



**ατίτοκα**

# **QUALITY GUIDE**



**ατίτοκα**

# QUALITY GUIDE

## 1. QUALITY POLICY

## 2. CORPORATE QUALITY MANAGEMENT SYSTEM

Purpose of the quality management system (QMS)

QMS compliance with the ISO 9001:2000 international standard

Scope of application

Quality management system model

Companies

QMS processes

Organizational structure of the company

Business unit responsibilities

## 3. MANAGEMENT RESPONSIBILITY

General requirements

Quality policy

Quality objectives

Planning for the creation and development of the QMS

Definition of responsibility and authority

Management representative

Internal communication

Management review

## 4. RESOURCE MANAGEMENT

Resource supply

Personnel

Infrastructure

Work environment

## 5. WORK PERFORMED BY THE COMPANY

Mandatory and specific work requirements

Definition and analysis of contract requirements

Customer feedback

Work scheduling

Design

Supplier evaluation

Purchasing

Construction work performance

Approval of production processes

Control and measurement device management

## 6. MEASUREMENT, ANALYSIS AND IMPROVEMENT

Customer satisfaction

Internal quality audits

Monitoring and measuring QMS processes

Monitoring and measuring work performance

Control of noncompliant products

Continuous improvement

Corrective actions

Preventive actions

## 1. QUALITY POLICY

In our company, quality is an absolute requirement.

We strive to continuously improve the quality of our work and do our best to satisfy our Customer's requirements.

We strive to continuously improve our processes by enhancing the efficiency of the quality management system.

We intend to continuously improve our relationships with Customers, partners and employees. This makes us a better company, a better partner and a better place to work.

## 2. CORPORATE QUALITY MANAGEMENT SYSTEM (QMS)

### Purpose of the quality management system

To ensure the Company's successful operation, objectives shall be set and managed systematically and transparently. The management system is geared towards achieving results related to profitability, self-financing, development, occupational safety and other elements. The most important component of the Company's management system is the quality management system.

The QMS pursues company objectives in terms of the quality of completed work. The QMS assures our company's ability to perform work while observing the requirements of Customers, the Company, governments and other concerned parties.

The QMS orients the Company towards continuous improvement, thus assuring compliance with the requirements while performing work in the future as well.

### QMS compliance with the ISO 9001:2000 international standard

#### Scope of application

The Company's quality management system is designed in accordance with ISO 9001:2000 requirements.

The company uses all requirements from the ISO 9001:2000 standard.

The company applies its quality management system to all of its activities – repair and construction work, development of implementation plans, etc. The quality management system applies to all business units. As part of its operations, the Company may assign some of its processes to external organizations based on economic expediency – for example, HR selection and training, accounting, and local area network management. If these processes affect product conformity with the requirements, they are also included in the Company's QMS and shall be controlled by the company in accordance with this guide.

### Quality management system model

In terms of quality management, the company considers all of its activities (related to both internal and external communication) as a controlled system of processes ultimately aimed at achieving a result which meets Customer requirements as well as other requirements.

Thus, Customers play a key role in determining input data for the QMS, but monitoring Customer satisfaction is required to assess the Customer's perception of whether the Company has met its requirements.

In turn, each QMS process is a transformation of required inputs into outputs, per the requirements of the subsequent process, so that the final work result for the entire company should satisfy the Customer. Therefore, all QMS processes are related.

This approach allows the Company's business units and each employee to understand their role in achieving the Company's quality objectives in general – to achieve continuity of management within the QMS.

By using a process-based approach, the company emphasizes the importance of:

- understanding and complying with requirements for the result of each process and for the Company's work in general;
- analyzing QMS processes in terms of added value;
- assuring process effectiveness and efficiency;
- continually improving processes based on objective measurements.

