

NEWMAN SCOTT LIMITED

QUALITY POLICY & PROCEDURES

1. POLICY and OBJECTIVES

Newman Scott Ltd quality policy is to achieve sustained profitable growth by providing services, which consistently satisfy the needs and expectations of its customers.

This level of quality is achieved through adoption of a system of procedures that reflect the competence of the Company to existing customers, potential customers, and independent auditing authorities.

Achievement of this policy involves all staff, who are individually responsible for the quality of their work, resulting in a continually improving working environment for all. This policy is provided and explained to each employee by the Managing Director or or person of Director status.

To achieve and maintain the required level of assurance the Managing Director retains responsibility for the Quality System with routine operation controlled by the Legal Director.

The objectives of the Quality Assurance System are:

- a) To maintain an effective Quality Assurance System complying with industry good practice.
- b) To achieve and maintain a level of quality which enhances the Company's reputation with customers.
- c) To ensure compliance with relevant statutory and safety requirements.
- d) To endeavour, at all times, to maximise customer satisfaction with the services provided by Newman Scott Ltd

D Smiddy - Managing Director
November 2006

2. QUALITY SYSTEM

The Quality Assurance System applies to all activities of the Company. The Quality Assurance System is fully documented and structured in 3 levels:

Level 1 : Quality Manual

This document details the corporate quality policy and structure of the Company and references appropriate Operating Procedures.

Level 2 : Operating Procedures

These documents describe the actual process, and controls applied, to all activities concerned with the attainment of a quality assured contracting service. A list of Operating Procedures is given in the Index Section of this Quality Assurance Manual.

Level 3 : Quality Planning

As the Company operates a standard type and range of services, customer satisfaction and quality are achieved by operation in accordance with the documented quality system.

Specific customer requirements are identified and documented during the contract review process, allowing these requirements to be communicated and achieved, ensuring satisfaction of all customer declared needs.

3. AUTHORITY & RESPONSIBILITIES

3.1 Authority

3.1.1 All staff are allocated with authority to perform their allocated responsibilities. The following provides a summary of the principal responsibilities of each job role, and these are clarified in greater detail within the Operating Procedures.

3.1.2 All staff share the authority and responsibility of identifying non-compliance or possible improvements, and recording these instances such that corrective action can be taken, both to rectify the immediate situation and to prevent recurrence.

3.1.3 The Managing Director continually reviews the company's resources to ensure that adequate staff, equipment and materials are available to meet customer requirements.

3.2 Responsibilities

3.2.1 Managing Director

Approval of the Quality Assurance System
Management Review
Contract Management & Control

3.2.2 Legal Director

Internal Audit
Supplier Selection & Purchasing
Resolution of Quality Assurance System Discrepancies
Control & Maintenance of the Quality Assurance System
Documentation & Change Control (Quality System Documents)
Control of Contract Documentation
Training

3.2.3 Contracts Director

Management & Co-ordination Support Functions
Contract Review
Contracts Processing
Design Control
Estimating
Project Management
Planning & Organisation
Definition of Installation, Inspection, Test & Maintenance Requirements

3.2.4 Contracts Managers

Quotations
Contract Review and Order Processing
Project Management
Planning & Organisation

3.2.5 Factory Manager

Planning and Co-ordination
Control of Production Equipment

Maintenance of Support Stores
Processing of Sales Orders
Purchasing
Receiving Inspection

3.2.6 Site Foremen

Planning & Performance of Installation, Technical Assistance,
Control of Equipment, Personnel and Materials Allocated
Monitoring of approved sub contractors
Receiving Inspection
Inspection of on site works (daily)

3.2.7 Financial Director

Control of Finance and Accounts
Control of IT
Allocation of Order Reference Numbers
Checking of Sales Orders

4. MANAGEMENT REVIEW and INTERNAL AUDIT

Management review of the suitability and effectiveness of the Quality System takes place at least twice per year. During the management meetings actions are allocated and minuted to record the development of the Company's management system.

