101-S

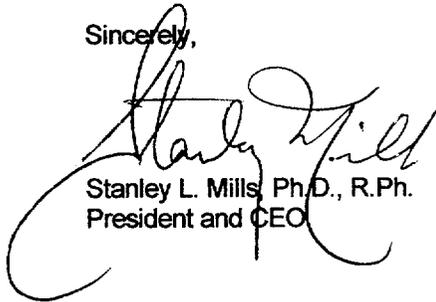
Dear Dr. Jankovich:

Attached hitherto is the notification of the determination by the U.S.FDA of substantial equivalence, 510(k), for our Pd-103 brachytherapy source submitted in the amendment to our above indicated registration. It is my understanding that the certificate has been approved pending your receipt of this document.

MBI was recently audited by a registration body regarding our request for ISO certification and received verbal ISO 9001:2000 approval with certification documentation to be issued in three to four weeks. During the certification process it was necessary to revise our Quality Manual pursuant to ISO 9001:2000 requirements. I respectfully submit our revised Quality Manual to our registration.

Should you require further information please contact me at 405-525-3141 (office), 405-525-3143 (Fax) or 405-520-2433 (mobile).

Sincerely,



Stanley L. Mills, Ph.D., R.Ph.
President and CEO

Attachments: 2



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

AUG 31 2001

Food and Drug Administration
9200 Corporate Boulevard
Rockville MD 20850

Stanley L. Mills, Ph.D., R.Ph.
President and CEO
MILLS BIOPHARMACEUTICALS INC.
120 N.E. 26th Street
OKLAHOMA CITY OKLAHOMA 73105

Re: K011427
MBI Pd-103 Brachytherapy Seed
(Pd.-103 Brachytherapy Seed)
Dated: July 17, 2001
Received: July 24, 2001
Regulatory Class: II
21 CFR 892.5730/Procode: 90 KXX

Dear Dr. Mills:

We have reviewed your Section 510(k) notification of intent to market the device referenced above and we have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into either class II (Special Controls) or class III (Premarket Approval), it may be subject to such additional controls. Existing major regulations affecting your device can be found in the Code of Federal Regulations, Title 21, Parts 800 to 895. A substantially equivalent determination assumes compliance with the Current Good Manufacturing Practice requirements, as set forth in the Quality System Regulation (QS) for Medical Devices: General regulation (21 CFR Part 820) and that, through periodic QS inspections, the Food and Drug Administration (FDA) will verify such assumptions. Failure to comply with the GMP regulation may result in regulatory action. In addition, FDA may publish further announcements concerning your device in the Federal Register. Please note: this response to your premarket notification submission does not affect any obligation you might have under sections 331 through 542 of the Act for devices under the Electronic Product Radiation Control provisions, or other Federal laws or regulations.

This letter will allow you to begin marketing your device as described in your 510(k) premarket notification. The FDA finding of substantial equivalence of your device to a legally marketed predicate device results in a classification for your device and thus, permits your device to proceed to the market.

If you desire specific advice for your device on our labeling regulation (21 CFR Part 801), please contact the Office of Compliance at one of the following numbers, based on the regulation number at the top of this letter.

8xx.1xxx	(301) 594-4591
876.2xxx, 3xxx, 4xxx, 5xxx	(301) 594-4616
884.2xxx, 3xxx, 4xxx, 5xxx, 6xxx	(301) 594-4616
892.2xxx, 3xxx, 4xxx, 5xxx	(301) 594-4654
Other	(301) 594-4692

Additionally, for questions on the promotion and advertising of your device, please contact the Office of Compliance at (301) 594-4639. Also, please note the regulation entitled, "Misbranding by reference to premarket notification." (21 CFR 807.97). Other general information on your responsibilities under the Act may be obtained from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (301) 443-6597 or at its Internet address <http://www.fda.gov/cdrh/dsma/dsmamain.html>

Sincerely yours,

Nancy C. Brogdon
Director, Division of Reproductive,
Abdominal, and Radiological Devices
Office of Device Evaluation
Center for Devices and Radiological Health

Enclosure

Appendix 2

510(k) Number (if known): K011427
Device Name: Pd-103 Brachytherapy Seed

INDICATIONS FOR USE:

Pd-103 SL brachytherapy seeds with apparent activities between 3.7 MBq (0.1 mCi) to 78 MBq (2.11 mCi) are indicated for permanent interstitial treatment of tumors which are unresectable or residual after excision of the primary lesion, localized, slow growing, and low to moderate radiosensitivity. Intra abdominal, intrathoracic and superficial tumors may be treated with seeds containing apparent activities within this range. Tumors commonly treated are prostate (early stage), pancreas, head, neck, and lung

Pd-103 SH brachytherapy seeds containing apparent activities greater than 78 MBq (2.11 mCi) are indicated for temporary interstitial treatment of tumors which are unresectable or residual after excision of the primary lesion, localized, with moderate radiosensitivity. Temporary implants are indicated in breast, brain and eye tumors.

Pd-103 brachytherapy seeds are indicated for treatment of residual tumors and recurrent tumors following external radiation therapy, hyperthermia, or chemotherapy or concurrent with these treatment modalities.