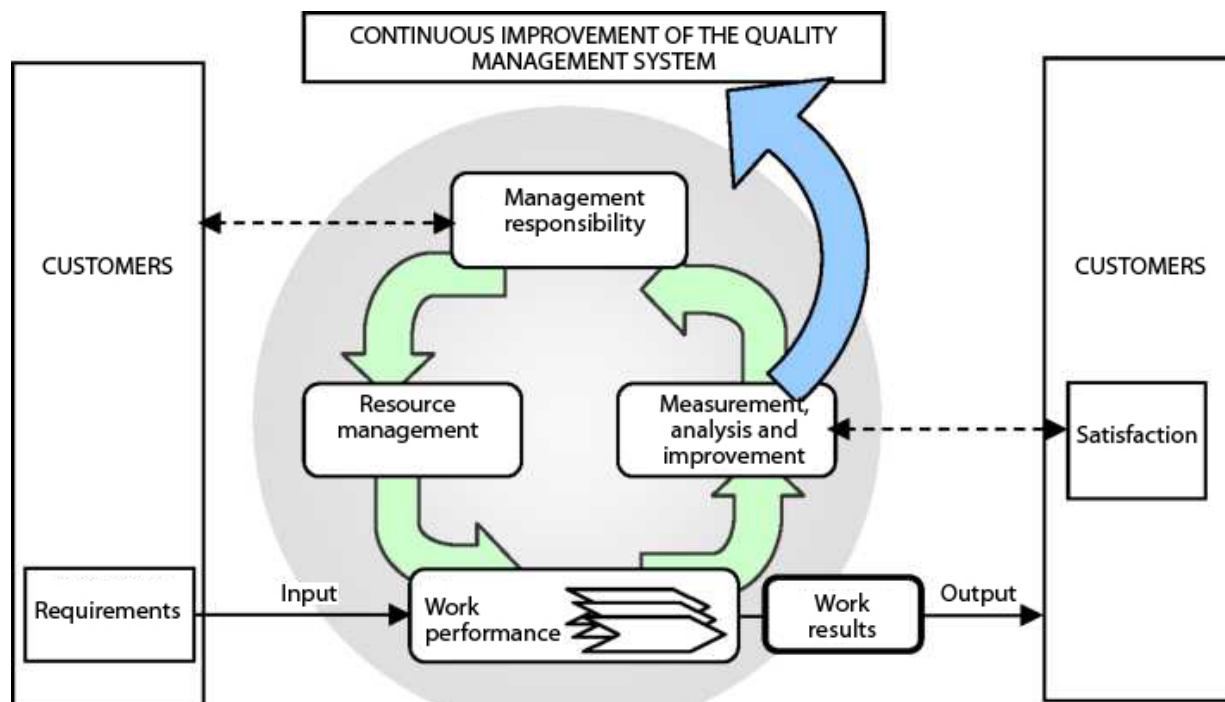
Our QMS model is shown in the figure below. Processes are arranged in four groups based on their impact on the Company's work results, other processes and the QMS in general:

activity management processes;

resource supply processes;

construction work processes;

