



Quality Assurance Manual

QUALITY POLICY

INTRODUCTION

The purpose of this manual is to document the company's quality system, to instruct and guide employees whose actions affect product quality and to inform the company's customers what controls are implemented to assure product quality.

The Quality Policy of VM Elevators is based on customer satisfaction. We strive for continuous improvement in our quality systems and meeting the objectives of our company:

- Supplying products that meet or exceed our customer's requirements
- Providing a service that results in customer satisfaction
- Continuous development of a dependable vendor base

We are committed to continuous improvement in quality and the assessment of the quality system to assure its suitability to meet the requirements of our company and the requirements of our customers.

By meeting our objectives defined within this manual we will be able to:

1. Provide defect free services.
2. Provide customer satisfaction by providing:
 - a) On time deliveries.
 - b) All contract requirements are met.
 - c) Exceptional product quality.
 - d) Exceptional service quality.
3. Assist vendors and work with subcontractors to reduce late deliveries and delivery of defective services.



Quality Assurance Manual for VM Elevators

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1.0 STATEMENT OF OBJECTIVE

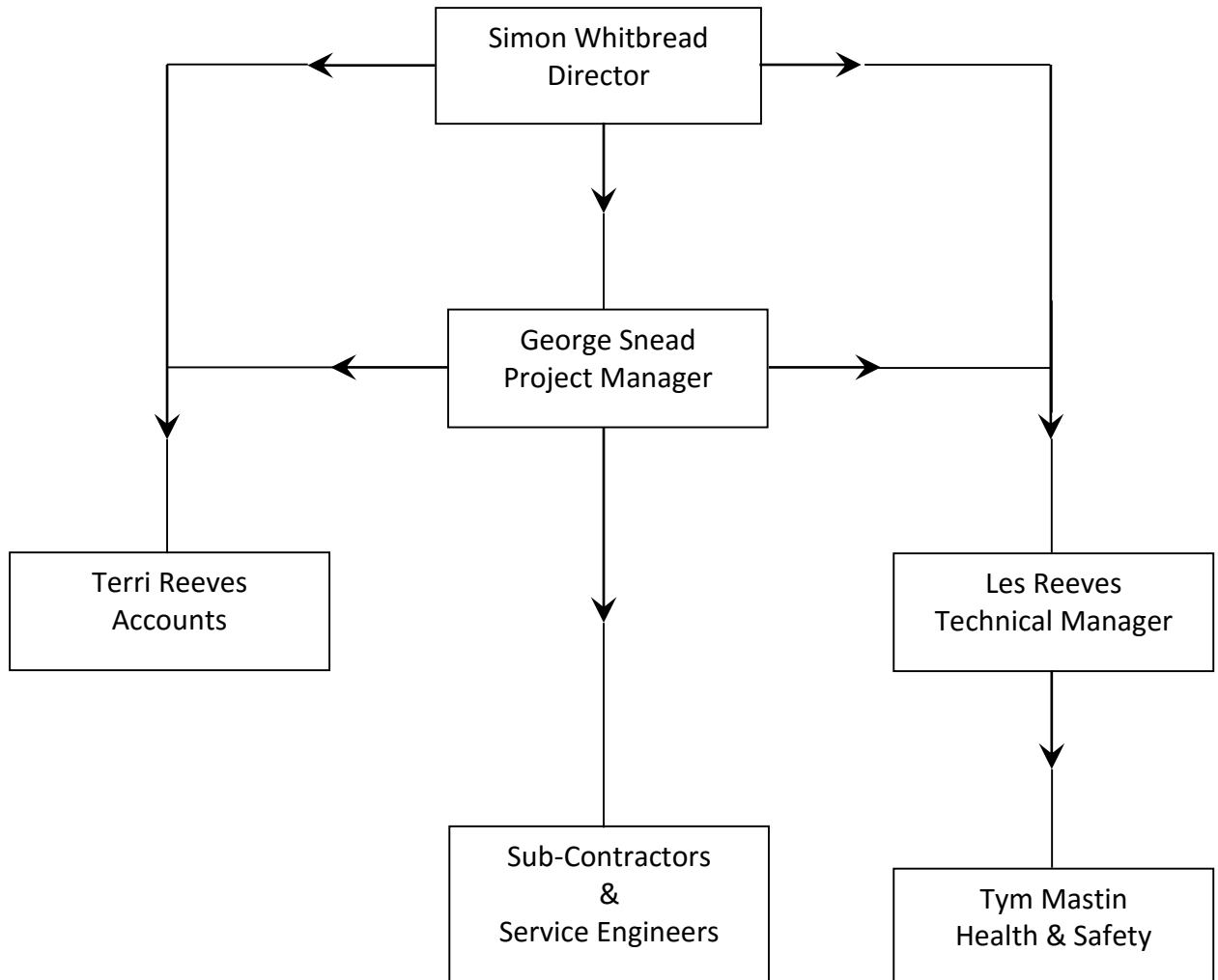
- 1.1 The Objective of VM Elevators is to clearly define the procedures and responsibilities of a total quality assurance program with the ultimate goal being to provide our valued customers with a precision part or product that will meet or exceed their individual specifications or requirements.
- 1.2 Provide detailed procedures required to accomplish uniform quality assurance for this company's parts or products.
- 1.3 Furnish general-purpose information useful in the administration of quality assurance activities.
- 1.4 Any product supplied by VM Elevators under contract shall be manufactured under appropriate institutes' and societies' specifications or their supplemental specifications and shall be subject to the quality control standards outlined therein.
- 1.5 A Copy of this manual will be issued to all department managers, sales representatives and manufacturers for VM Elevators as a required reference.
- 1.6 A copy of the VM Elevators Quality Manual is available to qualified personnel upon request.
- 1.7 Revisions to our policy will be issued when deemed necessary and shall be recorded and authorized on the revision notice page of this manual. Revisions shall be numbered, dated and indicate sections and paragraphs revised