(PLEASE DO NOT WRITE BELOW THIS LINE-CONTINUE ON ANOTHER PAGE IF NEEDED)

Concurrence of CDRH, Office of Device Evaluation (ODE)

Prescription Use ✓
(Per 21 CFR 801.109)

Over-The-Counter Use _____

Nancy C Scogdon
(Division Sign-Off)
Division of Reproductive, Abdominal,
and Radiological Devices
510(k) Number K011427

MILLS BIOPHARMACEUTICALS, INC.

120 N.E. 26th Street
Oklahoma City, Oklahoma 73105
405-525-3141
405-525-3143 FAX

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*Waived.
See Mills' e-mail/
dated Sept. 18, 2001
John Jackson*

Quality Manual

Document No: QM-1.02

Issue Date: 22OCT99

Revision Date: 07SEP01



Director, Operations/ Engineering – Ron Mashore, P.E.

10 SEPT 01
Date



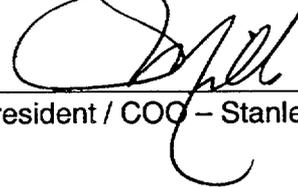
Director, Quality Assurance – Tom Springer

10 SEP 01
Date



Chief Regulatory Officer – Terance Grisso

07 Sep 01
Date



President / COO – Stanley Mills, Ph.D.

11 Sept 01
Date

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MBI

Quality Manual

Foreword

Mills Biopharmaceuticals, Inc. (MBI) is a Manufacturer of medical devices based in Oklahoma City, OK. MBI was founded in 1992 to produce injectables for clinical trials. In 1995, MBI moved to its present facility and has operated there ever since. In 1997, the injectables product line was dropped and MBI changed its manufacturing practices from cGMP to adopt the Quality System Regulation. MBI re-tooled the production facility from injectables to medical devices. Brachytherapy was started in 1998 with MBI providing production capabilities, which include radioisotope handling, finished product labeling, packaging, and shipping.

MBI is committed to providing consistent processes, safe and efficacious medical devices, as well as meeting regulatory and our customer's requirements.

Our Quality Manual describes the approach maintained by MBI to ensure customer satisfaction through the fulfillment of product requirements and commitments to the company's customers. Adherence to the requirements described in the Quality Manual ensures compliance with the Quality System Regulations—CFR 21 Part 820, Part 11, as well as NRC Regulations, ISO 9001:2000 Requirements, ISO 13485 Requirements, and 93/42/EEC requirements.

MBI personnel and resources are dedicated to customer satisfaction. The ultimate measure of our success is the on-time delivery of a safe and efficacious product to our customers.

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MBI

Quality Manual

Quality Policy

MBI is committed to meeting our customers' and all regulatory requirements by providing an on-time scheduled delivery of a high Quality product with emphasis on continual improvement.

Mission Statement

Discipline, commitment, and perseverance through the full implementation of our Quality System will ensure that our Customers consistently receive the highest level of Product Performance and Product Quality.

MBI

Quality Manual

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MBI

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REVISION RECORD

This Quality Manual contains only information issued by Mills Biopharmaceuticals, Inc., and any changes to the Quality Manual require the approval of the Director of Quality, the Director of Operations/Engineering, the Chief Regulatory Officer, and the President/COO of MBI. Document Control processes all authorized changes, makes the manual available to employees, distributes revised copies, and verifies that obsolete versions are withdrawn and destroyed. The master copy of the Quality Manual is maintained by Document Control and is considered the final authority as to revision status of all sections in the manual. Copies of the Quality Manual not stamped "CONTROLLED COPY" are uncontrolled and will not receive automatic updates.

DATE	REVISION	DETAILS	AUTHORIZED SIGNATURE
22Oct99	00	Original Issue	
30Apr01	01	Updated responsibilities and Org. Chart, revised pp. 5, 7, 9, 12, 15, 17, and 20	
07Sep01	02	Changed format to adhere to ISO, MDD, and 21 CFR Part 820 Requirements	

Note: Details of changes can be found in the QM-1 History File.

DISTRIBUTION LIST

CONTROLLED COPY	LOCATION
Master Copy	Document Control
Controlled Copy 1	Document Control
Controlled Copy 2	MBI Break Room
Controlled Copy 3	MBI Laboratory

Mills Biopharmaceuticals, Inc. Document Management System Document Cross Reference

<u>SECTION</u>	<u>DOC. NUMBER</u>	<u>DOCUMENT TITLE</u>	<u>ISO 9001:2000</u>	<u>ISO/CD 13485</u>
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MBI

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MANAGEMENT SYSTEM (1)

The MBI Management System described in this overview applies to all products produced at MBI. MBI's Executive Management is responsible and committed to the full implementation of a company-wide system of quality and continual improvement for achieving customer satisfaction and safety. The Management System ensures that this is fully understood and maintained at all levels of the organization. The Management System is comprised of a series of hierarchically arranged documents, which fully describe the elements of the quality system as well as various business functions (see Appendix II).

MBI has identified the processes needed for the Quality Management System and their application throughout the organization. The Management System has determined the sequence and interaction of these processes along with criteria and methods needed to ensure that both the operation and control of these processes are effective. The Management System ensures the availability of resources and information necessary to support the operation and monitoring of these processes. MBI's Quality Management System also ensures the monitoring, measurement and analysis of these processes, and that actions necessary to achieve planned results and continual improvement of these processes are implemented.