QMS measurement and improvement processes

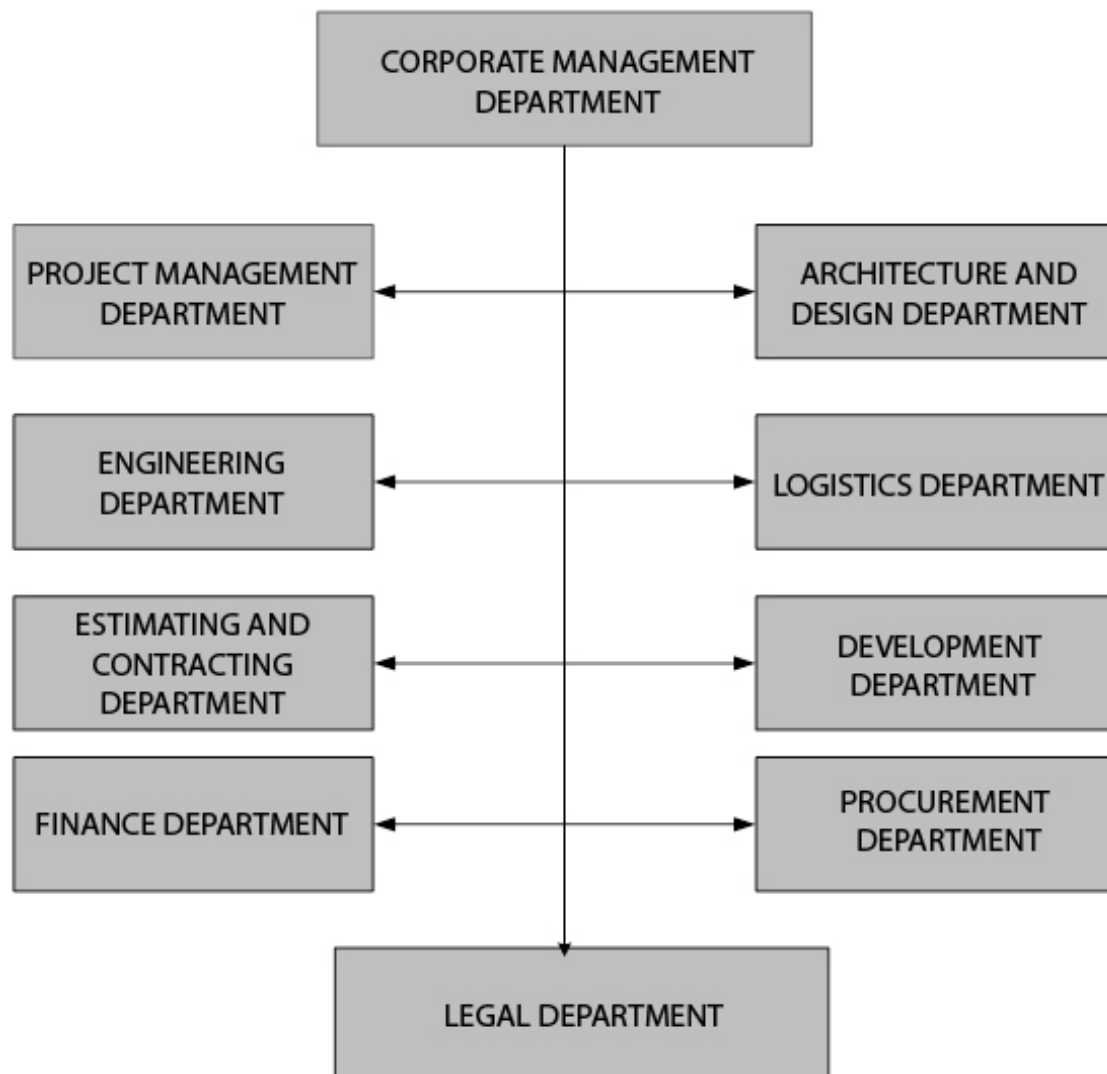


The model emphasizes the key role of Customers in determining input data, and the importance of customer satisfaction with the resulting construction work.

