Value Valve Co., Ltd.

Quality Manual

Manual No ： **QAM**

Date Issued ：**2003/10/20**

Revision ：**3**

Prepared By ：

Reviewed By ：

Approved By ：

This manual was established in accordance with ISO 9001: 2000 Version and PED 97/23/EC Directives.

Quality Manual

Table of Contents

Quality Manual	Date Issued	October.20, 2003

1.Brief introduction of company

Date	Contents
7/1980	Value Valve Co., Ltd. was established at Sec. 2, Kueiyang St., Taipei City, and started its export business.
3/1984	The factory was established at Hsinchuan City, Taipei County, the maximum manufacturing capacity was 900 mm.
3/1985	Started to enter into the distribution in domestic market.
6/1985	Being evaluated as "B Class Q.C." qualified export manufacturer by Inspection Bureau of Ministry of Economic Affairs.
11/1985	Being recognized by "USA ship Inspection Association".
10/1986	Tucheng factory was established, both the principal office and plant were moved to new plant, the maximum manufacturing diameter was extended to 2200 mm.
11/1987	Being recognized as the quality supplier by "China Petroleum Co., Ltd.".
12/1987	"Cast Iron Water Gate" was developed successfully to supply in the domestic market, the maximum size was 3500 mm x 3500 mm.
1/1990	Being recognized by "Japan Maritime Affairs Association".
2/1990	The clamped type two gates stop valve was developed successfully, the diameter was from 40 mm to 1200 mm.
10/1991	High pressure rubber seat butterfly valve was developed successfully, the diameter was from 50 mm to 600 mm with 16Bar of pressure resistance.
7/1992	The headquarter and business department were moved to Chungho City, Taipei County.
11/1992	High functional eccentric butterfly valve was developed successfully, the diameter was from 80 mm to 1200 mm.
12/1992	Appointed ASTAM INC. to be our distributor in Tokyo, Japan
3/1993	Being approved as "A Class Q.C." qualified manufacturer by Inspection Bureau of Ministry of Economic Affairs.
12/1993	Being recognized by "China Ship Center".
7/1994	Being accredited ISO 9002.
8/1996	Metal valve seat butterfly valve was developed successfully, the diameter was from 80 mm to 1800 mm.
7/1998	The headquarter and factory were moved to Tucheng new plant, the maximum manufacturing diameter was extended to 2600 mm.
1/1999	Bring in Pro-E Design Program to improve and approve our design ability.
3/2000	Being accredited ISO 14000.

Quality Manual	Date Issued	October.20, 2003

1.Brief introduction of company

Date	Contents
4/2001	Established the first Clean Room for valve in Taiwan, and the grade is 10000 particle/m3.
6/2001	Awarded the qualified supplier from "Hitachi Ltd. Power & Industrial System " in Japan.
3/2002	Awarded "PED" 97/23/EC Grade "H" approval by TUV.
3/2002	Appointed "Butterfly Valve and Controls TX, USA" to be our exclusive in U.S.A.
8/2002	Awarded "ISO 9001/2000" from TUV.
1/2003	The first supplier of offering butterfly valve (ANSI600, ANSI300 & ANSI150) for No. 4 Nuclear Power Plant.
3/2003	Establishing new Factory in SU-CHOU City China, and going to running by beginning of June, 2004.

Quality Manual	Date Issued	March 29, 2002

2.Company's policy & Operating Philosophy

Value Valve Co., Ltd. is a professional manufacturer of high functional industrial valve product (such as butterfly valve, ball valve, and stop valve., Etc.). The products, except to supply to the domestic need, are also exported to each country worldwide. Based on the philosophy and policy of perpetual operating and management, each operation procedure for product from, development, design, distribution, manufacturing, maintenance, and service, all of which has complied with the quality policy of company:

"Research & Innovation, Pay More Attention on Safety, Customer's Satisfaction".

Research & Innovation: A new product must be researched and developed uninterruptedly, and also should use the new material and should comply with the requirements of statute or regulation .

Pay More Attention on Safety : To establish the quality management system complied with the foundational safety requirement of statute or regulation.

Customer's Satisfaction : To provide with the complete service manner so as to satisfy with the requirements of customer in order to achieve the goal of " only us can do it".

Except the mentioned above, we also have actively maintain the effective execution of ISO 9001 Quality Management System, and obey the following promise:

1. Comply with the goal of operating and management of company.
2. Comply with the customer's requirement and the related statute, and continue the effectiveness of improvement on the quality management system.
3. Establish the structure of quality target and objectives.
4. Propaganda, communication, and understanding to all the employees.
5. Examine the continuous properness of management system.
6. Comply with the foundational safety requirement of PED 97/23/EC Directives.

All the employees of Value Valve Co., Ltd. must carry out actually in accordance with the above mentioned requirement.

Quality Manual	Date Issued	March 29, 2002

4.General Requirement

1. Purpose :

   In order to assure the quality management system which may comply with the requirements of customer and statute, the related control document on which is hereby established, executed, maintained, and improved continuously so as to enable the company may fulfill its maximum organizational team efficiency and achieve the operating target and quality policy & target, and further to adopt flow process control to satisfy with the customer's requirement.

2. Application Scope:

   All the documents related to the subordinate department of company and quality management system are contained in this scope.

3. Contents of Operation :

   3.1 The quality management system of the company which means that the overall quality management on management flow process and product., including quality planning, business, design & development, Purchasing , production, quality assurance, service operation, and preventive measures.

   3.2 Please refer to the flow diagram of "QC Engineering Chart" shown on the following page for the sequence of above mentioned flow process and its mutual relevance.

   3.3 Both the criteria and method of each control process in the quality management system are described in the written process of documentation requirement (QAM sec.5) in this quality manual.

   3.4 It must assure to obtain the required resource and information so as to support the operation and monitoring on these process.

   3.5 The management representative, each section chief, and the related responsible person should measure, monitor, and analyze these process.

   3.6 To implement the action required by achieveing the expected planning result and continuous improvement on these process.

   3.7 The process required by quality management system should include management, resource, production realized, and measuring.

   3.8 The quality management system should influence on the process of product compliance so as to assure its implement and control.

   3.9 The Purchasing Section and quality Assurance Section should identify and control in accordance with "Cooperative Suppler Management Method" to assure the effectiveness of this quality management system.

4. Related document:

   4.1 Each related written document.

   4.2 Cooperative suppler management method.（QA-02）

Quality Manual	Date Issued	March 29, 2002

5.Documentation Requirement

1. Purpose :

   In order to allow each kind of quality document produced or used during the operation of quality management system that can be controlled effectively and to assure the correctness, consistence, pertinence, and retroaction of document so as to maintain the promotion of quality policy.

2. Application Scope :

   All the documents related to the subordinate department of company and quality management system are contained in this scope.

3. Operation Description :

   3.1 In order to assure the product and service supplied that could comply with the requirement, a written quality management system is hereby established for the management of quality system, of which was described in details in the "Operation Method for Document Management". The structure of quality document is as per Exhibit.

   3.2 Quality Manual :

   3.2.1 The quality management system must satisfy with the requirement of customer and the applicable statute, and also should pass the procedure of systematic effective application and continuous improvement so as to achieve the requirement of statute and customer.

   3.2.2 The quality management system must regulate and establish each item of written procedure, and also has to establish its organization operation.

   3.2.3 Please refer to the flow diagram of "Quality Assurance System" shown on the previous page for the flow sequence of quality management system and its mutual relevance.

   3.3 All the contents of quality document control should be implemented in accordance with the "Operation Method for Document Management".

   3.4 To each kind of quality document being approved, the management representative may appoint Quality Assurance Section to issue to each unit, of which also should be registered and controlled.

   3.5 All the original documents shall be collected and kept by Quality Assurance Section.

   3.6 Control on Quality Record :

   3.6.1 Each department must establish adequate quality record for each item of operation procedure so as to assure the reliability and completeness of product.

3.6.2 Each unit should be in accordance with the regulation of "Record Management Method" to identify and control properly for the control operation of quality record.

3.6.3 The preparation of quality record form should be made as easily reading and identifying for the convenience of future review and retroaction on quality.

3.6.4 The quality record or report must be reviewed and signed by the proper personnel appointed by the responsible unit.