DOCUMENTATION REQUIREMENTS (1.1)

Quality system documentation includes a quality policy, quality objectives, a quality manual, Work Procedures, SOP's, Specifications, Test Methods, and Forms. The quality manual describes the scope of MBI's Quality Management System (including any exclusions), references to the documented procedures established for the Quality Management System, and describes the interaction between the processes of the Quality Management System. The Quality Manual is a formal and factual representation of the Quality Management System and is reviewed by executive management every three years, with revisions as necessary, to reflect current system status.

Documented procedures that control all documents and records relating to the requirements of the Quality System Regulation are established, maintained, and reviewed.

MBI

Quality Manual

All documentation required to ensure MBI's products and processes meet internal and regulatory requirements is controlled and available at the point of use either in hard copy or electronically. All controlled documents are legible and clearly identified by a unique control number. Status of all controlled documentation is available either electronically or in hard copy to assure that only the most current versions of documents are in use. Not all copies of a document are required to be controlled. Uncontrolled copies are stamped "SAMPLE -- For Reference Only" and may not be used in the final acceptance of products. Documents of external origin are identified, and their distribution is also controlled. It is the responsibility of the user and the documentation coordinator to ensure they have the latest copy of any controlled document.

A documentation approval and distribution process exists at MBI to ensure that all responsible and affected departments review and approve internal documents prior to release and that they are made available for use in a timely manner. Documents shall be reviewed every three (3) years, with revisions as necessary, to reflect current system status. The distribution, purging and obsolescing of all controlled documentation is accomplished as necessary through on-going database and hard copy management. Approval, storage, distribution, updating, purging, and obsolescing of all controlled documents are the responsibility of Document Control and the functional department's management for which they are generated. Obsolete documents are stamped "Obsolete" and removed from circulation. Documents of external origin are also controlled within the Document Control system.

MBI's quality system requires maintaining readily accessible and legible records and historical files of documents pertaining to quality. The retained information includes, but is not limited to, records of customer requirements, contract reviews, management reviews, operating logs, audit reports, inspections, tests, material analysis, qualification of personnel, standard operating procedures, batch records (DHR's) and equipment qualifications. Other documentation including drawings, specifications, purchasing documents, calibration procedures and reports, non-conformance reports, deviation reports, and corrective action reports. Internal quality records are retained for a period of not less than (3) years. Quality records required to satisfy various regulatory mandates or customer requirements are retained in accordance with the applicable regulation or contract specification.

All records pertaining to each product lot are maintained in a designated controlled area. Records are easily available for review by authorized personnel only and are filed in numerical order by Product and Lot Number. Records pertaining to production lots identify the person performing the test, inspection, or manufacturing.

Written procedures are in place to control all records, data, and documentation required by MBI's Quality Management System.

MBI

Quality Manual

MANAGEMENT RESPONSIBILITY (2)

MANAGEMENT COMMITMENT and CUSTOMER FOCUS (2.1)

Dr. Stanley L. Mills is the President and COO of MBI and established the Quality Policy to clearly define the company's responsibility and commitment to Quality Products and Customer Satisfaction. His responsibilities and commitments include, but are not limited to: providing the facilities and necessary resources to maintain the Quality System and continually improve its effectiveness, and to provide qualified personnel to consistently maintain an effective Quality System to produce defect-free products. It is also his responsibility and commitment to conduct management reviews, and to review and maintain MBI's Quality Policy and Objectives and assure that regulatory and customer requirements are determined and met with the aim of enhancing customer satisfaction.

Management's commitment to the responsible implementation of MBI's written procedures and controls ensures that products meet quality standards established by customers requirements, internal company specifications, and regulatory requirements. Additionally, it is Management's responsibility to identify, plan, implement, and evaluate on-going process improvements, set specific goals, provide related guidance, and support open communications at all levels of the organization to achieve customer requirements. With the use of memos, meetings, and a company bulletin board, Management can communicate to the organization the importance of meeting customer, regulatory, and statutory requirements.

QUALITY POLICY and OBJECTIVES (2.2)

MBI's Quality Policy is periodically reviewed to assure that it is still suitable to the purpose of the organization. It includes commitments to comply with customer and regulatory requirements and to continually improve the effectiveness of the quality management system. It provides a framework for establishing and reviewing quality objectives, and through training, shall be communicated and understood within MBI. The Quality Objectives are established at relevant functions and levels within MBI, and are measurable and consistent with the Quality Policy.

QUALITY MANAGEMENT SYSTEM PLANNING (2.3)

Top management ensures that Quality Management System planning is carried out in order to meet regulatory, statutory, and customer requirements, as well as the requirements of ISO 9001:2000, ISO 13485, 21CFR Part 820, and MBI's own Quality Objectives. Through the use of a documented Quality Change Control Policy and Procedure, management can ensure that

MBI

Quality Manual

the integrity of the Quality System is maintained when any changes to it are planned and implemented.

RESPONSIBILITY, AUTHORITY, and COMMUNICATION (2.4)

All employees at MBI are responsible for ensuring the manufacturing of a quality product and support the company's commitment to customer satisfaction. Ultimately, it is the responsibility of the total management to verify compliance with the Quality System and provide guidance in the establishing, identifying, verifying, implementing, and maintaining solutions to correct/prevent nonconformance and to improve process control. The Organizational structure of MBI detailing responsibilities and authorities is identified in Appendix I. The Organizational Chart is one way Management ensures that responsibilities, authorities, and interrelation of all personnel are defined and communicated throughout MBI. Other ways include job descriptions and responsibilities called out in SOP's.

