3 CONTINUOUS IMPROVEMENT PROCESS

3.1 OBJECTIVES

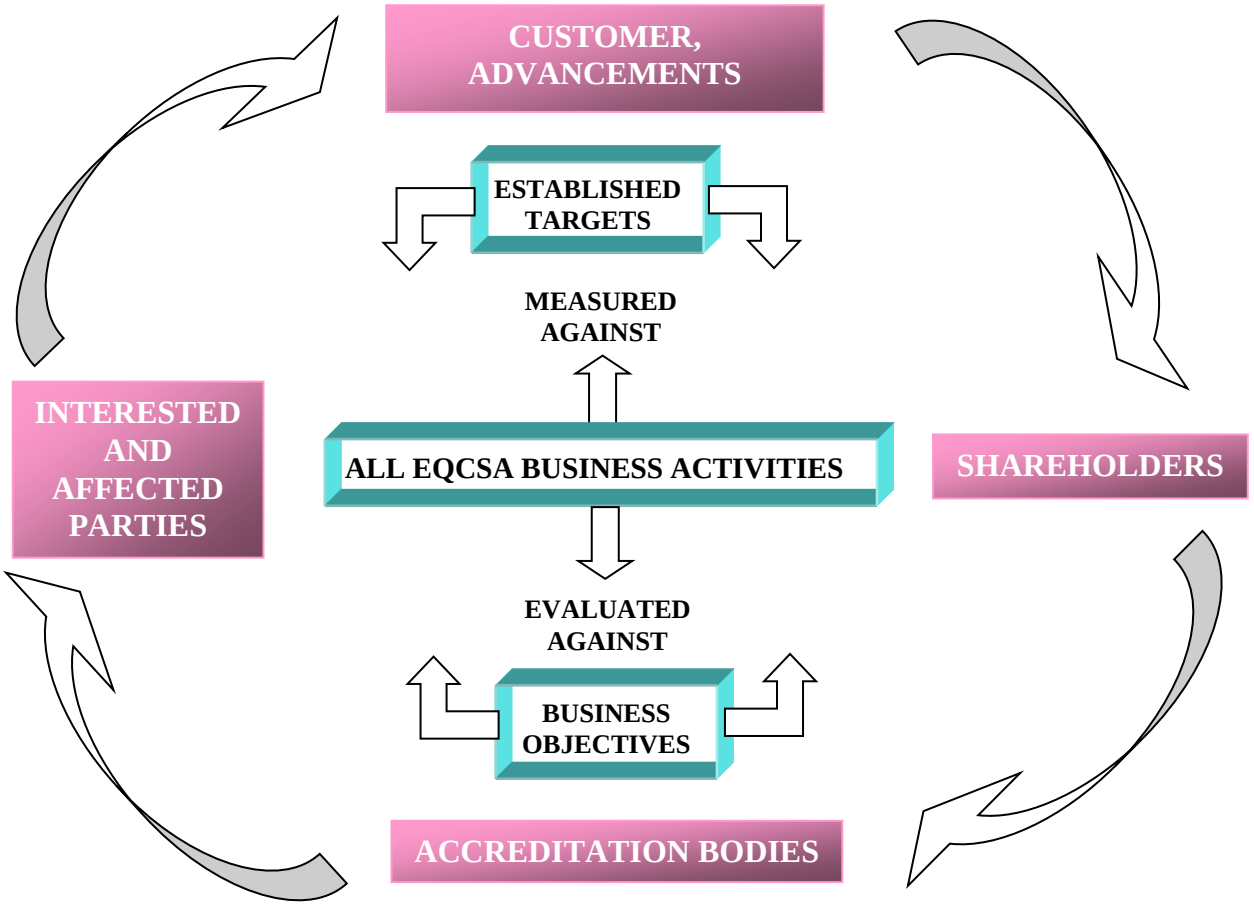
The continuous improvement process shall ensure that our business objectives as established are achieved and that advancements in technology, strategy and manamgement philosophies can be applied within the system. The continuous improvement process therefore applies to all activities as carried out by EQCSA (Pty) Ltd.

3.2 BUSINESS OBJECTIVES AND TARGETS

Continuous improvement requires the measurability of processes and activities. Therefore it is required to establish and review business objectives and targets.