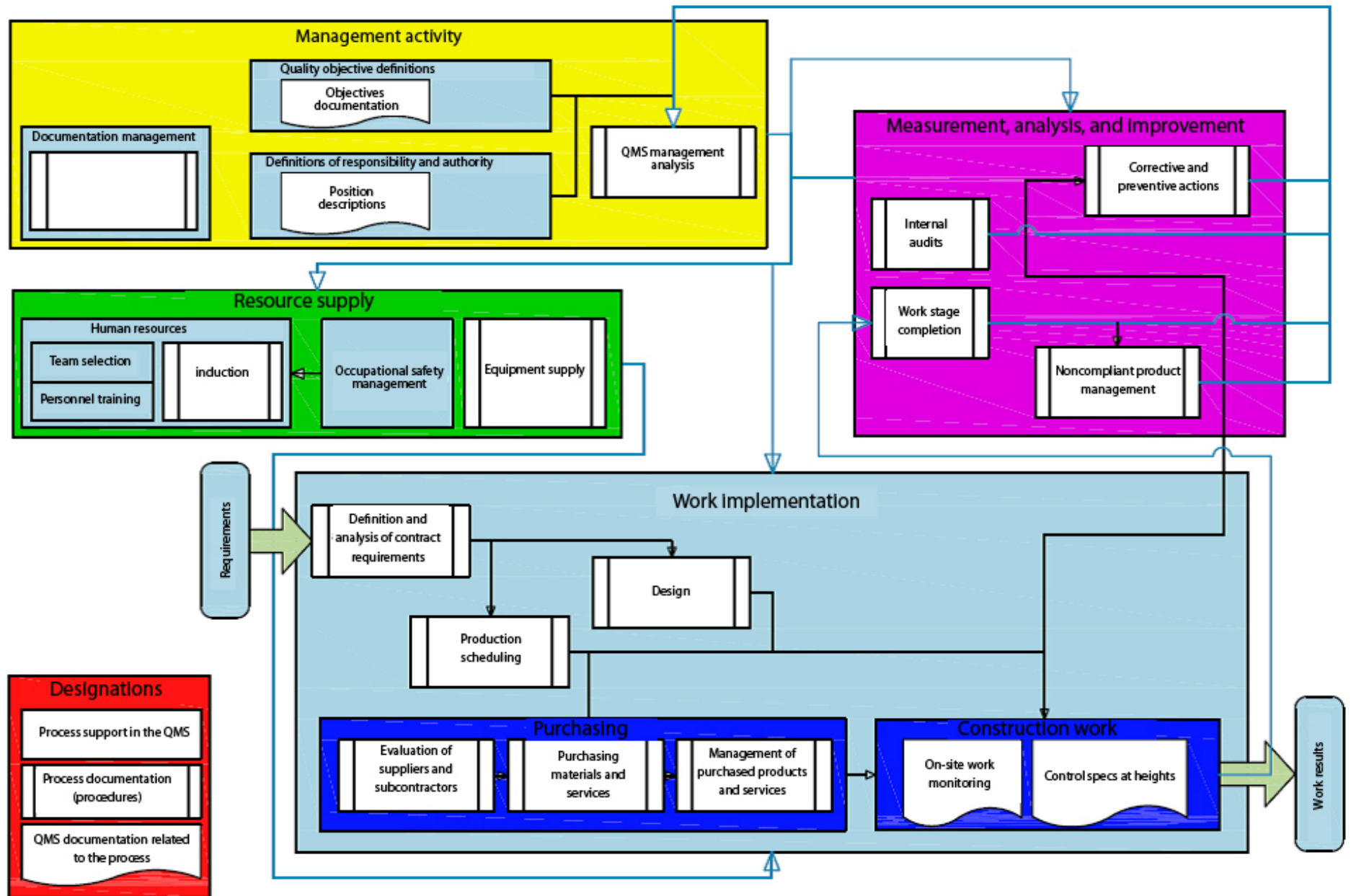
### QMS processes


The figure below determines the processes required for the Company's QMS. The figure also shows the sequence and interaction of QMS processes.

The figure specifies the processes for which documented procedures have been introduced, as well as processes which have a different form of quality management system documentation (e.g., instruction).

**Organizational structure of the company**


## QMS process interactions



	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	6 / 15

### Business unit responsibilities

Business Unit	Area of responsibility within the QMS	
	Process	Comment
General Director of the company	Management activities	Define quality policy; set quality objectives; approve the quality management system structure; delegate responsibilities and authority among managers; organize QMS operational analysis; organize internal quality audits; organize updates to procedures and QMS instruction; organize QMS documentation management
Deputy General Operations Director	Definition and analysis of contract requirements; production planning; construction work	Operational management of construction work processes (product life cycle processes)
Construction sites	Construction work	Operational planning and implementation of construction work processes; monitor work quality; eliminate identified discrepancies; deliver work results to Customers
Chief Engineer	Design	Organize design processes, infrastructure development processes and environmental, technological development management
Production Technology Department	Design	Develop technical documentation for equipment and implementation plans
Labor Protection and Safety Engineer	Occupational safety management	Assure infrastructure and work environment compliance with essential requirements and health and safety standards
Material and Technical Procurement Department	Purchasing	Define purchasing requirements; evaluate and select suppliers; purchasing; purchase information management; organize inspection of purchased products; reclamation
Chief Mechanic's Team	Equipment provision	Maintain and enhance the effectiveness of QMS procedures related to equipment supply for industrial sites
Finance Director	Management activities	Assure financing for quality works
Financial and Economic Services	Management activities	Financial and economic planning for the Company's activities; organize financing for current activities; analyze financial and economic results; define the Company's accounting policy and accounting organization

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	7 / 15

### 3. MANAGEMENT RESPONSIBILITY

#### General requirements

The Company's management believes that the development, introduction and continuous improvement of the quality management system are its main internal issues. In developing the QMS, the Company focuses on the needs of its customers.

Company managers at all levels assure that their employees understand the importance of meeting customer requirements, mandatory requirements and quality management system requirements.