Management also ensures that appropriate communication processes are established within the organization and that communication takes place regarding the effectiveness of the Quality Management System (in the form of established guidelines and controlled procedures, minutes of meetings held, monthly staff meetings, and distribution of documents). By doing this, customer requirements are determined and met, and customer satisfaction is enhanced.

The Chief Regulatory / Product Safety Officer, irrespective of other responsibilities, has been appointed the management representative and has established authority over the Quality System implementation. He is also responsible for the safety of all medical devices. This appointee is documented. The appointee shall report to top management the performance of the quality management system and any need for improvement and shall ensure the awareness of customer requirements throughout MBI.

MANAGEMENT REVIEW (2.5)

Management conducts quarterly reviews to assess progress, suitability, adequacy, and effectiveness of the Quality System. This review assesses opportunities for improvement and the need for changes in the Quality Management System. These reviews include, but are not limited to: reviewing internal audit results, customer complaints, production performance, non-conformances, status of all corrective actions, and personnel job functions. Management reviews are conducted as a means of achieving and maintaining MBI's Quality Policy and Quality Objectives. They are formal and require the attendance of the President.

MBI maintains a documented procedure on Management Reviews, which details review inputs and outputs, and key participants. Records of Management Review meetings will be maintained.

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RESOURCE MANAGEMENT (3)

MBI shall determine and provide the resources needed to effectively implement and maintain the quality management system and continually improve its effectiveness. It shall also maintain the resources needed to enhance customer satisfaction and to meet all regulatory and customer requirements.

HUMAN RESOURCES (3.1)

Personnel performing work affecting product quality are competent on the basis of appropriate education, training, skills, and experience. This is assured through the use of documented job descriptions, a training and certification program, yearly job evaluations, internal quality audits, and written tests. Procedures are in place to identify training needs and to ensure that all personnel are trained to adequately perform their job.

Employee training, combined with documented procedures and instructions, provides the foundation for assuring consistency and conformity in all tasks which impact the quality of our products. Through the use of proper training, all personnel are aware of the relevance and importance of their jobs and how they contribute to the achievement of the Quality Objectives. As new or repetitive training requirements are identified, they are applied to their respective areas.

It is the responsibility of all functional supervisors to assure that employees are qualified and training needs are fulfilled. Training records are maintained for all employees. Training criteria and materials are maintained for all training performed and evaluated for content prior to use by the instructor/supervisor.

INFRASTRUCTURE and WORK ENVIRONMENT (3.2)

The proper infrastructure (buildings, workspace, process equipment, and supporting services) and work environment needed to achieve conformity to product requirements shall be determined, provided, and maintained. This shall be accomplished with the use of management review, maintenance procedures, cleaning procedures, equipment maintenance, and facility inspections.

Personal hygiene procedures have been established, documented, and maintained for health, cleanliness, and clothing of personnel. All personnel who are required to work under special environmental conditions are appropriately trained and/or supervised by a trained person.

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PRODUCT REALIZATION (4)

PLANNING of PRODUCT REALIZATION (4.1)

MBI shall plan and develop processes needed for product realization that are consistent with the requirements of the other processes of the quality management system. Quality objectives and requirements for the product, processes, documents, resources, inspection and test activities, criteria for product acceptance, and the records needed to provide evidence that the resulting product meet requirements are all things that shall be determined. For each product MBI manufactures, there is a Device Master Record (DMR). This record is used as a "plan" to manufacture the product. Customer requirements and flowcharts are also used to plan and develop the processes needed for product realization.

CUSTOMER-RELATED PROCESSES and COMMUNICATION (4.2)

Documented procedures shall be established and maintained for contract review and for the coordination of these activities. Each tender, contract and/or order will be reviewed to ensure that:

- a) the customer's requirements are adequately defined;
- b) any differences between the contract or accepted order requirements and those in the tender are resolved; and
- c) the company has the capability to meet the contract or accepted order.

How an amendment to a tender, contract or order is made and correctly transferred to the functions concerned within the organization will be identified and documented. When the customer provides no written statement of requirement, the customer's requirements shall be confirmed prior to acceptance. Records of contract review and actions arising from the review will be maintained.

Following documented procedures, contracts are reviewed prior to being accepted. Contracts are reviewed to ensure: customer requirements are understood (including requirements for delivery and post-delivery activities), differences between the customer's requirements and MBI's performance claims/policies/capabilities are discussed and resolved, requirements not stated by the customer but necessary for the intended use are known, all regulatory requirements are adhered to, contract or order requirements differing from those previously expressed are

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resolved, any additional requirements determined by MBI are understood, and, ultimately, MBI can provide goods and services which meet or exceed the customer's specified requirements. When and if product requirements are changed, relevant documents shall be amended and relevant personnel shall be made aware of the changes.

MBI's Package Insert, Return Authorization Policy, and customer surveys are ways of effectively communicating with customers in relation to product information, contract or order handling, and customer feedback. Distribution is responsible for direct customer interface (e.g. responding to customer enquiries and feedback).

DESIGN AND DEVELOPMENT (4.3)

In order to ensure that the specified requirements are met, documented procedures to plan, control, and verify the design of the product are established and maintained. Risk management activities have been implemented and records are maintained.