2.0 AUTHORITY FOR IMPLEMENTATION

The Director of VM Elevators authorize the policies and procedures contained in this Quality Assurance Manual.

It is the director's responsibility to establish, document and administer the necessary guidelines, requirements and controls to effectively implement the statement of Objective (detailed in section 1).

3.0 ORGANIZATIONAL STRUCTURE





4.0 SALES RESPONSIBILITY

- 4.1 The correct interpretation of customer needs and specifications, whether verbal or written, cannot be overemphasized. The sales order is the foundation for the complex chain of events leading up to completion of a finished quality product.
- 4.2 All sales orders and specifications must be routed through the Directors office for approval. The Director will require written customer acceptance of particular specifications prior to a sales order being finalized for all first time orders and parts. The purpose of the contract review is to verify that the customer's requirements are adequately defined and documented and have been understood.
- 4.3 On all first time orders customers will be required to fill out Information Sheets that details all critical information for that work. These sheets will be kept on file and all orders will be completed according to that information. That information will be reviewed with the customer upon acceptance of each order thereafter.
- 4.4 Upon acceptance of a sales order, completion of the work will be based on current backlog and materials availability. The Director shall consult the customer regarding unusual requests and/or specifications before a delivery date is scheduled.
- 4.5 Upon acceptance of the purchase order based on the information above, samples will be provided for all first time parts. These samples will need written acceptance confirmation by the customer prior to the production run.
- 4.6 Throughout the sales process, customers must be confident that VM Elevators is working hard to provide them assured quality in both a product and a reliable delivery schedule.
- 4.7 Copies of the sales order, along with other pertinent information are kept on file. Records of all review activities are maintained as evidence.



5.0 CONTRACT REVIEW AND ORDER ENTRY FLOW CHART

CAN ORDER REQUIREMENTS BE FULFILLED?

YES/NO

RECEIVE ORDER FROM CUSTOMER

YES/NO

WAS A FORMAL QUOTATION PREPARED?

YES/NO

CONTACT CUSTOMER

YES/NO

DOES ORDER MATCH QUOTATION?

YES/NO

ACCEPT ORDER AND ENTER ORDER INTO SYSTEM

YES/NO

DIARISE WORKS TO BE COMPLETED

YES/NO



5.0 ENGINEERING/BLEUPRINT CONTROL

- 5.1 When necessary the Director shall request additional information from the clients regarding the work to be completed.
- 5.2 Any special and pertinent information necessary to the successful completion of works will be discussed with the client prior to work commencing.
- 5.3 It will be the responsibility of the customer to supply VM Elevators with the issuance and maintenance of up-to-date drawings and specifications and other engineering data. It will be VM Elevators responsibility to make sure that information is channelled to the proper parties prior to the start of work.
- 5.4 All obsolete data is returned to the Director and destroyed. A complete file of all revisions and pertinent information is maintained and kept by the Director.
- 5.5 When drawings are revised, they shall be stamped and dated as such by the customer prior to release, thus signifying an up-to-date print.
- 5.6 No one is allowed to use any print not clearly legible or with hand written changes or notes unless prior approval is received from the customer or customer representative.

6.0 PURCHASING AND MATERIALS MANAGEMENT

- 6.1 The company assesses its subcontractors and purchases only from those that can satisfy the company's quality requirements. Purchasing documents clearly and completely describes ordered products, including quality requirements.
- 6.2 The Director prepares all purchasing documents. The documents clearly and completely describe ordered products. They include precise identification of the products, reference applicable standards and state quality requirements. The General Manager reviews and approves all purchasing documents prior to release.
- 6.3 The company defines subcontractors as contractors working for the company for the express purpose of delivering a quality service.
- 6.4 Quality performance of all subcontractors is monitored. Those showing inadequate performance are asked to implement corrective actions and are discontinued if there is no improvement or desire to improve.



7.0 WORKS RESPONSIBILITY

7.1 It is the prime responsibility of the Director to coordinate all efforts in the delivery of completed work to all applicable standards and customer requirements.