3.6.5 The quality record must be kept at the proper place to avoid being corroded or destroyed or damaged.

3.6.6 The quality record form or document must be classified, prepared, given a serial number, and archived for the future reference, of which should be made in accordance with the regulation of "Operation Method for Document Management".

4. Reference Document :

4.1 Operation Method for Document Management (QA-01).

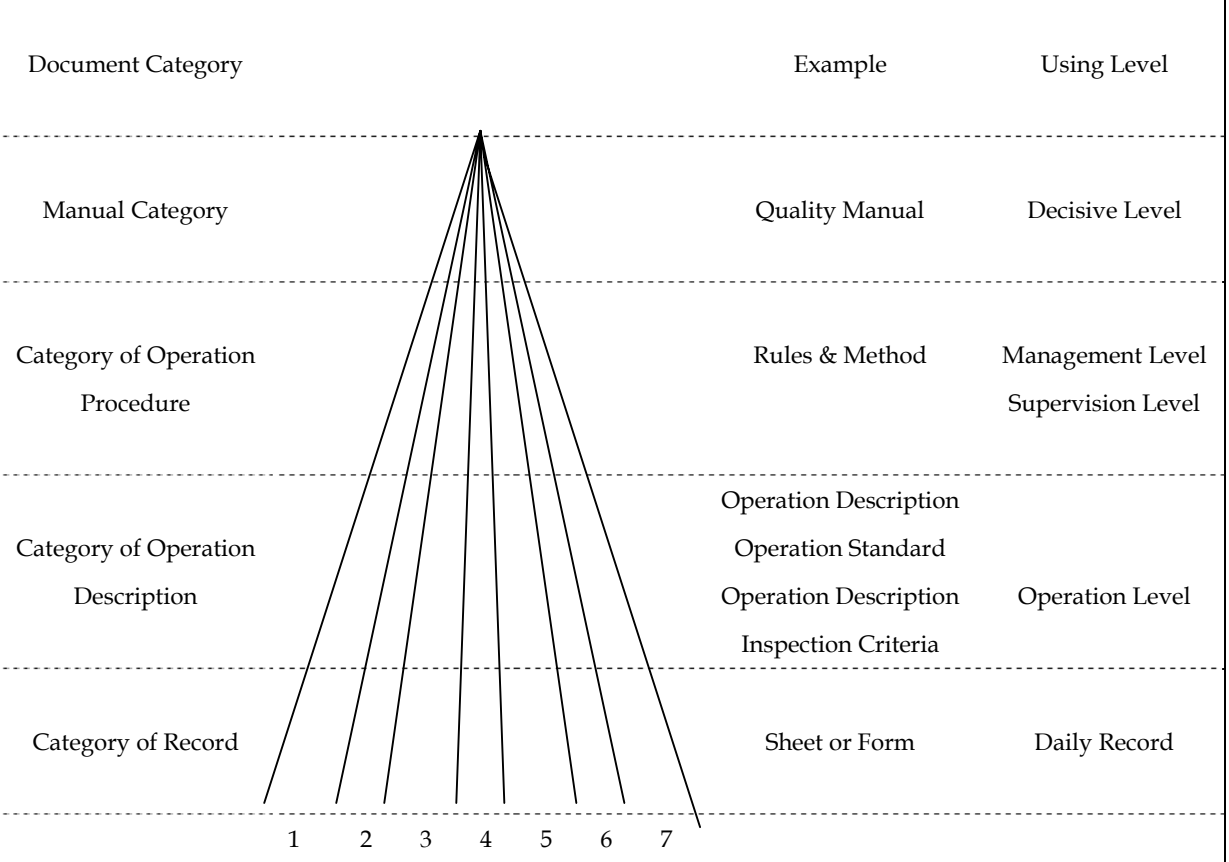
4.2 Management Method for Record (QA-05)

4.3 Description for Drawing Management (RD-WI-01)

Quality Manual	Date Issued	March 29, 2002

5.Documentation Requirement

Structure Diagram for Quality Document



Quality Assurance ：1

Design ：2:

Business：3

Plant Affairs：4

Prchasing：5

General Affairs：6

Finance：7

Quality Manual	Date Issued	March 29, 2002

6.Management Promise

1. Purpose :

   The General Manager and each Section Chief must provide a material and effective promise to the development and implementation of quality management system so as to comply with the requirement of customer and statute.

2. Application Scope :

   The General Manager, each Section Chief, and the personnel related to the operation of quality management system.

3. Operation Description :

   3.1 The management level of the company should carry out the following tasks:

   3.1.1 To make use of meeting or other internal communication channel to propagandize the requirement of customer, statute, and regulation and instruct them to observe.

   3.1.2 To propagandize and carry out the philosophy of quality policy of the company.

   3.1.3 To establish quality target and to implement and criticize.

   3.1.4 To carry out and criticize in accordance with the regulation of management review of this quality manual.

   3.1.5 To assure that the availability and efficiency of human resource, foundational facilities, and working environment of the company that can be fulfilled completely.

   3.2 If necessary, the management level of the company may announce and educate the philosophy mentioned on Item 3.1 as per the regulation of “Implementation Method of Educational Training for Employee”.

4. Reference Document :

   4.1 Implementation Method of Educational Training for Employee.

Quality Manual	Date Issued	March 29, 2002

7.Customer's Guide

1. Purpose :

   To allow all the management level and the related operation personnel to have a overall understanding in connection with the customer's requirement, and then to carry out in order to enhance the customer's satisfaction as the goal of company.

2. Application Scope :

   All the requirements on the product, service, and the inspection on quality needed by customer, all of which are belonged to this scope.

3. Operation Description :

   3.1 All the management level and business personnel must assure that the requirement and expectation of customer have been realized, and should record, carry out, and criticize as per the regulation of "Service Management Method" so as to realize the customer's satisfaction as the company's goal.

   3.2 All the management level must assure that the requirement and expectation of customer have been realized, and should convert into the company's goal of fulfillment of customer's satisfaction.

   3.3 While in deciding the customer's requirement,, and also should consider the requirement of related stature.

   3.4 When the Business Dept. discusses the product requirement with customer, then who should be in accordance with the regulation of " Order Operation & Contract Review Method" to record the customer's requirement and expectation in the related order or contract.

   3.5 If required by the expected or specific purpose as not the requirement established by customer, then which shall be specified or considered so as to achieve the customer's satisfaction as the goal of company.

   3.6 If customer is not satisfied with the service or product supplied by the company or have any complaint, then the business personnel must put on record as per the regulation of "Management Method for Customer's Complaint" and transfer which to the related unit to take immediate correction or improvement or the preventive measures.

   3.7 The company should aim at whether the service or product supplied which is satisfied the requirement of customer to proceed supervision or measuring as per the procedure of "Investigation & Management Method for Customer's Satisfaction "to act as the guide or reference for continuous improvement on quality management system.

Quality Manual	Date Issued	March 29, 2002
7.Customer's Guide		

3.8 The management level should deem the customer's guide and the requirement of customer's satisfaction as the part of management promise, of which also should propagandize and educate to employee.

4. Reference Document :

4.1 Service Management Method (BD-04)

4.2 Order Operation & Contract Review Method (BD-01)

4.3 Management Method for Customer's Complaint (BD-05)

4.4 Investigation & Management Method for Customer's Satisfaction（BD-06）

Quality Manual	Date Issued	March 29, 2002

8.Quality Policy

1. Purpose :

   To assure that the quality policy should be consistent with the operating policy of quality management system so as to achieve the goal of perpetual operating and management.

2. Application Scope :

   All the departments, employees, or operation are belonged to this scope.

3. Operation Description :

   3.1 The quality policy is established by General Manager, the spirit and philosophy of which should be described in "Company Policy & Philosophy" of this quality manual.

   3.2 The quality manual should have following meaning:

   3.2.1 Consistent with the prospect of future development of company.

   3.2.2 To enable all the employees may understand the quality policy.

   3.2.3 Adequate resource must be provided in connection with the quality promised by General Manager.

   3.2.4 By virtue of the clear operating philosophy announced by General Manager to stir up all the levels in the company to promote the promise on quality.

   3.2.5 To promote continuous improvement so as to achieve the goal of perpetual operating & management.

   3.3 After the quality policy being established, of which should be announced at the remarkable place so as to enable all the employees may actually know and understand the meaning of quality policy of the company.