#### Quality policy

The General Director of the company defines the quality policy as a basis for establishing and analyzing quality objectives.

The General Director organizes policy analysis to confirm its ongoing suitability.

Employees are informed of the policy, and efforts are made to assure it is understood within the organization. Managers at all levels contribute to this understanding by choosing productive forms for distribution among employees at their sole discretion.

#### Quality objectives

Based on the Company's quality policy, the General Director organizes the development and analysis of quality objectives.

Quality objectives are established by the order of the General Director.

The company sets measurable objectives.

Quality objectives are reviewed at least once a year and updated as necessary to assure continuous improvement of the QMS.

#### Planning for the creation and development of the QMS

The General Director of the company assures planning for the creation and development of the QMS. The planning system includes a plan for developing and reviewing procedures and other QMS documentation, a plan for conducting internal audits, a plan for conducting meetings on the QMS analysis, and other plans as appropriate.


#### Definition of responsibility and authority

The General Director organizes activities to clearly define the responsibilities and authority of the Company's employees. Employees are informed through procedures and QMS instruction, as well as by orders and instructions from the director.

All managers of the Company's business units shall bring cases to the General Director's attention where performance of QMS procedures has failed due to uncertainty regarding employee responsibility or authority.

#### Management representative



	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	8 / 15

Within the QMS, the General Director acts as a representative of the management who is responsible and has the authority to assure the development, introduction and maintenance of processes required by the quality management system, and other activities related to the operation of the QMS.

The General Director supports the distribution of customer requirements throughout the organization.

### Internal communication

The Company's top management assures the effective exchange of information, including issues regarding the effectiveness of the quality management system.

The information is disseminated by:

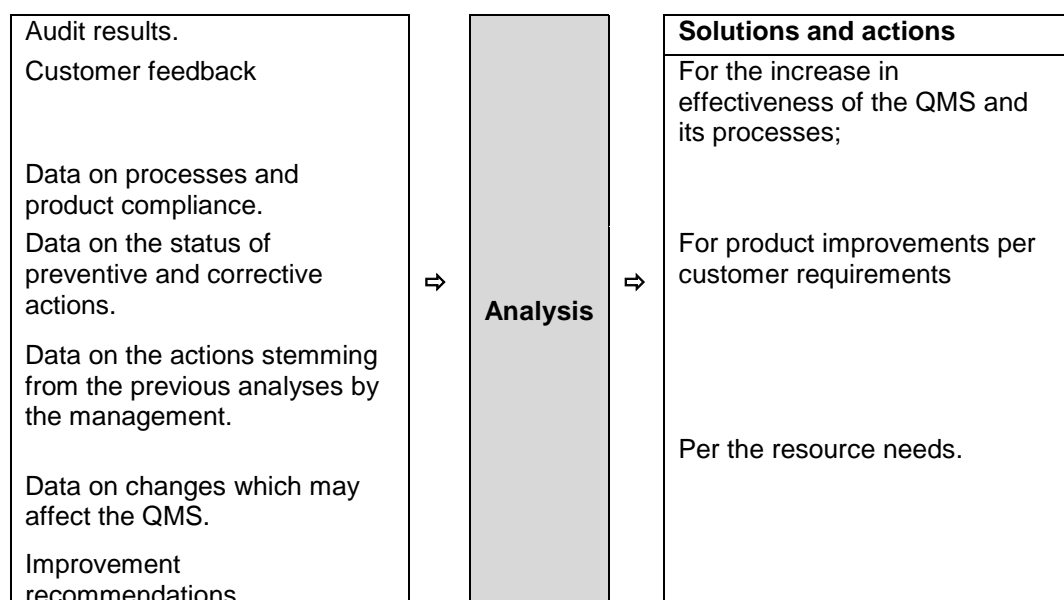
- operational meeting minutes posted on the "you're your information" bulletin board;
- internal computer networks;
- e-mails to employee mailboxes;
- the Company's regular departmental and general meetings.

### Management review

The Company's top management regularly reviews the quality management system in order to assure its ongoing suitability, adequacy and effectiveness. Potential improvements and the need to change the QMS, including the quality policy and objectives, are also assessed.

The General Director organizes the planning and implementation of relevant activities at least once a year, and maintains appropriate records.