Design input requirements relating to the product, including applicable regulatory requirements, are identified, documented and their selection reviewed for adequacy and approved. Requirements shall be complete, unambiguous, and not in conflict with each other. Design output is documented and expressed in terms that can be verified and validated against design input requirements. They shall be approved prior to release. Planning output shall be documented, updated, if applicable, as design and development progress. Records on design and development inputs and outputs are maintained.

At appropriate stages of the design process, formal documented reviews of the design results are planned and conducted to evaluate the ability of the results of design and development to meet requirements. These reviews are also used to identify any problems and propose necessary actions. Participants at each design review include representatives of all functions concerned with the design stage being reviewed. Records of such reviews are maintained.

MBI establishes, implements and maintains documented design control procedures to ensure that specified design requirements are met. These procedures address design and development planning, organizational and technical interfaces, establishing design input requirements, evaluating design outputs, reviews, verification, validation, and design changes. A design history file is maintained to ensure the device is developed in accordance with the approved design plan.

PURCHASING (4.4)

MBI establishes, implements, and maintains documented procedures to ensure that purchased

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products conform to specified purchase requirements. Documents contain or reference the material and component identification requirements, drawings, specifications, test and inspection requirements, and special instructions, as needed. Purchasing information also describes quality management system requirements, if necessary. All purchase requirements determined and reviewed prior to communication with the supplier.

Changes and revisions to procurement documents are subject to the same review and approval procedure as the original document. Procedures are established for the requirements for reporting and approving disposition of nonconformance.

Suppliers are evaluated and selected on the basis of their ability to meet specified requirements for product, delivery, quality system, regulatory status, pricing and technical support. Quality Assurance and/or qualified personnel maintain an effective system for selecting, evaluating, and re-evaluating qualified suppliers, and for monitoring supplier performance to ensure on-going capability, which may include any or all of the following: on-site assessments, product testing, review of previous supply history, and self-survey. Records of the results of evaluations and any actions arising from the evaluations are maintained. A record of approved vendors is also maintained.

MBI maintains procedures that explain receiving inspection of purchased product, inspection and testing, non-conforming product, and corrective and preventive action. These procedures are to ensure that purchased product meets specified purchase requirements. The extent of control and verification will be related to the type of material being purchased and the vendor's previous supply history.

MBI does not currently perform verification at the supplier's premise, therefore it is not currently part of MBI's Quality System. If and when such practices become necessary, MBI will specify the verification procedure, including the methods and requirements for release.

PRODUCTION and SERVICE PROVISION (5)

MBI has identified production processes and maintains documented procedures to ensure that these processes are carried out under controlled conditions (i.e., suitable environment, appropriate equipment, use of monitoring and measuring devices, etc.). Prior to initiating and/or approving new processes, equipment and material, MBI performs qualifications to ensure their efficiency. Qualifications are controlled documents, and the data is recorded and kept on file.

Documented procedures and work instructions are provided and readily available in all

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manufacturing processes. Trained employees shall manufacture products and monitor process and product quality in compliance with current documented procedures and applicable standards and/or regulations. Flowcharts have been established to describe the flow of material as well as the process, which include quality verification points. Procedures are also in place for the release of all raw materials and finished product, as well as distribution release.

A quality assurance program has been established to cover all the operations of Mills Biopharmaceuticals, Inc. This program is in effect throughout the entire company and is documented by written procedures. All activities affecting product quality are carried out under conditions that are suitably controlled to ensure that the right equipment and materials are used in the correct area and manner. Personnel in these areas are properly trained in the use of equipment as well as in the importance of Quality to the organization. Documented procedures are established and maintained for cleanliness of product requirements since process agents are to be removed from product during manufacture.

All products are issued run/batch/lot numbers and are manufactured in accordance with the Quality System Regulation (21 CFR Part 820), using formal manufacturing documents. The control of these documents is in accordance with established written procedures.

All raw materials and final products are released based upon a series of tests, specifications, and acceptance criteria. Until release, products are segregated by specific identity numbers and await disposition (i.e., Quarantine, Release, Reject) until testing and review is completed. All testing and specifications are established in a series of documents, in which any changes must undergo a revision and review/approval process. Quality does final release of all products.

MBI establishes, implements and maintains documented procedures to ensure proper handling of all inventory, purchased raw materials, in-process materials, and/or finished devices.

Identification, special handling, labeling, and segregating are all part of the process inventory prior to being released for use. Documentation for the handling of all inventory is maintained on hard copy as well as electronically. Any non-conforming materials that are identified, either in-process or finished device, are immediately labeled rejected and segregated to prevent usage of the wrong material. There are written procedures that describe the handling of non-conforming materials.

When applicable, traceability to a supplier's lot number or material identification number is established at the time of product receipt or during receiving inspection, and maintained throughout the subsequent product processing. Also, when applicable, the inventory is labeled with an expiration date to provide for First In, First Out (FIFO), when possible.

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Validation is performed on any process, equipment, or software where the resulting output cannot be verified by monitoring or measurement, including processes where deficiencies become apparent only after the product is in use. Validation demonstrates the ability of processes/equipment/ software to achieve planned results. Arrangements, such as defined criteria for review and approval of the processes, approval of equipment and qualification of personnel, use of specific methods and procedures, requirements for records, and revalidation, are established for the process/equipment.