4. Reference Document :

   4.1 Management Method for Quality Target (QA-20).

Quality Manual	Date Issued	March 29, 2002

9. planning

1. Purpose :

   To assure the quality target as being complied with quality policy could be established during the planning of quality management system so as to achieve the philosophy of perpetual operating & management.

2. Application Scope :

   All the quality management system and written procedure are belonged to this scope.

3. Operation Description :

   3.1 Planning of quality target :

   3.1.1 The quality target of each year must be discussed and decided in the last management review meeting of previous year.

   3.1.2 The achievement of quality target must be criticized and concluded while in each time of periodical management review meeting.

   3.1.3 While in establishing quality target, the current and future demand of organization, and marketing demand must be considered.

   3.1.4 The quality target should be related with product, flow performance and customer's satisfaction as could as possible.

   3.1.5 The quality target must be consistent with the quality policy, its implementation, achievement, and criticism should be conducted as per "Management Method for Quality Target".

   3.2 Planning for Quality Management System :

   3.2.1 While in the planning of quality, the high management lever must be satisfied with quality policy, quality target, and the required resource (for example, human resource, foundational facilities, and working environment).

   3.2.2 The input or output of quality planning should be carried out as per the regulation of "Quality Planning Method".

   3.2.3 While in the planning or implementing quality management system,, the high management level must maintain the completeness of system.

   3.2.4 If the new product, or execution on planning of special case or contract requirement that should have exceeded the existing system of the company, then which should be implemented as per the regulation of 'Quality Planning Method".

4. Reference Document :

   4.1 Management Method for Quality Target (QA-20)

   4.2 Quality Planning Method (QA-11)

   4.3 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

10. Job duties, responsibility and communication

1. Purpose :

   In order to assure the properness and effectiveness of quality system that can be fulfilled to maximum efficiency and achieve the requirement of quality policy and quality target, it is necessary to describe clearly the organization of company, job duties, and the responsibility of management representative, and to establish a proper communication flow process so as to allow the quality assurance system which could be promoted actually and further reach of comply with the quality system of international standard.

2. Application Scope :

   All the employees related to quality are belonged to this scope.

3. Operation Description :

   3.1 Organization structure : As per GM-WI-01.

   3.2 Job duties of each department : as per the regulation of "Department Duties Management Method".

   3.3 Management Representative:

   3.3.1 The management representative was assumed by Vice General Manager., responsible for the promoting and maintaining the quality system.

   3.3.2 Job duties of management representative:

   3.3.2.1 To hold "Management Review Meeting" and propose the discuss item.

   3.3.2.2 To coordinate the promotion of quality operation of each unit.

   3.3.2.3 Follow and criticize the defect being audited.

   3.3.2.4 Report to General Manager the result for the promotion of quality system as the compliance of future improvement.

   3.3.2.5 Represent the company to introduce, propagandize, and accept evaluation of quality system.

   3.3.2.6 Establishing, amending, and dispatching of quality manual.

   3.3.2.7 To assure that all the employees may recognize the requirement of customer.

   3.4 The company should establish a internal communication process and record as per the regulation of "Management Method for Communication Operation".

4. Reference Document:

   4.1 Management Method for Department's Job Duties (GM-02)

   4.2 Management Method for Communication Operation (GM-04)

Quality Manual	Date Issued	March 29, 2002

11. Management Review

1. Purpose :

   In order to review the quality management system under ISO system so as to assure its properness, adequacy, and effectiveness and further to comply with the standard of ISO 9001 quality management system and the requirement of quality policy and quality target..

2. Application Scope :

   Review and criticize on ISO quality management system, quality policy, and quality target.

3. Operation Description :

   3.1 The management review meeting was divided into periodical and non-periodical meeting, which was held by General Manager or management representative to discuss the promotion status and improvements on quality management system in accordance with the regulation of "Management Review Method".

   3.2 Participant :Each section chief or duties agent.

   3.3 Record :The result of each meeting must be recorded by the person appointed by the management representative for the future reference, follow, and improvement, the record must be kept for 3 years.

4. Reference Document:

   4.1 Management Review Method (GA-19)

Quality Manual	Date Issued	March 29, 2002

12.Resource providing

1. Purpose :

   To assure that the resource absolutely required by the implementation or achievement which can be provided in due course so as to achieve the customer's satisfaction.

2. Application Scope :

   The personnel, cooperative supplier, technical information of statute, foundational facilities, working environment, and other resource related to the operation of quality system are belonged to this scope.

3. Operation Description :

   3.1 In order to implement and maintain the effectiveness of quality management system and continuous improvement, the required resource must be determined and provided in due course so as to enhance the extent of customer's satisfaction.

   3.2 Should have any new product been developed, or special case been proposed, or quality been planned, then the following resource must be take into consideration :

   3.2.1 Related operation, ability and experience of technician.

   3.2.2 Technique and cooperation extent of cooperative supplier or satellite.

   3.2.3 The foundational facilities or equipment such as machine, measuring instrument, tool, mold, cutting tool, jig & fixture.

   3.2.4 Related statute and common standard (domestic or international).

   3.2.5 Organization structure., including the need of management on special case.

   3.2.6 The use of natural resource and its impact to environment.

   3.2.7 Resource and system required by the continuous improvement for the encouragement of innovation.

   3.2.8 Raising of cost and fund, and its appropriation.

   3.3 The General Manager should appoint a special personnel to be responsible for the management and planning on the evaluation, determination, and implementation of the above mentioned resource, if necessary, also should provide a proposal as for the compliance of quality planning.

   3.4 When the need of resource is decided and implemented, then each department must execute and complete as per the duties and responsibility, a periodical criticism and improvement must be conducted so as to allow the resource that could be used effectively and achieve the requirement of enhancing the extent of customer's satisfaction and the quality requirement.

4. Reference Document: :Nil

Quality Manual	Date Issued	March 29, 2002

13. Humanpower Resource

1. Purpose :

   In order to assure the working personnel related to the execution of quality that could comply with the requirement of quality management system, a proper educational training and technique cultivation must be given so as to achieve the requirement of customer's satisfaction.

2. Application Scope :

   All the employees of the company.

3. Operation Description :

   3.1 When the recruitment is conducted, the recruitment unit and the section chief must consider and evaluate the education, training, experience, and skill of the newly employed person.

   3.2 Ability :

   3.2.1 The company should identify the ability required on each activity affected to quality, and should evaluate the ability of an operator in such activity, and then develop a plan to solve any difference.

   3.2.2 To use the current or expected requirement as the basis of comparative analysis on employee's ability.

   3.3 Training :

   3.3.1 Education training was divided into internal training and external training.

   3.3.2 The planning, implementation, achievement evaluation, and record must be conducted as per the regulation of "Implementation Method for the Educational Training of Employees"

   3.3.3 The General Affairs Section must aim at the required educational training to establish an annual training program, and then to implement and criticize.

   3.3.4 The company should analyze he development need by employee and to design a training program for employee to enhance their knowledge, skill, and experience, and guide the enhancement of their ability so as to reach the goal of company.

   3.3.5 The training should pay more attention on the requirement of customer or party concerned and its importance.

   3.3.6 After giving the education training, a proper evaluation must be conducted so as to assure the effectiveness of training.

   3.4 Acknowledgement :

3.4.1 To assure that the employee should have an acknowledgement on the relevance and importance related to the operation activity.

3.4.2 To assure that the employee should have an acknowledgement on the contribution of training to the achievement of quality target.

3.5 The evaluation on humanpower resource should be conducted as per the regulation of "Management Method for the Humanpower Resource Evaluation" so as to provide adequate equipment and resource to the employee for their competence to their job.

3.6 The related employee training program and training record must be kept as per the "Record Management Method".

4. Reference Document:

4.1 Implementation Method for Employees' educational Training (QA-03)

4.2 Management Method for Humanpower Resource Evaluation (GM-03)

4.3 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

14. Foundational Facilities

1. Purpose :

   In order to allow all the foundational facilities, structure, and equipment that could comply with the need of production, and further to assure both the production and service flow processes are ongoing under control so as to maintain the stability of quality.

2. Application Scope :

   All the facilities, including construction, working space, related public facilities, flow process equipment, support transportation or telecommunication equipments are belonged to this scope.