**A list of inputs and outputs for the analysis is shown in the diagram below.**



## 4. RESOURCE MANAGEMENT

### Resource supply

The Company regularly reviews available resources and identifies needs for additional resources.

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	9 / 15

At least once a month, each business unit assesses the current state of resources and the resource loading in long-range plans.

### Personnel

The Company recognizes that personnel competence is a key factor in its existence.

Persons employed by the company are assessed for compliance between their education level and requirements for the position, i.e. for the availability of skills and experience.

For positions affecting the Company's service quality, the required level of competence is determined by the job description. For secondary positions, the required level of competence is determined by managers of relevant business units when selecting candidates.

The competencies require the availability of all required permits and authorizations and other requirements.

The decision to hire an employee is made by the General Director of the management company in consultation with the managers of the relevant business units. Employee compliance with the Company's requirements is analyzed by management at least once a year.

The Company's employees regularly attend refresher courses, and the effectiveness of any measures taken is evaluated by management.

Information on the qualification, training and professional experience of each employee is maintained by the HR inspector.


The Company believes it's important for every employee to be aware of the relevance and importance of their own activities and their contribution towards achieving quality objectives. Such awareness shall be assured by business units.

### Infrastructure

The company owns buildings, equipment, vehicles, communication equipment, computer equipment, etc. that are required for its activities. All infrastructure components are maintained in working condition by their business units. The responsibility for supplying departments with equipment is assigned to the material and technical procurement department.

### Work environment

While performing work, the Company assures the creation and management of a work environment required to comply with the product requirements. The relevant responsibilities and authority are vested in business unit managers.

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	10 / 15

## 5. WORK PERFORMED BY THE COMPANY

### Mandatory and specific work requirements

In the field of construction in the Russian Federation, a system of regulations and requirements is established by the Construction Committee of the Russian Federation for work performance. This system mainly determines the requirements pertaining to the sequence and results of construction work.

The relevant external documentation (SNIP (local building requirements), GOST, etc.) is available to the personnel in accordance with PR 4.2-09 "Managing regulatory and technical documentation." The Company's additional requirements on the sequence of construction work and the results are set per the decisions of the General Director, Deputy Operational Director and Chief Engineer in consultation with technical experts. Requirements are documented and brought to the attention of work supervisors.

### Definition and analysis of contract requirements

Before accepting obligations to perform any work, the Company:

- defines and documents the Customer's work requirements and the procedures for performing the work, as well as requirements not specified by the Customer, but required for a particular type of work or the intended use of its results.
- assesses the ability to perform specific and regulatory requirements which includes at least the following features:
  - feasibility of quality requirements;
  - ability to meet deadlines;
  - technical and technological capabilities;
  - resource and material loading;
  - availability of executive documentation;
  - availability of qualified contractors;
  - commercial conditions – relevance of estimated cost and cost-efficiency;
  - payment terms and potential financing.

The analysis of repair and construction work is conducted by a group including the Deputy Operational Director, Director of the Construction Site and the Chief Engineer. For minor work with "traditional" customers, the analysis can be conducted solely by the Deputy Operational Director.


The requirements which differ from those previously articulated (changes) are agreed to in a similar manner.

### Customer feedback

It is important for the Company not to overlook a single customer request. Therefore, all requests are subject to registration and management.

The company posts information about its services on its website for Customers. The information is also distributed through brochures.

To provide immediate customer feedback through communication equipment, the company allocates the required number of telephone channels.

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	11 / 15

### Work scheduling

To support long-range aggregate resource planning and developing financing plans for the forthcoming year, the Company conducts annual production planning.

Managing the preparation and implementation of work at the facilities, resource loading, coordination of services, and analysis of quality management system effectiveness are based on the operational production plans – long-range plans for sections and work schedules (preliminary and operating).

### Design

The company develops work execution plans (WEP) and performs additional design work.

The procedure for planning, defining input data, output data processing, analyzing, testing, approving and managing design is PR 7.1-01 Design.

In addition, for design, the system of mandatory regulations and other regulatory requirements is effective.

### Supplier evaluation

The Company selects suppliers that are capable of providing products and/or services in accordance with its requirements.

Suppliers are evaluated on a points system based on prior experience and available data about their quality management system. Based on the evaluation results, suppliers are classified in one of three categories set by the Company for determining potential cooperation and the level of confidence.