Throughout the Quality System, MBI has written procedures for the identification, handling, storage, packaging, protection, and delivery of finished products to prevent damage, deterioration, or unsafe handling. MBI maintains defined labeling and packaging procedures and operations to prevent labeling errors.

To prevent damage and/or deterioration, all products that require it are stored in temperature-monitored storage areas. Reagents, chemicals, in-process materials, or other consumables that have a shelf life are assigned expiration dates. Critical items are supported by real-time studies or stability data provided by manufacturers.

Packaging and shipping containers are designed and constructed to assure that the product is adequately protected during storage and distribution, and to conform to any applicable regulatory requirement of both the shipping and receiving destinations. Qualification studies of the shipping container and packaging material are performed prior to the approval of the container. The requirements for delivery and post-delivery activities are specified in an approved and controlled Package Insert that is sent out with every order. The package insert also details the requirements not stated by the customer but are necessary for specified or intended use, where known.

Only products that have been released for shipment are available in the appropriate storage areas. Written procedures are detailed to ensure compliance with regulations.

Carriers of hazardous materials are selected to ensure that final products arrive at the intended destination in the best condition possible.

PRODUCT IDENTIFICATION AND TRACEABILITY (5.1)

All finished devices are labeled through a controlled process and given a batch/lot number that provides traceability. MBI maintains written procedures that describe the product run/batch/lot numbering system. Labels, Work Procedures, and the Device History Files are used to identify

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product and product status in respect to monitoring and measurement requirements. Finished product is traceable by its batch number through the Device History File to the specific raw materials, equipment, and personnel used in its manufacture. Records allowing product traceability are also maintained on the shipment of product to customers.

Contracts will be set up with our licensed to receive radioactive materials distributors to ensure product traceability through the records they keep. These records will be made available for inspection at all times. Contracts will also be set up with non-licensed distributors who cannot receive radioactive materials. MBI will ship directly to the customers to ensure product traceability through the records MBI keeps.

CUSTOMER PROPERTY (5.2)

MBI does not have or anticipate having any contracts requiring the use of customer property, therefore control of customer property is not currently part of MBI's Quality System. If and when such practices become necessary, MBI will specify the identification, verification, and protection procedures, including the methods and procedures for lost and damaged customer property.

CONTROL OF MONITORING AND MEASURING DEVICES (5.3)

MBI shall determine the monitoring and measurement needed and the monitoring and measurement devices needed to provide evidence of conformity of product. Documented procedures to control, calibrate, maintain inspection, measure and test equipment used to demonstrate the conformance of product to the specified requirements are established and maintained. All such equipment that requires calibration is calibrated in a manner traceable to NIST standards, Accredited Dosimetry Calibration Laboratory, U.S. Pharmacopeia, British Pharmacopeia, European Pharmacopeia, Japanese Pharmacopeia, or equivalent where necessary.

Where test software or comparative references are used as suitable forms of inspection, validation or qualification, as appropriate, MBI shall prove that they are capable of verifying the acceptability of the product. Records shall be maintained.

Calibration activities are conducted in accordance with documented procedures, to ensure that all equipment requiring calibration is identified and calibrated prior to use and on schedule thereafter, and that the proper monitoring and measuring devices needed to provide evidence of conformity to determined requirements are used. Calibration data and associate corrective action are recorded and maintained by Quality Assurance. Calibration labels, including last and next calibration dates, are attached to calibrated equipment, if possible. Any equipment not requiring calibration is labeled as such, where possible.

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Calibrations may be performed by an approved calibration vendor, trained MBI employees, the equipment manufacturer/authorized dealer, or other qualified (third-party) personnel. Previous measuring results shall be assessed and recorded when equipment is found to not conform to requirements. Appropriate action on the equipment and any product affected will take place.

Equipment used in the manufacturing of the device may be checked for accuracy and/or acceptable operation on a periodic basis. Equipment history logs will be maintained for each piece of equipment, which requires calibration, use, and maintenance as described in the written procedure. Measuring equipment is safeguarded from adjustments that would invalidate their results, and protected from damage or deterioration during handling, maintenance, and storage.

MEASUREMENT, ANALYSIS, AND IMPROVEMENT (6)

Planning and implementation for the monitoring, measuring, analysis, and improvement needed to demonstrate conformity of the product, ensure conformity of the Quality System, and to continually improve the effectiveness of the Quality System shall be established.

The quality system includes the use of appropriate statistical techniques to evaluate trends and enhance the confidence level that the Quality System is functional and effective. They are also used when required for controlling and verifying process capability and product characteristics. These techniques include methods for monitoring and improving processes through the evaluation and analysis of statistical data. Results of statistical data analyses provide guidance in the continuous improvement of our processes as well as corrective and preventative action. Statistical methods used at MBI are derived from established standards.

MONITORING AND MEASUREMENT (6.1)

MBI uses customer surveys, customer complaints, and customer returns as ways to measure the performance of the Quality Management System and to monitor customer perception as to whether we have successfully met customer requirements.

MBI's Quality System includes internal monitoring to ensure the system is effectively implemented, maintained, and conforms to the planned arrangements and Quality System requirements that have been established. Audits are performed in accordance with pre-established written procedures or check lists and conducted by personnel not having direct responsibilities in the areas being audited. The audit criteria, scope, frequency, and methods shall be defined prior to the audit. Each part of the Quality Management System is audited yearly. Documented procedures are in place to define the responsibilities and requirements for planning and conducting audits, and for reporting results and maintaining records.