3. Operation Description :

   3.1 The construction, working space, working environment, and public facilities of the company must be planned properly so as to assure the human nature and physical requirement.

   3.2 In order to allow the machinery equipment (hardware or software) of the company that can be operated normally and comply with the production benefit and stable control status, the equipment must be maintained and managed as per the regulation of "Management Method for the Foundational Facilities and Working Environment".

   3.3 In order to allow the mold, jig & fixture, cutting tool, and tool that can be fulfilled its function, all the related personnel must proceed maintenance and management as per the regulation of "Management Method for Mold, Jig & Fixture, Cutting Tool, and Tool".

   3.4 The communication of the company was made mainly by telephone, fax, E-mail, and letter, the personnel of each department must keep on file or record for the future confirmation.

   3.5 If the transportation is belonged to contracting nature, then the responsible unit must negotiate with the contractor as per the transportation nature , and then approved by the chief of Purchasing Section. If the cooperative transporter has any major event or any accident which damages the fame of the company, then which must be submitted to General Manager for further action to be taken.

   3.6 I should always remind the operators to keep alert on the disaster (for example, earthquake, fire disaster, or flood) which could cause damage to the foundational facilities.

   3.7 To the public facilities, each department must offer its expectation and criticism during the meeting of internal communication so as to assure that both the operation efficiency and product quality that could be improved continuously.

4. Reference Document:

   4.1 Management Method for Foundational Facilities and Working Environment (MD-13).

   4.2 Management Method for Mold, Jig & Fixture, Cutting Tool, and Tool" (MD-09).

Quality Manual	Date Issued	March 29, 2002

15. Working Environment

1. Purpose :

   The working environment of the company should comply with the human nature and physical requirement as could as possible so as to allow all the related working personnel may operate under a very save working environment and further to fulfill the potential of employee and to enhance the working performance.

2. Application Scope :

   All the construction, office, working space and the related facilities are belonged to this scope.

3. Operation Description :

   3.1 The company should give a proper planning and guide on the working environment affected to human nature :

   3.1.1 Pay more attention on safety rules and guidance., including the use of protective equipment, prevention of accidental injury and vocational disaster.

   3.1.2 The construction, office, and flow line planning must consider comfortableness and safety of operator.

   3.1.3 To train employee with special skill and multiple skill as per the regulation of "Implementation Method for Employees' Educational Training".

   3.2 In order to allow the employee may work under comfortable environment as not subject to the influence by temperature, moisture, heat, light disaster, vibration, noise, and waste gas, the illumination must be carried out in accordance with the regulation of "Management Method for Foundational Facilities and Working Environment".

   3.3 The office must be cleaned by the responsible person to maintain its neat and clean at any time.

   3.4 Prior to off duty, the site operator must clean away the impurities and waste chip to maintain its clean, and also should always watch whether has any abnormal or dangerous condition. If there is any problem, then which must be reported to the chief immediately and carry out as per the regulation of "Service & Maintenance Method for Equipment".

   3.5 To make use of the system of internal communication, all the employees may propose suggestion or improvement measures so as to enhance the working efficiency and reduce danger.

4. Reference Document :

   4.1 Implementation Method for Employees' Educational Training (QA-03)

   4.2 Management Method for Foundational Facilities & Working Environment (MD-13)

   4.3 Service & Maintenance Method for Equipment (MD-06)

Quality Manual	Date Issued	March 29, 2002

16. Product realized planning

1. Purpose :

   The company should plan a flow process to realize the product being developed so as to assure that the quality management system of product and service that may satisfy with the requirement of customer.

2. Application Scope :

   All the flow process for product are belonged to this scope.

3. Operation Description :

   3.1 All the written procedure and quality record for quality management system can be deemed as the planning to realize the product.

   3.2 If the quality of new product exceeds the existing quality system of the company while in realizing the product being developed, or in executing the planning for a special case, or in the specification of a contract, then the management representative should establish a quality plan under the procedure of "Quality Planning Method" as per the regulation of ISO-9001, and should give a written format as per the document format of the company, and then submit which to management representative or General Manager for approval.

   3.3 The realizing process for the new product being developed must be carried out as per the regulation of "Management Method for Design & Development".

   3.4 The planning of flow process for realizing a new product being developed must include the following contents :

   3.4.1 Quality target and requirement for a product.

   3.4.2 To establish a flow process and written document needed by a product and the requirement of qualification.

   3.4.3 Inspection, supervision, inspection, and test activities as the criteria for the product inspection & acceptance.

   3.4.4 The record required by the flow process and the compliance of product must be kept on file as per the regulation of "Record Management Method".

   3.5 Input, output, and review on planning :

   3.5.1 The main input of product must be identified for the proper dispatch of duties and resource.

   3.5.2 Output must be checked as per the requirement of input and acceptance standard so as to satisfy with the requirement of customer or the party concerned, and should give the required corrective measures, preventive measures, or possible improvement method for the efficiency of flow process.

4. Reference Document :

   4.1 Quality Planning Method (QA-11)

   4.2 Management Method for Design & Development (RD-01)

   4.3 Record Management Method(QA-05)

Quality Manual	Date Issued	March 29, 2002

17. Customer's related operation procedure

1. Purpose :

   The operation procedure for quality management system of the company should be defined, implemented, and maintained so as to assure that both the expectation and requirement of customer could be satisfied and achieved.

2. Application Scope :

   The related operation of sales orders are belonged to this scope.

3. Operation Description :

   3.1 When sales personnel contacts with customer, the following principles must be confirmed:

   3.1.1 The related requirement of product specified by customer must be confirmed., including the activity requirement related to delivery.

   3.1.2 The requirement of product as expected or for special purpose as not being specified by customer.

   3.1.3 The statute requirement related to product.

   3.14 Confirm any additional requirement.

   3.2 If the domestic or oversea customer or agent intend to Purchasing service or product from us, then the personnel of business department must proceed inquiry, quotation, and contact the related procedure in accordance with "Description for Quotation Operation".

   3.3 With regard to the order or contract operation, the Business Dept. shall be responsible for contract review, coordination of production and distribution, contract confirm, manufacturing order, and amendment of contract in accordance with the regulation of "Order Operation & Contract Review Method".

   3.4 Contract review prior to accepting order or amendment of contract after accepting order, both should be criticized by Business Dept. as per the following principles:

   3.4.1 It has reviewed the related requirement and definition of product.

   3.4.2 If the requirement of contract and order is different, then which must be solved in advance.

   3.4.3 The capacity must comply with the definition.

   3.4.4 Review and the consequent following action must be recorded.

   3.4.5 If customer has not provided a written requirement or statement, of which must be confirmed in advance prior to accepting order.

3.4.6 If product needs to modify, of which must be executed as per the regulation of "Treatment Method for Contract Amendment"

3.5 The review on order of new product or special specification or review on manufacturing capacity and trial manufacturing must be assumed by Design Section.

3.6 The review on order or contract will be come into effect after being consented by the parties and signed by the related personnel of Business Dept.

3.7 Communication with customer must be implemented in accordance with the regulation of 'Service Management Method", the points are as follows:

3.7.1 Product information.

3.7.2 Customer feedback, including customer's complaint, after service, and investigation on customer's satisfaction.

3.8 All the contract review record and correspondence with customer must be kept properly by Business Dept. as per the regulation of "Record Management Method".

4. Reference Document :

4.1 Description for Quotation Operation (BD-WI-03)

4.2 Order Operation & Contract Review Method (BD-01)

4.3 Contract Amendment Treatment Method (BD-02)

4.4 Service Management Method (BD-04)

4.5 Customer's Complaint Treatment Method (BD-05)

4.6 Investigation & Management Method for Customer's Satisfaction（BD-06）

4.7 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

18. Design and Development

1. Purpose :

   In order to assure that a new product could be developed successfully, a written procedure for design control must be established for the purpose of controlling and verifying the design of product so as to guaranty that the quality of product may comply with the related regulation and respond to the customer and market demand.

2. Application Scope :

   Both the development of new product and the modification of design are applicable.

3. Operation Description :

   3.1 Planning for Design and Development

   3.1.1 To establish a written procedure for design control to control and verify the design of product and to assure the quality of product which may reach the requirement of production scale, of which must be carried out as per the regulation of "Management Method for Design and Development".