Based on the annual business performance review by the company shareholders, the desired business objectives are established. These will be translated into measurable targets. The established objectives and targets are communicated within the organization and on a regular basis the achievement of targets is reviewed.

3.3 CONTINUOUS IMPROVEMENT PROCESS



All activities within EQCSA (Pty) Ltd are evaluated against the business objectives and have to be compatible with them. During and after the processing the activities must achieve the established targets (i.e. customer satisfaction, accreditation compliance, legal compliance). Personnel must at all times be aware that all business activities are influenced by the business environment as displayed in the above graphic.

The continuous improvement process ensures that all processes are achieving the established business objectives. The annual review of business performance thereafter reviewes and revises business objectives as appropriate.

3.4 ANNUAL BUSINESS REVIEW

The Managing Director makes the arrangements for the Annual Business Review (ABR). The ABR should be scheduled for an appropriate time after the internal QA-System Audit to ensure that the next year's business activities can be suitably planned and the next year's schedule of activities can be issued before the end of the current year.

The preparation for the ABR includes the following:

- Time and venue
- Participants
- Review of required information (Inputs and Outputs)
- Setting an agenda
- Notification of participants with an appropriate lead time.

The Managing Director chairs the ABR and it is the obligation of each participant to prepare him-/herself appropriately for the review.

3.5 DOCUMETATION AND DATA CONTROL AND RECORDS

To ensure that EQCSA can provide an excellent customer service and information is available for the continuous improvement process data is collected and documents are generated. All generated documents, either on paper or in electronic format, are kept as records. The following documents are maintained:

- Quality Manual
- Customer Documents (Audit Packages)
- Offers
- Personnel Files
- Annual Audit Programs
- Non-conformances and Corrective Action
- Registers
- Invoices

The following registration numbers apply within the control system:

Quality Manual

No controlled hard-copies are issued of our manual. Electronic copies not found on an EQCSA owned computer are uncontrolled copies.

E-manual numbering is from 01 – 1000 for main files and sub-numbering for documents within the file (101-999). All working documents are numbered and titled.

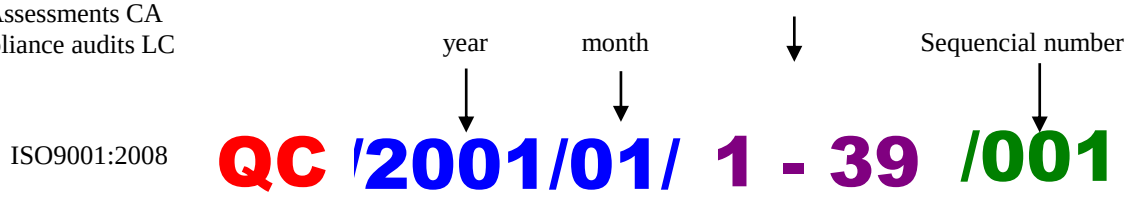
Superseded documents from the Quality Manual will be retained as a record for a historical and reference purposes for an economical accepted period not below the legally required time. The file for superseded documents is outside the EQCSA Manual management and not accessible for unintended use.

Customer Audit Packages

Customer audit files are registered with letters and numbers, indicating the year and month of the audit, the type of audit, the EAC/SIC- code number, followed by a sequential number.

ISO 9000 audits Q
ISO 14000 audits E
OHSAS 18001 audits HS
HACCP audits HA
Combined ISO 9000 and 14000 audits EQ
Customer Assessments CA
Legal compliance audits LC

EAC/SIC Code
(see ISO 17021:2015)



Note: The Core Business Code applies as reference to the Certificate Number. Should there be ascoiated business to warrant the need for a specific scope experience, it will not appear in the Register Number, only in the Contract Review document.

Example:

Certification Audit Reports:	QC/2001/01/02/001
Surveillance Audit Reports:	ES/2001/01/02/001
Recertification Audit Reports:	EQR/2001/01/02/001

Offers

The above numbering system applies as soon as EQCSA is requested to submit an offer to the client.

Invoices

Invoices are registered within the Pastel System

Internal Audit Reports

Internal audit reports are filed and registered under the date of the audit carried out.

Nonconformances and Corrective Actions and Preventive Actions

Internal nonconformances and corrective actions and preventive actions (including potential non-conformances) are registered with the reference to the applicable audit date and a sequential number. Nonconformances from certification audit reports are included into the customer data packages and reference the above outlined Audit Package Number and an additional sequence number.