7.2 Strict adherence to applicable and engineering specifications is mandatory in all operations.

7.3 All work orders must be accompanied by Quality Control approved paperwork to assure works are completed to a customer's requirements, and guidelines.

7.4 No one is allowed to use a drawing not clearly legible or with handwritten changes or notes not authorized by the Director and concurrence with customers.

7.5 No sub-contractor is to undertake any job operation without a clear understanding of the work to be performed.

7.6 All materials and parts used must be clearly identified at all times.

7.7 It is the Directors responsibility to reassure themselves that every sub-contractor understands what is expected.

7.8 The sub-contractors shall take all necessary steps to meet the scheduled production dates.

7.9 When a specific manufacturing process requires an inspection, the Quality Control Department is to be notified.

7.10 If any person notices any discrepancy on a work order, or contract, the Directort is to be notified.

7.11 All sub-contractors will give their full cooperation to the Quality Control Department and its designated personnel.



8.0 QUALITY CONTROL RESPONSIBILITIES

- 8.1 The Director is responsible for planning, developing, initiating, coordinating, implementing and maintaining the most effective and cost efficient procedures for optimum assurance and control.
- 8.2 The Director shall interface between VM Elevators and the manufacturers to solve quality-related problems that may occur.
- 8.3 The Director is responsible for maintaining accurate and complete inspection records, documentation and specifications necessary for a complete quality program.
- 8.4 The Director shall provide or aide with the information and analysis and use of records as a basis or foundation for any action deemed necessary by management.
- 8.5 Personnel performing quality control functions shall have sufficient training, defined responsibilities, authority and the organizational freedom to identify and evaluate quality related problems.
- 8.7 For best and unrestricted performance, the Director and staff personnel will be directly responsible to the management of VM Elevators.
- 8.8 To insure the continuing top performance of VM Elevators, the Director of may at any time conduct an audit to guarantee the status and adequacy of the "Quality Control System."

9.0 RECEIVING INSPECTION

- 9.1 Copies of all purchase orders, pertinent to Section 6.4 and 6.5 of this manual shall be submitted to determine compliance to the contractual obligations and aid in determining which upcoming inspection functions will be necessary.
- 9.2 All raw materials and outside processes may be subjected to inspection directed by the Director.



10.0 IN-WORK INSPECTION

- 10.1 To assure that the proper quality level and all contractual obligations are met, all parts, processes and work-affecting items are subject to inspection.
- 10.2 It is the Directors responsibility to establish inspection points wherever and whenever it is necessary to guarantee the VM Elevators policy.
- 10.3 The preparation, maintenance of and compliance with work instructions shall be monitored as a function of the Director.
- 10.4 Roving inspections will be executed during the duration of the operation to assure compliance.
- 10.5 The Director will provide specific inspection procedures in coherence with any special contractual requirements.
- 10.6 Any parts or material determined to be scrap must be permanently marked and placed in a special holding area and disposed of as quickly as possible.

11.0 COMPLETION INSPECTION

- 11.1 Prior to the shipment of an order, all customer product will be subjected to pre-shipment inspection on a lot sample basis.
- 11.2 The Quality Control Inspector will ensure that parts are packaged or palletized properly according to customer requirements and that all outside labels or tags list necessary and pertinent information
- 11.3 Containers of products are identified by the part number and/or the internal lot control number / manufacturer's lot control number prior to shipment or placing into stock.

12.0 QUALITY CONTROL AUDIT

- 12.1 Components may conduct a periodic audit of the Quality Control Program, at their discretion and without prior notice.
- 12.2 Adequacy of procedures, Quality Control Documents, Inspection Procedures, Testing Procedures, Controls and Certifications shall be audited by an impartial team of members of management of VM Elevators.



13.0 CORRECTIVE AND PREVENTIVE ACTION

13.1 Corrective action is taken to help assure non-conformances are resolved and permanent solutions are implemented. Corrective actions are issued, recorded and verified in accordance with documented procedures.

13.2 Preventive action is taken to assist management in continuous improvement efforts. Preventative actions are issued, recorded and verified in accordance with documented procedures.

13.3 Everyone in the organization is responsible for instituting, monitoring, or requesting corrective / preventive actions. Problems are evaluated for potential impact on production processes, safety, quality, performance, reliability and customer satisfaction. Sources of data and information used in the evaluation may come from failure analysis results, manufacturing operations, or customer feedback.

13.4 Problems are analysed to determine whether immediate corrective action is required. Action may include production stoppage, shipping hold, stock purge, supplier hold, or product recall. Once immediate control action has been taken, the cause is analysed to determine required corrective action. Short-term corrective actions may include customer notification, rework, or product screening. Long-term corrective actions may include product redesign or production process revision.

13.5 After the cause of the problem has been identified, measures are taken to prevent its recurrence. Nonconforming items are properly disposed of or corrected. The effects of these measures are audited to assure the desired goals are met and the permanent changes are in place, documented and communicated.

13.6 Preventive actions plans are created to address longer-term trends as represented by quality related data.