   3.1.2 It should aim at each design and development business to establish a "Design & Development Proposal", and should appoint a qualified personnel to take charge of the said design and development and offer proper resource. Each plan must be updated as per the progress of design.

   3.1.3 A special plan for development for new product must be established and will be assumed by the person being appointed by General Manager. A special team for development must be organized, the job duties also should be defined so as to carry out each design and development business.

   3.2 Input of Design and Development :

   3..2.1 The design and development for a new product must describe in "Design and Development Proposal" in accordance with the marketing investigation and customer demand., including the requirement of applicable statute and rules.

   3.3 Output of Design and Development :

   3.3.1 The development for a new product should be started as per 'Design Specification". A drawing and its related information must be prepared, and then reviewed and approved by the section chief of Design Dept.

   3.3.2 A meeting for drawing review and trail making will be held by responsible person of the special case, the result from which must be carried out as per the job duties of each department.

   3.4 Design and Development Review:

Quality Manual	Date Issued	March 29, 2002
18. Design and Development		

3.4.1 A reviewing meeting on design must be held at each stage by the responsible person of the special case to review the related design of each stage, of which must be recorded.

3.5 Verification of Design and Development

3.5.1 After completion of product development and trial made, a verification on design must be proceeded in the form of inspection, test, and evaluation report so as to assure that the design output may comply with the requirement of design input, of which also should be recorded.

3.6 Confirmation of Design and Development :

3.6.1 The responsible person of special case should assure that the flow process of development must be completed within the scope being controlled so as to comply with the requirement of prescription, of which also should be recorded.

3.6.2 After completion of the amendment of each item of standard specification and after completion of the inspection and acceptance on the design of product, a criticism meeting on the design inspection and acceptance must be held for the compliance of mass product to be proceeded by the plant affairs dept.

3.7 Amendment of Design and Development :

3.7.1 All the amendments on design of product., including the suggestion offered by the cooperative manufacturer, must be carried out as per the regulation of "Management Method for Design Amendment" prior to normal production.

4. Reference Document :

4.1 Management Method for Design and Development (RD-01)

4.2 Management Method for Design Amendment (RD-02)

Quality Manual	Date Issued	March 29, 2002

19. Purchasing

1. Purpose :

   To assure the material , parts, or accessories purchased which could comply with the quality requirement and may meet with the requirement of each unit in due course, proper quantity, proper price, proper quantity, and proper place.

2. Application Scope :

   The purchasing operation for each kind of material , parts, and accessories, and the measuring instrument related to inspection and test, and the maintenance parts for machine, cutting knife, mold, jig & fixture, and tool machine, all are applicable.

3. Operation Description :

   3.1 All the document and information used in the purchasing operation must be conducted by the purchasing personnel as per the regulation of "Treatment Method for Purchasing operation".

   3.2 It is no need to establish rank evaluation on the cooperative manufacturer of supplier for the product being supplied such as general parts or accessories, measuring instrument, and tool machine, the said cooperative manufacturer of supplier are selected as per the "Management Method for Cooperative Manufacturer or Supplier".

   3.3 The purchase order only can be released after being reviewed as per the regulation of "Operation Method for Material Needed " and 'Treatment Method for Purchasing Operation".

   3.4 The purchasing personnel and those who taken charge of contracting business should allow the cooperative manufacturer or supplier may fully understand the quality requirement specified in purchase order or contracting order.

   3.5 If there is any abnormal condition on the quality of product purchased or contracted, then which should be dealt with as per the regulation of " Control Method for Unqualified Product".

   3.6 All the bought material or parts must be inspected as per purchase order of contracting order, and should be dealt with as per "Control Method for Bought Material", of which also should be recorded for the compliance of evaluation on supplier.

   3.7 If there is any regulation on the contract that the inspection and acceptance will be conduct in our factor by the customer or agent, then the quality inspection must be conducted in advance by us and to meet with the customer or agent's request to proceed verification as per the regulation of 'Service Management Method".

4. Reference Document :

   4.1 Treatment Method for Purchasing Operation (PU-01)

Quality Manual	Date Issued	March 29, 2002
19. Purchasing		

4.2 Management Method for Cooperative Manufacturer or Supplier (QA-02)

4.3 Operation Method for Material Needed (PU-02)

4.4 Control Method for Bought Material Inspection (QA-07)

4.5 Control Method for Unqualified Product (MD-03)

4.6 Service Management Method (BD-04)

Quality Manual	Date Issued	March 29, 2002

20. production and Service Providing

1. Purpose :

   To assure the quality control system in the production and service operation could be controlled properly so as to assure which could comply with the product requirement and the expectation of customer.

2. Application Scope :

   All the production and service of the company are applicable.

3. Operation Description :

   3.1 Production Operation :

   3.1.1 The establishment, control, amendment, coordination of production plan should be conducted as per the "Production Control Method".

   3.1.2 In order to assure that the quality of product can reach the requirement of regulation, of which should be implemented as per the "Control Method for the Inspection in Process" so as to fulfill the production capacity sufficiently and to reach the target of delivery made in the time specified.

   3.1.3 In order to assure that the production equipment and the tool, mold, cutting tool, jig & fixture required by production that can maintain at its optimal condition and further to allow the quality could be maintained stably, the management method and maintenance method for which should be conducted by each unit as per the regulation of "Maintenance Method for Equipment" and "Management Method for Mold, Jig & Fixture, Cutting Tool, and Tool".

   3.14 During the manufacturing process, the Q.C. personnel and site operator should conduct as per the regulation of "Control Method for the Inspection in Process".

   3.15 The delivery of product should be conducted as per the regulation of ""Storage & Handling Operation Method for Material, Parts, and Product".

   3.16 The qualification of manufacturing or inspection personnel should be conducted as per the regulation of "Management Method for the Evaluation of Human power Resource".

   3.17 If there is any unqualified product in the production process, then which should be conducted as per the regulation of "Control Method for Unqualified Product".

   3.18 Each item of quality record in the process should be conducted as per the regulation of "Record Management Method".

   3.19 We have no special manufacturing procedure, of which will be added while happens.

Quality Manual	Date Issued	March 29, 2002
20. production and Service Providing		

3.2 Service Operation :

3.2.1 If customer has any service request specified in the contract, then which should be performed as per the request.

3.2.2 With regard to the inquiry of product or other service contents, of which should be conducted by Business Dept. as per the regulation of "Service Management Method".

3.2.3 Should customer have any complaint on the quality of product or service, of which should be solved by Business Dept. as per the regulation of "Service Management Method".

3.2.4 The contract related to service and its record must be kept as per the "Record Management Method".

3.3 Identification and Retroaction :

3.3.1 The identification and label for the bought material, semi-product, or product that should be conducted as per the regulation of "Label and Identification Method for Material".

3.3.2 If meets with abnormal condition, and the QC or inspection personnel confirm which can be accepted, or the product asked by the customer which need to retroact, the related quality record on which must be kept in accordance with the product number or order number issued by Business Dept.

3.4 Property of Customer :

3.4.1 The parts supplied by customer as to be used on the product being purchased, of which only can be accepted after the contract being reviewed and confirmed by Business Dept.

3.4.2 The inspection on the quality of product supplied by customer, which should be conducted as per the regulation of "Treatment Method for the Product Supplied by Purchaser" and "Control Method for the Inspection of Bought Material".

3.4.3 The product being supplied by customer as qualified after inspection, which should be conducted as per the "Stoage & Handling Operation Method for Material, Parts, and Product".

3.4.4 If the product is lost, invalid, or can not be used, then the Business Dept. must inform purchaser (customer), the company also should bear the related responsibility.

3.4.5 The repair part supplied by customer, which should be conducted as per the regulation of 'Service Management Method".

Quality Manual	Date Issued	March 29, 2002
20. production and Service Providing		

3.5 Protection for Product :

3.5.1 The packing should be made in accordance with the nature of product and its weight, handling tool or method so as to assure the quality could be maintained and its safety and durability.

3.5.2 In order to prevent from the material or product being damaged or deteriorated during storage period, a safe storage place must be provided. The material liable to deteriorate which should be based on he principle of first in first out, a better storage and inventory control must be conducted.