The objectives of Management Review are:

- a) To establish that the Quality (Management) System is achieving the expected results and meeting the Company's requirements, continuing to conform to the Standard, continuing to satisfy the customers needs and expectations, and functioning in accordance with the established Operating Procedures.
- b) To expose irregularities or defects in the System, identify weaknesses and evaluate possible improvements.
- c) To review the effectiveness of previous corrective actions, and to review the adequacy and suitability of the management system for current and future operations of the Company.
- d) To review any complaints received, identify the cause and recommend corrective action if required.
- e) To review the finding of internal/external audits and identify any areas of recurring problems or potential improvements.
- f) To review the reports of non-conforming items and trend information to identify possible improvements.

Internal audits of the Quality System are undertaken at least once per annum to confirm that the function concerned is adhering to the Company's Procedures. A comprehensive Audit Programme is compiled at least a year in advance however, should particular needs be identified, the frequency of audit may be increased at the discretion of the Legal Director. Audits are undertaken by audit personnel not directly responsible for the functions being audited within that Company. Non-conformance observed is brought to the attention of the

person responsible, and is recorded, documented and subject to timely corrective action to ensure full rectification.

5. CONTRACT REVIEW

The Company offers specialist services to meet each customer's needs. Specialist service requirements differ from one customer to another (and from one contract to another), therefore each tends to be quoted for the specific contract.

Once a proposal is accepted by the customer, or an order is placed, it is recorded and reviewed to establish that the requirements of the order are adequately defined and documented, any differences from the proposal are resolved, and the Company is capable of fully satisfying the customers requirements.

In addition to the original order/ contract specification the customer may also request addition/ variation work to be undertaken by the Company. In these circumstances the work content is documented and agreed with the customer prior to execution to ensure that no ambiguity exists.

The Company operates on a computerised order processing system to ensure rapid fulfilment of customer orders.

6. DESIGN CONTROL

All Design activities are strictly controlled to ensure that the design output information complies with customer/ contract requirements, and all design input data.

Design activities are planned and normally executed by specialists and are subject to regular management, review and verification by the Contracts Director and Project Managers, and where relevant, agreement with the Customer.

The design input and output items are documented, and where ambiguity exists, will be clarified and documented. All items of design documentation and notes are recorded in a design project file. Design output documentation is produced and reviewed to ensure that it: meets the design input, references the design input or appropriate criteria, and identifies all of the characteristics which are critical to the safe and effective operation of the system(s).

Design output is reviewed and approved by the Project Managers, and is also provided to the Customer for approval prior to use. Validation of the design is achieved during the site inspection and handover process to confirm compliance to the customer's requirements.

All changes to the design criteria, input or output are subject to strict review and documentation control procedures.

7. DOCUMENTATION & CHANGE CONTROL

All documentation utilised within the Company related to the management system itself, or to the execution of individual customer contracts is controlled to ensure that it is issued to

the appropriate personnel, under the correct level of authority, is revised and reissued as necessary, and all obsolete versions are removed from the point of use.

Such documentation typically includes:
Specifications, Customer Orders, Plans/ Drawings,
Quality Assurance Manual/ Operating Procedures,
National Standards and Codes of Practice.

The Quality Assurance Manual, Procedures and Quality Plans are maintained by the Legal Director who ensures that the appropriate items, at the correct revision levels, are issued to all who need them within the Company.

The distribution of standard documents is controlled and recorded on Distribution Lists, which also show the current issue status. The Distribution Lists are reviewed and updated as changes occur.

All changes to documents are reviewed and approved by the person responsible for the original issue and, where appropriate, the nature of the change is indicated on the document. Master copies of the revised documents are retained as records of the changes and renewed as necessary to ensure clarity.

Each contract has a File that contains all relevant information. Information is also held on the company's computer system for ease of access and manipulation.

8. PURCHASING (Sub- Contractors)

Suppliers of products, materials and services, where unspecified by a customer contract, are selected on their ability to meet the company's requirements given due consideration to the quality, statutory obligations, timescale and cost. A list of approved suppliers and sub-contractors is maintained which is compiled on the following criteria:-

- a) Previous performance in supplying to similar specifications and requirements.
- b) Stocking of high volume standard items conforming to a relevant British Standard, or supplied with a statement of conformity.
- c) Satisfactory completion of the Company's pre-qualification assessment, including provision of documentation and the supply and uptake of references. Decision on approval is by the Health & Safety Officer and Legal Director
- d) Recommendation by other similar purchasers or manufacturers of equipment.
- e) A trial order and evaluation of performance.