Example Internal Nonconformance:	2001/01/01/01
Certification audit NCR Number:	QC/2001/01/02/001-01

Correspondence, Minutes and Personnel Files

Correspondence, Minutes of Meetings and Personnel Files are filed in binders marked as such appropriately in date sequence, last on top. Electronically submitted documentation remains in the “My Documents” file and is backed up on CD’s.

Annual Audit Programs

Annual Audit Programs do not have a particular registration number and are indicated by date only.

Registers

Registers do not have a particular registration number and are indicated by date.

3.6 Trace ability

Trace ability is ensured by the registers maintained and the above established numbering systems.

3.7 Nonconformance and Corrective Action and Preventive Action Management

Part of the information required for continuous improvement is the documentation of Nonconformances and Corrective Action Requests. Nonconformances can be raised by anybody at any time, should deviation from requirements occur. After review of the nonconformance the responsible person is nominated to carry out the appropriate corrective action.

Corrective action shall ensure that the appropriate proposed method for improvement and compliance to requirements is effective, economic and efficient. Corrective actions must achieve the compliance to the established business objectives, customer, accreditation organization or legal requirement.

The following occurrences can be regarded as nonconformances:

- Remarks on the Customer Feedback Form
- Verbal and written Customer complaints, appeals or disputes
- Verbal and written deviations in daily activities
- Internal audit results
- External audit results

Control of nonconformances is via the relevant documentation as above. Written response will follow the receipt of the nonconformance and followed up by a written response after corrective action. External reference numbers will be cross-referenced in the EQCSA-system.

Non-conformities are reviewed by the Managing Director and completed as assigned by the person nominated by him.
The following items have to be addressed in processing non-conformances and corrective actions:

- Root cause of non-conformance (use 438ROOTCAUSEANALYSIS sheet)
- Correective action to be taken
- Action to prevent recurrence
- Implementation within an acceptable time limit
- Review of effectiveness of corrective action
- Notification of person who raised the non-conformance
- Review and completion of documentation of corrective action

Preventive actions are an integrated part of the non-conformance and corrective action process. In addition, during continual improvement actions due to suggestions during audits, management reviews and system reviews the changes are reviewed to enaure that future non-conformasnces are prevented due to change. The following issues are to be considered:

- Potential non-conformities and their causes
- Change management to ensure that no non-conformances are built into the change
- Additional implementation activities to enasure avoidance of non-conformities during and after change
- Review of effectiveness of preventive action
- Review and completion of documentation of preventive action

Nonconformances received verbally will be registered and documented internally. The follow-up method is as described above.

Internal audit non-conformances will be recorded in the audit report and corrective action is decided on the nature of the non-conformance and the required resources to implement corrective action. Documentation non-conformances will be closed within four weeks from the date of the nonconformance and implemented during the next application of the relevant process as changed. Financially depending corrective actions need to be evaluated against feasibility and need to corrective action for compliance reasons. Both in balance will establish closure time.

Corrective actions from Apeals, disputes and complaints are supervised and confirmed for closure status by the Chairperson of the Appeals Committees.

In both cases, response time for proposed corrective action is 14 days after issue of the non-conformance.

3.8 Monitoring and Measurement

Monitoring and measurement of business performance is established within the existing documentation. The documents and data used for monitoring and performance measurements are as follows:

- Annual Audit Program
- Offer/Order Register
- Invoice Register
- Customer Feedback Forms
- Nonconformance, Corrective Action Register
- Technical data

The above registers and programs are reviewed on a regualr basis by the management team and appropriate steps are undertaken to achieve the established busienss objectives.

3.9 Internal Audits

An annual internal audit will be carried out. The objective of the audit is to evaluate the systems and processes applied in EQCSA against the requirements as established by the accreditation body and the EQCSA business objectives. EQCSA will request a suitable independent person(s) to carry out the internal audit.

The internal audit method applied is as follows:

Scheduling:

The internal audit is scheduled for one or two full or partial system audits respectively at a time where customer activities are low, for every year. Should changes make it necessary to plan for another audit inbetween, it will be scheduled six weeks ahead. The 12 months apart rule should be complied with as close as possible.