Suppliers are subject to annual revaluation.

### Purchasing

When purchasing, the Company is focused on assuring that purchased products/services comply with the specified requirements. Before the supplier announces purchase requirements, they are checked for adequacy and approved by authorized persons. The technical and material procurement department supports the availability of comprehensive information on purchases.

Except for cases provided for by the QMS procedures, purchases are made from suppliers who have passed the Company's evaluation and have been classified into corresponding categories.


Purchased material and technical resources and services are subject to review for compliance with requirements.

### Construction work performance

The main requirements related to repair and construction processes are defined by a system of regulations and requirements by the Construction Committee of the Russian Federation for performing work (SNIP (local building requirements), GOST, etc.). The corresponding regulatory documentation is available to personnel through the regulatory documentation library of the production and technical department.

While performing each type of work, an executive producer (superintendent) or a master of the construction site is assigned. The responsibility for performing basic work processes is delegated in the following way

Group	Process	Responsible person
-------	---------	--------------------

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	12 / 15

Coordination and task management	■ Unit cooperation within the work	General Director of the company
	■ Task definition	Deputy Operational Director
	■ Work control	
	■ Forecasting changes and managing them	Site Manager
	■ Work completion	
Quality-related processes	■ Quality management while performing the work	Site Manager
	■ Control and management of the technological quality	Superintendent/Master
Deadline-related processes	■ Planning work stage handoffs	Site Manager
	■ Duration evaluation	
	■ Developing schedules	
	■ Control over the schedule	Production Scheduler
Cost-related processes	■ Cost evaluation	Site Manager
	■ Cost management	
	■ Cost monitoring	Chief Economist
Resource-related processes	■ Resource planning	Site Manager
	■ Resource management	
Personnel-related processes	■ Defining needs	Site Manager
	■ Allocating employees	
	■ Personnel management during the work	Superintendent/Master
Information-related processes	■ Management of work status and progress information	Production Scheduler
Risk-related processes	■ Risk forecasting	Site Manager
	■ Risk management	

### Approval of production processes

Production processes shall be approved, the results of which cannot be verified by monitoring or measurements. This is the case for “hidden” work, as well as processes, the shortcomings of which are manifested only in the subsequent operation of the work facility. The approval shall demonstrate the ability of these processes to achieve the planned results.


Appropriate activities shall be addressed to the analysis and approval criteria; equipment compliance; staff qualifications; documentation requirements, etc.

The main requirements related to approving construction processes are defined by the system of regulations by the Construction Committee of the Russian Federation – SNIP (local building requirements), GOST, etc. The appropriate regulatory documentation is available to personnel through the regulatory documentation library of the production and technical department.

The organization of relevant work is managed by the Chief Engineer.

### Control and measurement devices management

The list of required monitoring and measurement methods is determined by clerks of works based on the process design and regulatory documentation requirements. The corresponding applications are sent by them to the

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	13 / 15

department of material and technical equipment. The organization of accounting and the timely calibration/verification of measuring devices in accordance with current regulatory requirements are assured by the Director of the material and technical procurement department.

## 6. MEASUREMENT, ANALYSIS AND IMPROVEMENT

### Consumer satisfaction

It is important for our company to know customer opinions on whether our company met their needs. To determine customer opinions, company managers take proactive steps, and do not wait for Customers to contact them. Customers are regularly asked about the extent to which our actions met their requirements in the course of work, when delivering work product, and within a reasonable amount of time after delivery.

After signing acceptance documentation, the clerks of works receive written feedback from customers, in accordance with PR 8.2-02. The analysis of corresponding information is organized by the Deputy Operational Director.

### Internal quality audits

Internal audits of the quality management system are conducted in order to determine whether the quality management system meets ISO9001:2000 standards, along with the requirements of the Company itself. It is also determined whether the QMS is effectively implemented and maintained in working condition.

One of the most important audit tasks is to help managers and employees of the Company's business units to analyze their own activities and to check the accuracy of their own understanding of QMS requirements. Therefore, the company places great emphasis on preparations for the audit, during which the audit department's preliminary analysis of their own work is conducted and knowledge in the field of quality management is "freshened up." In this regard, audits are conducted mainly as planned – based on the annual audit program.