Quality System audits are scheduled on the basis of the status and the importance of the activity

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performed, as well as the results of previous audits. Audit observations are documented and corrective actions reviewed for compliance and adequacy. Audit observations are reviewed with management having responsibility in the area audited. Deficient areas shall be re-audited on a timely basis to verify implementation of corrective actions. Audit reports are not available to regulatory agencies or their representatives, per the Quality System Requirements.

Suitable methods for monitoring and, where applicable, measurement of the Quality System processes are applied. These methods demonstrate the ability of the processes to achieve planned results. When planned results are not met, correction and corrective action is taken to ensure conformity of the product.

Monitoring and measuring the characteristics of the product is done at appropriate stages to verify that product requirements have been met. To prevent nonconformance and ensure product integrity, MBI has documented procedures for the inspection and testing of incoming materials, in-process materials, and finished products.

In-process testing is performed per written procedures by either Manufacturing or Quality Control. Non-conforming materials are identified and segregated until a disposition is established. This ensures that only products that conform to specification are used for further processing. All written records are reviewed and approved prior to release to the next stage of production.

Final inspection and testing is conducted by the Quality Control department in accordance with written procedures. Final inspection and testing requires evidence that the product has been tested and approved, providing evidence that the product meets all specified requirements. Any product that does not conform is identified and secured in a designated quarantine location until a final disposition is determined. As per written procedures, all inspections are performed by someone other than the person who performed the work and at appropriate stages of the product realization process. All written records are reviewed and approved prior to release.

No product is shipped until a) all the documented procedures in the device history record have been completed, and b) all the documentation has been reviewed and authorized for release by the appropriate personnel (i.e., Quality Control and/or Quality Assurance).

CONTROL OF NON-CONFORMING PRODUCT (6.2)

MBI maintains documented procedures for the identification, documentation, segregation, evaluation, disposition, notification, and destruction of a nonconforming product. These procedures also define the responsibilities and authorities for dealing with non-conforming products.

Non-conforming products are identified and placed into a designated rejected location until a

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final disposition is determined or an action is taken to eliminate the detected non-conformity. A Non-conforming Material Report (NCRM) is prepared and tracks the status of the product.

A disposition to 'return to supplier' or 'destroy' will be prepared and approved by the appropriate personnel. Non-conforming material that is re-processed, according to written procedures, is subject to the same level of inspection and testing as the original process.

Non-conforming materials are documented and reviewed as required by the Material Review Board (MRB) procedure. The MRB is made up of members from all departments involved in the process. The board will assign corrective action and/or preventive actions to eliminate the recurrence of the failure or non-conformance.

When non-conforming product is detected after delivery or use has started, MBI shall take action appropriate to the effects, or potential effects, of the non-conformity. The Chief Regulatory / Product Safety Officer is responsible for the coordination of all corrective actions relating to non-conforming product detected after delivery or use.

Records of all non-conforming materials/finished devices are kept for trend analysis and for verification that the materials or device were not used or released for use.

ANALYSIS OF DATA (6.3)

MBI collects and analyzes appropriate data to demonstrate the suitability and effectiveness of the Quality System and to evaluate where continual improvement of the effectiveness can be made. This includes data generated as a result of monitoring and measurement and from other relevant sources. Trending is performed and analyzed on a variety of data, including but not limited to, deviations, corrective actions, non-conforming products, and complaints. Customer inquiries and complaint are investigated by Quality Control / Quality Assurance.

The analysis of data shall provide information relating to conformity to product requirements, characteristics and trends of processes and products including opportunities for preventive action, customer satisfaction, and vendors. This analysis of data is done quarterly.

IMPROVEMENT (6.4)

With the use of the Quality Policy and Objectives, audit results, management review, data analysis, and corrective and preventive actions, MBI shall continually improve the effectiveness of the Quality System.

The corrective and preventative action effort identifies the cause of a problem or non-

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conformance, develops an effective solution, and verifies that the problem or non-conformance has been resolved. The effort may include changes to existing procedures as well as the application of process controls to ensure prevention.

Corrective action is defined as those actions initiated to eliminate the cause of non-conformance in order to prevent recurrence. Corrective actions shall be appropriate to the effects of the non-conformities encountered. A documented procedure is maintained for corrective actions. It defines the requirements for reviewing and determining the causes non-conformities, evaluating the need for action to ensure that non-conformities do not recur, determining and implementing action needed, and reviewing the corrective action taken. All corrective actions relating to product non-conformities and customer complaints are reviewed by the Chief Regulatory / Product Safety Officer. Records of the results of all corrective actions shall be maintained.