3.5.3 If customer has any requirement on packing and carton, then which should be conducted as per the requirement of customer, and also should have the concept of moisture proof, isolation, anti-vibration, firmness, and environment protection.

3.5.4 With regard to the handling, storage, packing, and delivery of product, which should be conducted as per the regulation of "Storage & Handling Operation Method for Material, Parts, and Product".

3.6 Confirmation on the production and service providing : Because we have no special manufacturing procedure, and therefore, which will be excluded from the accreditation scope as per Article 1.2 of Standard Provisions.

4. Reference Document :

4.1 Control Method for the Inspection in Manufacturing Process (MD-08)

4.2 Production Control Method (MD-10)

4.3 Maintenance Method for Equipment (MD-06)

4.4 Management Method for Mold, Jig & Fixture, Cutting Tool, and Tool (MD-09)

4.5 Storage & Handling Operation Method for Material, Parts, and Product (MD-02)

4.6 Management Method for Human Power Resource Evaluation (GM-03)

4.7 Control Method for Unqualified Product (MD-03)

4.8 Record Control Method (QA-05)

4.9 Label and Identification Method for Material (MD-01)

4.10 Treatment Method for Product Supplied By Purchaser (BD-03)

4.11 Control Method for the Inspection on Bought Material (QA-07)

4.12 Service Management Method (BD-04)

Quality Manual	Date Issued	March 29, 2002

21. Supervision and control on measuring instrument

1. Purpose :

   All the measuring and testing instruments used in the verification of quality of product must be controlled, calibrated, and maintained so as to assure the quality of product and the reliability of testing.

2. Application Scope :

   Each item of measuring and testing equipment used in the inspection on bought material, process, and product are applicable.

3. Operation Description :

   3.1 All the criticism, requisition, inspection and acceptance, use, calibration, maintenance, handling, and storage of each item of inspection and testing equipment should be carried out in accordance with the regulation of "Management Method for Inspection Equipment".

   3.2 While in the time of contract review, drawing review, and specification inspection, Quality Assurance Section should be responsible for whether have proper inspection equipment so as to assure the manufacturing quality of product.

   3.3 The newly bought inspection equipment must assure its specification and function that has been complied, and should give a serial number and register as per the regulation of "Management Method for Inspection Equipment".

   3.4 If the more precision inspection equipment is unable to calibrate within the factory, then which can be sent to the calibration unit with original grade standard so as to comply with the retroactive principle of instrument and to assure the reliability of instrument.

   3.5 Quality Assurance Section should periodically calibrate each measuring and testing equipment, the result must be recorded with proper label to show its calibration condition.

   3.6 Quality Assurance Section must establish the description for operation and maintenance to assure that each measuring and testing equipment have been used correctly and maintained, calibrated properly.

   3.7 Inspection, measuring, and testing equipment must have a proper storage method and location so as to maintain its accuracy and usefulness.

   3.8 The qualification of measuring and calibrating personnel must be recognized as per the regulation of "Management Method for the Evaluation of Human Power Resource".

   3.9 All the calibration record for measuring equipment must be kept properly as per the regulation of "Record Management Method".

4. Reference Document:

   4.1 Management Method for inspection Equipment (QA-08)

   4.2 Management Method for the Evaluation of Human Power Resource (GM-03)

   4.3 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

22. General Description (measuring, analysis, and improvement)

1. Purpose :

   In order to assure the company has aimed at product, manufacturing ability, customer's satisfaction, and other requirement concerned to implement measurement and evaluation in the proper period so as to supervise and improve the performance of organization.

2. Application Scope :

   All the supervision, measuring, analysis, continuous operation related to quality management system are applicable.

3. Operation Description :

   3.1 The company must plan and implement the required supervision, measuring, analysis, and continuous improvement in order to achieve the following purpose:

   3.1.1 To verify the compliance of product.

   3.1.2 To assure the compliance of quality management system.

   3.1.3 To realize the effective improvement of quality management system.

   3.2 While in proceeding measuring, analysis, and improvement, each unit should conduct as per the regulation of "Management Method for Information Analysis".

4. Reference Document:

   4.1 Management Method for Information Analysis (QA-04)

Quality Manual	Date Issued	March 29, 2002

23. Supervision and Measuring

1. Purpose :

1.1 In order to assure the product that may comply with requirement of customer, it should establish a operation procedure and to collect, analyze, and to use such information and further to identify the meaning contained in these information.

1.2 To verify the operation of management system whether has complied with the requirement of quality policy and quality management system and to evaluate the effectiveness of quality management system, and further to adopt proper corrective measure to achieve the maximum benefit.

1.3 To identify each item of measuring method used in quality flow process and to evaluate its performance.

1.4 To assure the material and product that has been experienced inspecting and testing during the stage of bought material acceptance, process, and product so as to comply with quality standard and customer requirement.

2. Application Scope :

Each item of quality management system, flow process, supervision and measuring on product are contained in this scope.

3. Operation Description :

3.1 The personnel of Business Dept. should conduct periodical supervision and measuring as per the regulation of "Investigation and Management Method for Customer Satisfaction".

3.1.1 Business Dept. should proceed supervision on the information related to whether has satisfied with the requirement of customer for the future evaluation on the performance of quality management system.

3.1.2 The investigation information related to customer contains:

3.1.2.1 Feedback of business service

3.1.2.2 Feedback of technical support

3.1.2.3 Feedback of product quality

3.1.2.4 Feedback of term of delivery

3.1.2.5 Feedback of improvement expected

3.1.3 To evaluate the entire function and efficiency of the company's quality management system as per "Investigation and Management Method for Customer Satisfaction". To those feedback requirement of satisfaction or no, the measuring and supervision must be continued to improve so as to comply with standard and with the requirement of customer's satisfaction and expectation as the goal of us.

Quality Manual	Date Issued	March 29, 2002
23. Supervision and Measuring		

3.2 Internal Auditing :

3.2.1 The timing for implementing internal auditing, auditing plan, implementation method, notes, improvement measures, criticism, and result tracing, of which should be conducted as per the regulation of "Implementation Method for Internal Auditing".

3.2.2 The management representative will assume the leader of auditing team and appoint qualified personnel as the auditor. The qualification of quality auditor should give training and recognition as per the regulation of "Management Method for the Evaluation of Human Power Resource", however, at the time auditing, the auditor may not audit whose subordinate unit.

3.2.3 The auditing item should be conducted in accordance with the quality requirement of ISO-9001 and the quality document of the company.

3.2.4 A corrective measures and term required for correction related to any defect being discovered in auditing must be reported to General Manager by management representative.

3.2.5 The management representative may hold a management review meeting to those defected being audited and will affect to the operation of quality system.

3.2.6 Any auditing or corrective record must be kept properly as per the regulation fo "Order Operation & Contract Review Method".

3.3 The company must adopt proper method to proceed supervision and measuring to the flow process of management quality system.

3.3.1 The Business Dept. should proceed collection and follow up in connection with contract review process as per the regulation of "Order Operation & Contract Review Method".

3.3.2 The Purchasing Section and Quality Assurance Section should proceed management on the term of delivery and quality of those cooperative manufacturer or supplier as per the regulation of "Treatment Method for Purchasing Operation".

3.3.3 The Design Section should proceed follow up and management on the progress and quality of design and R& D operation as per the regulation of "Management Method for Design and Development".

3.3.4 The Plant Affairs Dept. should proceed supervision and measuring in connection with the production operation and process inspection as per the regulation of "Production Control Method" and "Control Method for Process Inspection".

3.3.5 The QC Assurance Section should conduct data statistic and measuring periodically as per the regulation of "Management Method for Information Analysis" so as to grasp the performance and quality of flow process.

3.3.6 If finds any incompliance in the above mentioned flow process, then a corrective and preventive action must be taken as per the regulation of "Feedback Corrective and Preventive Method for Abnormal Quality" so as to improve the quality management system of the company.

3.4 Supervision and Measuring on Product :

3.4.1 The bought material inspection operation should be conducted as per the regulation of "Bought Material Control Method".

3.4.2 QC Assurance Section should establish a "Specification for the Inspection of Parts" to assure the quality of parts and accessories.

3.4.3 The final inspection and measuring operation for product must be conducted as per "Control Method for Product Inspection" so as to assure the quality of product.