Preparation:

The preparation includes the team selection, objective setting and the required desk top study to prepare checklists for the audit. The preparation and audit conduct must cover all elements of the ISO 17021:2015. This need to be considered in the audit protocol and audit report.

Audit Conduct:

The audit starts with an opening meeting to ensure that the audit plan can be implemented during the audit. The auditor will have access to all required information to carry out his/her audit task. The EQCSA personnel is available for interviewes and verification of information. Where required sub-contracted auditors will be notified to be available for internal audit interviewes in connection with their audit activities.

The documentation, records and data on the database is reviewed to confirm compliance to system requirements and business objective achievement.

Where deviations from requirements occur, the appropriate issues are discussed and if necessary nonconformances documented and corrective action implemented.

Improvement opportunities needs to be highlighted and documented.

Reporting:

An audit report will be compiled and where nonconfomances are documented these will be included in the audit report. The audit report is reviewed by the management team and appropriate improvements implemented. The report is filed and kept as a record.

Where required a follow-up audit is arranged to ensure that the systems and processes are optimized.

Non-conformance Management:

Corrective action for Non-conformances must be implemented as follows:

For document and process description deficiencies: 30 days for close out and a three months trial period for verification of conformance and effectiveness.

For system related deficiencies requiring capital expenditures: Implementation plan must be accepted by management within 30 days and the implementation of the expenditure within the financial year, unless the last three months of the financial year are close. Thereby an extension by another three month is acceptable.

Critical issues (such as customer complaints refer to complaints procedure) or deterioration of service capability to customers as found in internal performance review. Will be dealt with in case by case initial corrective action with a minimum time to ensure that possible risks to EQCSA are avoided. This is all measure have to be completed within one week of detectioin of the problem.

With the nonconformance received the deviation statement is reviewed and compared against any requirement established. The Root cause Analysis document (438ROOTCAUSEANALYSIS) is completed and corrective and preventive action is implemented by the identified responsible person. For the time being, this will be the MD.

3.10 Advancements in Strategy, Technology and Management Philosophies.

Changes in Strategy, Technology and Management Philosophies are considered during periodic evaluations thereof. Provided one of the advancements are practical and economical and support any of EQCSA's business objectives, it will be discussed and revision of the system planned and carried out.

Strategy:

Strategies to be taken into consideration for evaluation are as follow:

- EQCSA Strategy
- Industry and business strategies affecting EQCSA business objectives and performance

- ISO Strategy affecting EQCSA Business performance
- Accreditors' strategies affecting EQCSA's business performance
- Government Strategies affecting EQCSA business scope of service supply
- Stakeholders and business partners strategies affecting EQCSA's achievement of business objectives

Technology:

Technologies which can affect the customers and EQCSA management systems must be evaluated for feasibility of implementation and improvement effect of services provided by EQCSA to their clients.

The target is to ensure that EQCSA has adequate technology available to optimize services without encountering difficulties that the applied technologies create gaps between EQCSA, their business partners, sub-contractor and customers.

The principle of "Best Practical Technological Option" should apply during review of evaluation results and improvement of the EQCSA quality system.

Management Philosophies:

A most important success factor for EQCSA's services is the relationship between Customer, EQCSA Management and all support and resource facilities enabling EQCSA to achieve superior customer service and hence customer satisfaction and market share growth.

Thereby available management philosophies are monitored and measured to ensuare that managerial principles are optimally understood and applied. This for once to:

- Ensure that all relationships between affected business partners and the customer are sound.
- Auditors can understand advanced management methods and their successful application within the clients' management systems.
- Auditors can provide a superior auditing service to the client, within the framework of the principles of objectivity, independence and customer satisfaction.

Management philosophies and their effects are periodically evaluated and the results used for continuous improvement of the EQCSA quality system.

3.11 Records of EQCSA Services:

Records of all EQCSA Services will be retained for an undetermined time from their date of origination, unless legal or customer requirements stipulate other retention periods.

Records are stored physically at a central location in our offices. Electronic records are stored and backed-up periodically.

All reasonable measures are taken to prevent loss or destruction damage electronic records. Electronic information is backed-up when appropate amount of information is accumulated on the hard drive.

Hard copy files are scanned into the system for signed and hand written documents. This practce will start with the audit documentation and record from May 2016 continuing. Hard copies from earlier audits will be kept safe to avoid damage. The record retention times and dispositionning as established in 102ADMINISTRATION apply.