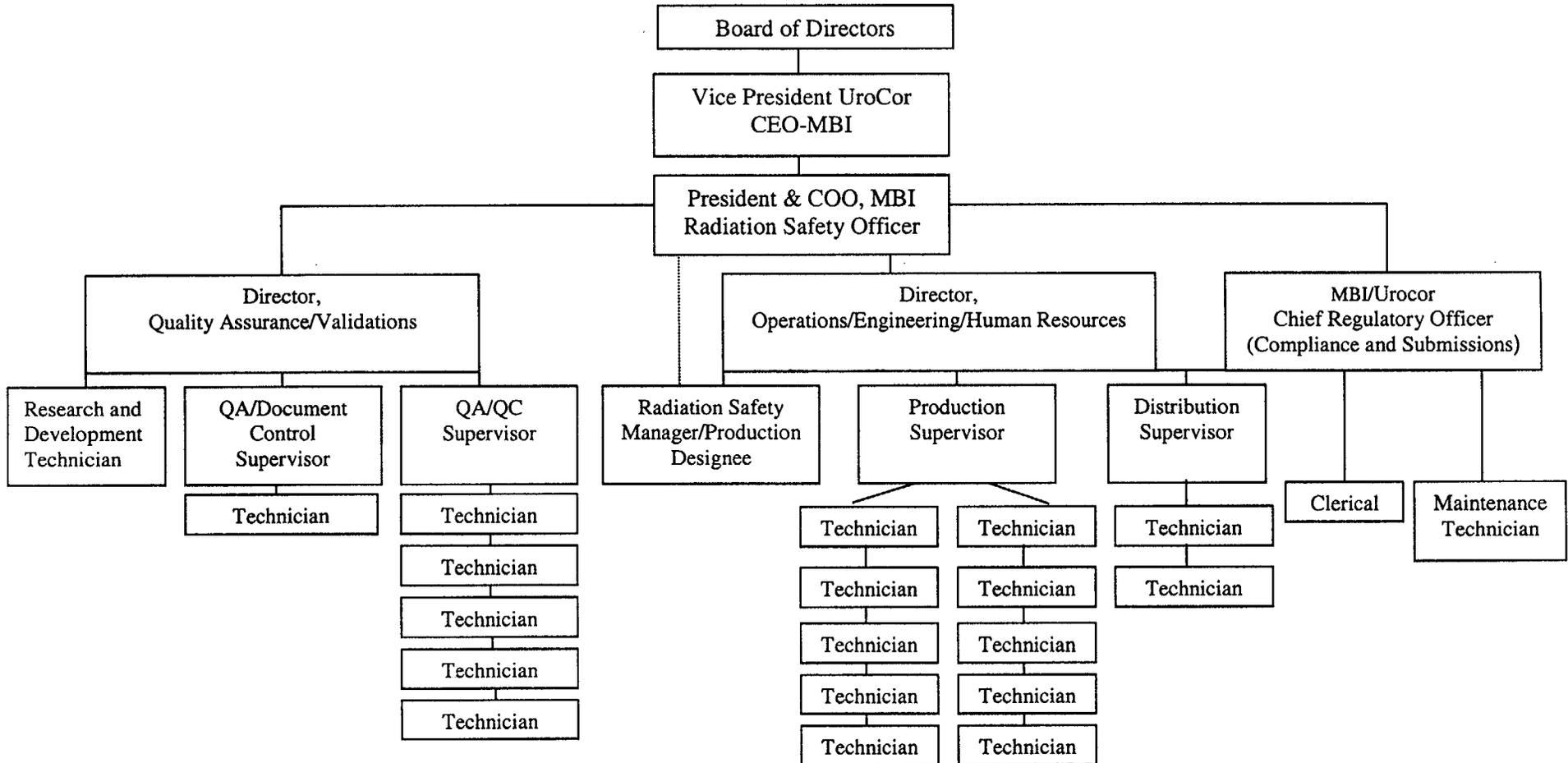
Preventative action is defined as those actions initiated to eliminate the cause of potential non-conformities in order to prevent their occurrence. Preventive actions shall be appropriate to the effects of the potential problems. A documented procedure is also maintained for preventive actions. It defines the requirements for determining potential non-conformities and their causes, evaluating the need for action to prevent occurrence of non-conformities, determining and implementing actions needed, and reviewing preventive action taken. Records of the results of all preventive actions shall be maintained.

The Quality Assurance department or designee is responsible for ensuring the effectiveness of the corrective and preventative action effort and for evaluating unresolved issues to appropriate levels of management.

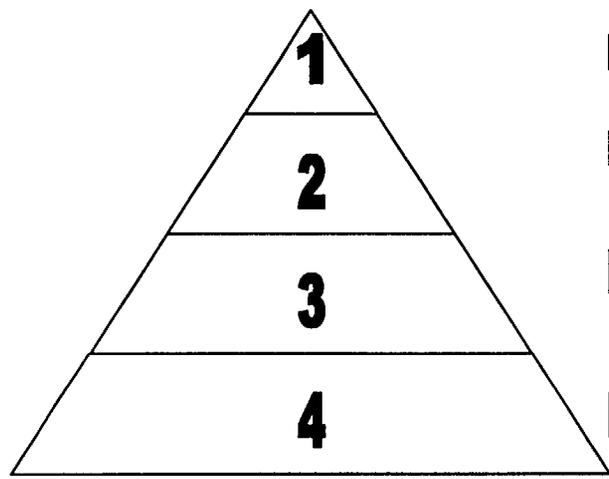
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Appendix I: Organizational Chart



Appendix II: Quality System Documentation



Level 1 - Quality Policy and Quality Manual

Level 2 - Quality System Processes

Level 3 - Procedures and Work Instructions

Level 4 - Records and Forms

Appendix III: Product Process Flow Chart