3.4.4 The qualification on the inspector for bought material inspection, process inspection, and product inspection should be verified as per the regulation of "Management Method for the Evaluation of Human Power Resource".

3.4.5 Each item of quality record on bought material inspection, process inspection, and product inspection should be conducted as per the regulation of "Record Management Method ".

4. Reference Document :

4.1 Investigation and Management Method on Customer's Satisfaction (BD-06)

4.2 Internal Auditing Implementation Method (QA-10)

4.3 Record Management Method (QA-05)

4.4 Order Operation and Contract Review Method (BD-01)

4.5 Treatment Method for Purchasing Operation (PU-01)

4.6 Management Method for Design and Development (RD-01)

4.7 Production Control Method (MD-10)

4.8 Process Inspection Control Method (MD-08)

4.9 Management Method for Information Analysis (QA-04)

4.10 Feedback Corrective and Preventive Method for Abnormal Quality (QA-09)

4.11 Bought Material Inspection and Control Method (QA-07)

4.12 Specification for the Inspection of Parts (QA-PW-**)

Quality Manual	Date Issued	March 29, 2002
23. Supervision and Measuring		

4.13 Product Inspection and Control Method (QA-06)

4.14 Management Method for Evaluation of Human Power Resource (GM-03)

Quality Manual	Date Issued	March 29, 2002

24. Control on incompliance product

1. Purpose :

   In order to assure that all the unqualified product should be identified, recorded, evaluated, separated, and stored and sent the related notice to its related unit so as to prevent from misuse or mis-manufacturing.

2. Application Scope :

   All the material, semi-product, product, or rejected product are belonged to this scope.

3. Operation Description :

   3.1 The unqualified product during each stage or rejected product from customer that should be labeled to distinguish from as per the regulation of "Unqualified Product Control Method" and "Management Method for Product Inspection Status and Labeling".

   3.2 If any operator meets with unqualified product during each stage, then who must reflect and treat immediately to avoid being flown into the next process.

   3.3 If unqualified has been judged by QC Assurance Section as acceptable provided that shall be processed again so as to reach the range of standard, then which shall be arranged to Plant Affairs Dept. for re-processing. If still unable to reach as acceptable, then which shall be rejected or discarded.

   3.4 The treatment method for unqualified product that shall be conducted as per the regulation of "Unqualified Product Control Method" and "Feedback Corrective and Preventive Method for Abnormal Quality".

4. Reference Document:

   4.1 Unqualified Product Control Method (MD-03)

   4.2 Feedback Corrective and Preventive Method for Abnormal Quality (QA-09)

   4.3 Management Method for Product Inspection Status and Labeling (MD-07)

Quality Manual	Date Issued	March 29, 2002

25. Information Analysis

1. Purpose :

   It shall aim at the quality plan and quality target analysis to adopt statistical analysis method to provide as the compliance of improvement so as to verify the manufacturing ability and to assist the improvement on the performance of flow process.

2. Application Scope :

   The information analysis of production, manufacturing, sales, and each inspection operation are contained in this scope.

3. Operation Description :

   3.1 Each unit shall collect and analyze the related information in each item of flow process or operation procedure as per the quality policy and quality target to verify the properness and effectiveness of quality management system of us.

   3.2 Analyze the information obtained through the following measuring activities :

   3.2.1 The Business Dept. should analyze the details of order so as to understand the marketing trend for the reference of future adjustment on the operating policy.

   3.2.2 The Business Dept. should analyze the customer's satisfaction as per the regulation of "Investigation and Management Method on Customer's Satisfaction".

   3.2.3 The QC Assurance Section should use the statistical analysis method to know the cause of bad product and abnormal condition as per the regulation of "Information Analysis Management Method" so as to enhance the quality of product and other technical improvement.

   3.2.4 The Purchasing Section should collect bad rate, term of delivery, cooperation extent as per the regulation of "Management Method for Cooperative Manufacturer or Supplier" to evaluate the cooperative manufacturer or supplier periodically.

   3.3 Each unit shall meet with the statistical analysis and technical need to plan a proper statistical skill training program and to carry out as per the regulation of "Implementation Method for Employees' Educational Training".

   3.4 The related statistical analysis information and chart that should be kept properly as per the regulation of "Record Management Method".

4. Reference Document :

   4.1 Investigation and Management Method on Customer's Satisfaction (BD-06)

   4.2 Information Analysis Management Method (QA-04)

   4.3 Management Method for Cooperative Manufacturer or Supplier (QA-02)

   4.4 Implementation Method for Employees' Educational Training (QA-03)

   4.5 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

26. Improvement

1. Purpose :

   In order to assure the quality of product and to grasp the cause of bad product actually, and then to take effective responding measures so as to explore the potential cause of bad product and further to prevent from the re-occurrence of problem for the benefit of effective continuous improvement of quality management system.

2. Application Scope :

   Abnormal condition on quality in the process being discovered by each unit, bad product rejected by customer, and the defect in quality system.

3. Operation Description :

   3.1 Continuous Improvement :

   3.1.1 To make use of quality policy, quality target, auditing result, information analysis, corrective and preventive measure and management auditing to benefit the effective continuous improvement on quality management system.

   3.1.2 It should continue to improve each flow process and is not to wait until problem being occurred to show the opportunity of improvement.

   3.1.3 It may continue to execute a long term improvement plan, each unit may execute in accordance with "Description of Proposing Improvement Operation".

   3.14 When adopts related measures, it should emphasize the efficiency and function of procedure and then supervise to as to assure the target expected can be achieved.

   3.15 The identification of cause of bad product that may cause the modification of product and flow process as the compliance of correction on quality management system so as to reach the purpose of continuous improvement.

   3.2 Corrective and Preventive Measures :

   3.2.1 All the employees have the responsibility to propose quality improvement measures and to prevent from the change on quality and occurrence of bad product.

   3.2.2 To the judgment and corrective & preventive measures on the abnormal cause of quality, the related unit should implement as per the regulation of "Corrective & Preventive Method for Quality Abnormal Feedback".

   3.2.3 The business Dept. should proceed criticism and improvement as per the conclusion obtained from statistic in accordance with the regulation of "Investigation and Management Method for Customer's Satisfaction" so as to prevent form the occurrence of customer's complaint and negligence in quality management system.

3.2.4 It should be treated as per "Management Method for Customer's Complaint" to the event of customer's complaint.

3.2.5 When quality appears abnormal condition, no matter whether is bought material inspection, process inspection, product inspection, or bad product rejected by customer, it should be treated as per "Control Method for Unqualified Product".

3.2.6 If the staff of Plant Affairs Dept. or QC Inspector discovers that there is any abnormal condition in field machine, product in process, or operator which is sufficient to worsen the quality of product, then who should correct immediately and propose each kind of suitable corrective measures and to proceed preventive task.

3.2.7 QC Assurance Section should proceed bad rate analysis periodically as per the regulation of "Information Analysis & Management Method". If there is any abnormal condition, then a tracing for the cause of bad product should be conducted to avoid being happened again.

3.2.8 The corrective measures for internal quality audition should be made as per the regulation of "Implementation Method for Internal Auditing". The responsible unit must supervise and follow the defect appeared while in auditing, and to take preventive measures.

3.3 The corrective measures for major quality abnormal feedback must be submitted to management review committee to discuss and decide.

3.4 All the records for corrective and preventive measures must be kept properly as per the regulation of "Record Management Method".

4. Reference Document :

4.1 Description of Proposing Improvement Operation (GM-WI-22)

4.2 Corrective and Preventive Method for Quality Abnormal Feedback (QA-09)

4.3 Investigation and Management Method for Customer's Complaint (BD-06)

4.4 Management Method for Customer's Complaint (BD-05)

4.5 Control Method for Unqualified Product (MD-03)

4.6 Management Method for Information Analysis (QA-04)

4.7 Implementation Method for Internal Auditing (QA-10)

4.8 Record Management Method (QA-05)

Quality Manual	Date Issued	March 29, 2002

27. supplementary Description for PED (Pressure Equipment Directive)

1. Purpose :

   To supplement the insufficient item of PED regulation pointed out by ISO 9001 quality document so as to assure the item of PED regulation in quality assurance system could be executed effectively.

2. Application Scope :

   All the orders of PED are applicable.