All supplies and sub-contracts are subject to an authorised Purchase Order providing full clarification of the type and extent of supply.

Should a supplier, not appearing on the Approved Suppliers List be proposed, they will be analysed by capability as above and subject to acceptance on the authority of a Director only after completion of stage 8c) above.

9. CUSTOMER SUPPLIED ITEMS

Goods received from customers (i.e. free issue items) are always visually inspected at the receipt stage, with any undeclared non-conformance being immediately reported to the customer.

10. PROCESS CONTROL

All productive work is planned and undertaken in accordance with the company's procedures, and any specific documents agreed for individual contracts (e.g. contract specifications).

Work instructions are provided by the agreed contract specification and any documents referenced therein, alternatively work is performed in accordance with nationally accepted codes of practice.

11. RECEIVING INSPECTION

All stores areas are maintained as secure as practical. All items received by the Company are identified and verified in accordance with the requirements of the Delivery Note and Purchase Order, and are inspected for correct identity, quantity and any signs of damage.

All goods received are documented and, in the event of non-conformance, the items are placed in a reject area or labelled to ensure identification. The extent of the non-conformance is noted and subject to disposition review by nominated personnel.

12. INSPECTION

Inspection and testing is carried out during each contract as detailed in the specific project contract documents and on completion of the project prior to handover with results being documented.

Should items not be acceptable against the agreed contract criteria they will be repaired, replaced or identified for a subsequent evaluation and decision. All repaired items are subject to a re-inspection to ensure acceptability.

13. INDICATION OF INSPECTION STATUS

As goods are inspected, the status is defined by location in stores or on site by agreement with the customer, with all non-conforming items being placed in a reject area or recorded as reject for review. The status of work in progress is established by markings or associated documentation recording the inspections undertaken and their acceptability.

14. NON-CONFORMING ITEMS, PREVENTIVE & CORRECTIVE ACTION

Once non-conforming items have been noticed they are identified by location, associated documents, or specific markings to prevent their inadvertent use or handover to the client.

All non-conforming items and customer complaints are subject to review and rectification by nominated personnel. The type and extent of non-conformity is documented in order to establish trends and identify possible areas for improvement.

The corrective action required to prevent recurrence is evaluated, documented, and its effective implementation is monitored. All rectification is subsequently re-inspected to ensure complete customer satisfaction.

All employees are encouraged to suggest improvements in methods, materials, suppliers, and sub-contractors.

The Company has established procedures for review of all activities in order to identify and evaluate all possible improvements in methods/ materials and its procedures.

15. HANDLING, STORAGE, PACKAGING, PRESERVATION & DELIVERY

The identification of materials/ equipment, where it is not obvious, is confirmed by the presence of a manufacturers/ suppliers part number or description label, or other marking for each item. The identification of the item may be on the packaging or on the item itself, and this identification remains in place for as long as possible, provided it does not hamper effective use of the item.

Materials and consumables are not identified by the Company where they are obvious to a trained/ experienced employee, however, should a risk of misinterpretation exist between two or more types of material these will be marked in a suitable manner to ensure that no ambiguity exists.

Materials and goods received, whether the property of the company or others, will, as far as practicable, be protected and their quality preserved until such time as they are transferred to a customer, or disposed of to a third party. The objective is to prevent deterioration and damage whilst in storage, or in the process of transportation, installation, commissioning or generally prior to handover to the customer.

16. RECORDS

Storage facilities are allocated which ensure that all stored records are identifiable and retrievable, and the storage areas are free from damp and other agents which could cause premature deterioration.

Where records are maintained on computer magnetic media, and these are subject to "back-up" at regular intervals, with the "back-up" information being stored in a protected location to ensure security from loss/ damage of active data.

All records are retained for a minimum of 2 years.

17. TRAINING

The policy of the company is to ensure that all personnel are trained and experienced to the extent necessary to undertake their assigned activities and responsibilities effectively. The company generally procures and recruits employees capable of meeting the technical, skill, experience and educational requirements of the company's activities.

All staff and senior employees are responsible for recommending the training needs of others, and for ensuring that all employees allocated specific tasks are suitably qualified and experienced to execute those tasks. Once training needs are identified these are provided under the responsibility of the Directors.

Full records are maintained of all training undertaken by employees.

August 2007

J Graham

Director