Unscheduled audits may be conducted in the event of significant inconsistencies within the quality system.

Internal audits are very important measures aimed at improving the QMS. Audit results are the input data for management analysis of the QMS and can serve as a basis for corrective and preventive actions.

Audits are carried out mainly by the Company's internal auditors. If necessary, outside experts may be involved.


### Monitoring and measuring QMS processes

The organization monitors and measures QMS processes, where appropriate, to confirm the ability of processes to achieve planned results. Suitable methods for monitoring are set by business unit managers responsible for implementing the relevant QMS processes.

For example, measurements shall include (but are not limited to):

- labor productivity;
- production in the workplace;
- reliability of processes;
- personnel effectiveness and efficiency;
- use of modern technologies and knowledge management;
- reduction of losses and self-cost.

The main focus for monitoring QMS processes shall be on those affecting the company's ability to meet customer

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	14 / 15

requirements. Such processes include life cycle planning, procurement and work performance. Basic requirements for monitoring these processes are set by the procedures PR 7.1-02, PR 7.4-01, and the instruction RI 7.5-02.

### Monitoring and measuring work performance

To verify the compliance of work processes with requirements, the Company monitors and measures work results and production processes in accordance with the applicable building code, technical documentation and contractual requirements.

After work is completed, acceptance of work product is conducted together with the Customer's representative to confirm compliance with the requirements.

Work cannot be completed, and the product cannot be delivered to the Client before the completion of all acceptance requirements.

### Control of noncompliant products

The company assures the identification and prevention of the unintended use of work product which does not meet requirements.

While identifying noncompliance, the clerks of works will take measures to remedy them or to perform the work again.

If the noncompliance cannot be immediately remedied, it is registered and repaired. In the event the noncompliance occurs at the time work product is delivered to the Customer, the procedure for remedying noncompliance shall be agreed upon with a Customer's representative. The elimination of the noncompliance shall be confirmed by redelivering the work product.

If the elimination of noncompliance entails significant costs, and the deviations are not significant with respect to the further use of the work product, the issue shall be allowed (upon authorization by the Customer) with deviations from the requirements by decision of the Deputy Operational Director.

Reasons for noncompliance shall be identified by the clerks of works, and then corrective actions will be taken in order to prevent recurrence. Information about the identified noncompliance shall be analyzed during quality system audits conducted by management.

### Continuous improvement

The company constantly improves the effectiveness of the QMS. The continuous development of the quality management system is our most important principle.


By establishing the policy and setting quality objectives, we create a basis for managing the continuous improvement of the QMS.

In order to improve the QMS, we shall use the results of the audit and analysis of the data.

The most important way to improve is for managers to use corrective and preventive actions. We aim to make the use of these actions natural and mandatory for all managers.

### Corrective actions

Our principle is: "A high-quality company is not one without noncompliance, but the one which does not repeat noncompliances."

	ISO 9001:2008	Quality Guide	QG	
	QUALITY GUIDE		Edition	3
			Sheet	15 / 15

So it is very important for us not to hide any noncompliance identified by employees, but to bring it to the attention of managers for analysis. Managers shall constantly emphasize the importance of this approach to their employees. Statements regarding the Company's noncompliance are encouraged, and concealing an identified noncompliance is unacceptable. Any noncompliances found within the company shall be analyzed. In this case, the purpose of the analysis is not to identify and punish of those ultimately responsible for the noncompliance, but to improve the quality management system aimed at eliminating the potential for incorrect actions.

The noncompliance reasons set in such a manner are assessed for the need to take action in correcting the QMS. In case of such a need, the corrective actions will be identified, implemented, and then analyzed for effectiveness.

### **Preventive actions**

Managers of all the Company's business units are required to take action in order to eliminate the causes of potential noncompliance if any procedures commonly performed by their organization deviate due to short-term changes in external and internal circumstances.

Preventive actions shall also be taken if the business unit performs all procedures in the normal manner, but the manager is aware of any internal or external circumstances which may interfere with the conduct of these procedures.

The continuous analysis of circumstances for the emergence of potential noncompliance is an integral part of any manager's work.

In the event of potential noncompliance, the need for preventive actions shall be assessed, and then these actions will be defined and implemented.