3. Operation Description :

   3.1 Except to proceed review on the quality system as per the regulation of "Management Review Method" (QA-19), and also should proceed review operation on PED document (ESR, HAR., etc.) periodically so as to assure that both system and product have complied with the requirement of PED.

   3.2 Contract Review :

   3.2.1 With regard to the order of PED, except to be executed as per the regulation of "Order Operation and Contract Review Method" (BD-01), it also should review on the requirement of pressure equipment technique as per the regulation of PED Contract Review Form "(FM-084).

   3.2.2 To distinguish from the product grade, it should be conducted as per the regulation of "Classification Description for PED Product Grade".

   3.2.3 While in review, if Business Dept. is unable to understand the contents of technique, then who may ask related unit to support the said review.

   3.3 Design Control and Design Verification:

   3.3.1 The design and development for a new product should be carried out as per the regulation of " Management Method for Design and Development" (RD-01).

   3.3.2 The amendment or modification on new product, design, or its manufacturing process, which should be conducted as per the requirement of PED and then to confirm.

   3.3.3 The evaluation on ESR and HAR should be carried out as per the following regulations:

   3.3.3.1 ESR: After trial making criticism meeting, of which should be filled out by the member of team of special case.

   3.3.3.2 HAR: After completion of inspection and test on trial making, of which should be filled out by Design Section as per testing result.

Quality Manual	Date Issued	March 29, 2002
27. supplementary Description for PED (Pressure Equipment Directive)		

3.4 Purchasing

3.4.1 The related affairs of purchasing should be conducted as per the regulation of "Treatment Method for Purchasing Operation" (PU-01). If the material, ingredient, parts specified in the requisition must comply with the requirement of PED, then the Purchasing Section should proceed review on the following items so as to assure it can be accepted.

3.4.1.1 The material to be used, of which must be verified as per the regulation of 3.2.3.

3.4.1.2 Mechanical property test (especially impact test), chemical ingredient analysis.

3.4.1.3 Inspection/test requirement.

3.4.1.4 Requirement and scope of non-destructive test (such as inspection location, percentage of inspection).

3.4.1.5 Requirement of heat treatment(time, temperature, and method).

3.4.1.6 Surface treatment/preparation

3.4.1.7 Packing/packing contents.

3.4.1.8 Document required (such as heat treatment report, corrosion test report, and non-destructive test report).

3.4.2 The requirement for the material of pressure bearing must comply with one of the following items:

3.4.2.1 Use the material that has complied with standard (designated by OEC).

3.4.2.2 Use the material for pressure equipment as being approved by Europe.

3.4.2.3 Use the specifically evaluated material EN-1503-1-2 (For example: the standard material of ASTM, JIS, BS, CNS., etc.), however, of which also should be executed as per the following regulation:

3.1 Prior to EN 1503-1, -2 shall have not been contained in the approved material by OEC, if the grade of material used is Grade I,II, then the material used in first time which should be analyzed as per the regulation of PMA. If the grade of material used is Grade III, hen the material used in first time which should be sent to accreditation unit to confirm.

3.2 After EN 1503-1, -2 shall have been contained in the approved material by OEC, then the regulation of 3.4.2.3 is no need to execute.

Quality Manual	Date Issued	March 29, 2002
27. supplementary Description for PED (Pressure Equipment Directive)		

3.5 Inspection and Test:

3.5.1 With regard to the "Description for Material Inspecting Operation", in order to comply with the report format of PED requirement, the quality report provided by the material supplier shall be based on the following :

3.5.1.1 Purchased from PED complied material supplier, then which can issue 3.1B material certificate.

3.5.1.2 Purchased from PED un-complied material suppler:

2.1 After being inspected and confirmed by the third party accreditation unit, the accreditation unit shall issue 3.1C material certificate.

2.2 After being confirmed by the supplier's representative or section chief of Value Valve QC Assurance Section, the a 3.2 material certificate will be co-issued by both of them.

3.5.2 Anti-pressure test :

3.5.2.1 To select the highest testing pressure from the following 3 conditions to execute:

A. Item 7.4, Annex I of PED.

B. The pressure test as per the requirement of customer.

C. As per the test pressure regulated by Value Valve, and execute as per "Testing Pressure Operation Standard".

3.5.2.2 If the pressure designated by customer is not applicable to the regulation of 3.5.2.1, then the maximum working pressure must be marked in the name plate. While in testing pressure :

SEAT : 1.1 times maximum working pressure.

BODY: 1.5 times maximum working pressure.

3.6 Document Control :

3.6.1 The technical document related to PED accreditation and the material testing report attached in delivery, both of which must be kept for 10 years to provide to the local government for future check.

3.6.2 The correspondent document with accreditation unit must be collected and kept properly.

3.7 Product Labeling

Quality Manual	Date Issued	March 29, 2002
27. supplementary Description for PED (Pressure Equipment Directive)		

3.7.1 The product which complied with the requirement of evaluation procedure, then a "CE" mark must be labeled on each product, of which should be carried out as per the "Using Control Description for CE Mark" (QA-WI-13).

3.7.2 Except labeling "CE" mark, and also has the following marks:

3.7.2.1 Mark of Value Valve.

3.7.2.2 Year of manufacturing.

3.7.2.3 Type of product/description and sequential number.

3.7.2.4 Maximum working pressure and temperature.

3.7.3 After being analyzed if the grade of product is not reach Grade I standard and is not complied with the requirement of PED evaluation procedure, then the product may not label with "CE" mark.

3.8 The technical document for the establishing of complying with the requirement of PED, then which should be conducted as per the regulation of "PED Technical Document Control Method" (RD-03).

3.9 If there is any one of the following condition just in the execution of quality system, then which should be informed toTUV:

3.9.1 Significant change on quality system or personnel.

3.9.2 PMA of Class 3 hazard material.

3.9.3 Recognition on the qualification for the personnel of NDT of Class 3 hazard.

3.9.4 WPS/PQR/WPQ of Class II, Class III hazard.

The right and obligation of the mutual communication between accreditation unit and us will be implemented as per the regulation of the guide outline attached in the contract being executed by the parties.

3.10 Welding Requirement :

The product of us is belonged to standard valve, and therefore, there is no welding procedure. Under the special condition if the valve needs welding, then the operation procedure for which must be in compliance with the welding requirement shown on Exhibit I of PED 97/23/EC.

3.11 Non-destructive Test :

If customer asks to conduct non-destructive test (such as magnetic, supersonic, or radiation) on product, no matter whether is made by ourselves or contracting, the qualification of quality personnel conducted the said test should be in accordance with the following regulation to evaluation the said qualification:

3.11.1 If the product is belonged to Class I or Class II, then Value Valve should be in accordance with the regulation of EN583-1 to conduct the examination on the qualification of personnel conducted the test.

3.11.2 If the product is belonged to Class III, then the qualification of the person conducted the inspection will be examined by the third party approved by OEC.

3.11.3 If the product is contracted by other manufacturer, then the inspection or test for which is conducted as per the regulation of 3.11.1 and 3.11.2.

3.12 Requirement of Heat Treatment

If the material used in pressure bearing needs to proceed heat treatment as per regulation, then the material supplier should submit a heat treatment report as per regulation.

3.1.3 Signature Responsibility for Technical Document :

Description of Document	Signature and Approved Person
Particular Material Certificate (PMA)	Item I, II product, QC Section Chief Item III, Notify Body
Basic safety Requirement (ESR)	General Manager or whose duty agent
Hazard evaluation (HAR)	General Manager or whose duty agent
Declaration	General Manager or whose duty agent
Certificate of Material	3.1 B Report : Supplier 3.1 C Report: Accreditation Unit 3.2 Report : Section Chief, Representative of Supplier
Technical Manual	General Manager or whose duty agent

4. Reference Document :
   - 4.1 Order Operation and Contract Review Method (BD-01)
   - 4.2 Classification Description for PED Product (QA-WI-14)
   - 4.3 Management Method for Design and Development (RD-01)
   - 4.4 Treatment Method for Purchasing Operation (PU-01)
   - 4.5 Control Method for PED Technical Document (RD-03)
   - 4.6 Description for Material Inspection Operation (QA-WI-08)
   - 4.7 Control Method for the Use of CE Mark (QA-WI-13)
5. Form and Exhibit
   - 5.1 PED Contract Review Form (FM-084)