

QUALITY CONTROL by *Trolleybasket Plastic Company Ltd.*

APPENDIX 1 – SPECIFICATION OF TROLLEYBASKET (SUPERBASKET)

Descriptive title and scope of the specification

This document sets forth the specification for the manufacturing and assembly of the TrolleyBasket, a rolling shopping basket with pull handle made from plastics and metal components.

Date of last effective revision and revision designation 01.12.2008

Person, office, or agency responsible for questions on the specification, updates, and deviations.

Rold Overland, Managing Director, Superbasket AS, Trolleybasket Plastic Company Ltd.

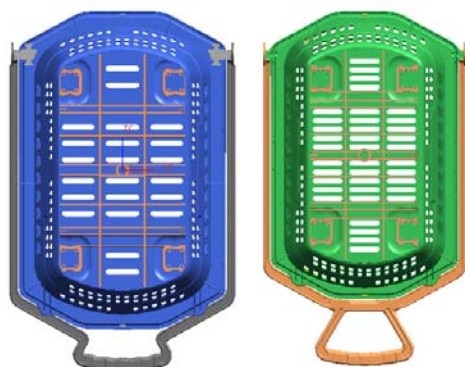
The significance or importance of the specification and its intended use.

This specification will be used to standardize the manufacturing and quality control process for manufacturing of the TrolleyBasket.

Technical drawings / illustrations



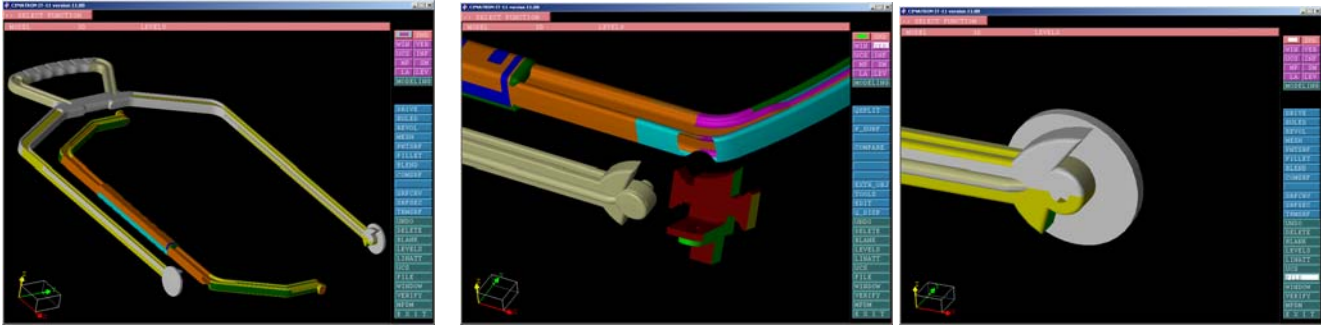
TOP WORK



TOP WORK



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Test methods for measuring all specified characteristics

- *Separate Component test*
- *Component assembling test*
- *Component assembled test (functionality)*

Performance testing requirements. Targets and tolerances.

- **Material flexibility test**
 - *Carry handles shall pass vibration test with 50 kg load*
 - *Pull handles shall pass extreme roll-/swivel test with 50 kg load*
 - *Basket-body shall pass a 70 kilo flexibility-pressure test*
- **Pressure test**
 - *Handles: 50 kilos load*
 - *Basket-body shall pass a 70 kilo pressure test. Test made against basket-bottom, inside basket, with wheels installed*
 - *Wheels & Pull handles shall pass a 30.000 meter roll-/swivel test with 20 kg load*
- **Durability test**
 - *30.000 meter roll-test*
- **Functionality test**
 - *Wheel shall roll easily and smoothly*
 - *Pull handle shall be able to be easily extended and collapsed*
- **Visual test**
 - *Basket shall be free of scratches, dents or any manufacturing defect that measures 10% of the material thickness.*
 - *The basket shall be of uniform color with only minor variation*

Materials and manufacturing standards.

PP - Polypropylene

PE - Polyethylene

ABS - Acrylonitrile butadiene styrene

STEEL – 2 mm fork

Quality requirements, sampling (statistics), inspections, acceptance criteria

Each plastic part of the basket will pass a manual inspection and a flexibility test before assembly.

Quality control during assembly and inspections / variability minimized by the exclusive use of fixed basket molds. Design changes are made to the fixed moulds eliminating production variability.

The assembly shall be cleaned and prepared for packaging.

After final inspection, lots of 10 units shall be packed in corrugated cardboard boxes to complete the manufacturing process.

Certifications required.

The TrolleyBasket is manufactured by plants certified according to the ISO9000:9001 standards, ref.: CN06/01728. The TrolleyBasket has received a Norwegian Health, Safety and Environment (HSE) certification and we are actively pursuing additional environmental certifications for the final products.

Safety considerations and requirements

- *To be stacked: Maximum 15 baskets without basket-trolley*
- *To be stacked: Maximum 25 baskets with a basket-trolley*
- *Children shall not sit in the trolley-basket*

Environmental considerations and requirements

- *The trolleybasket is made of recyclable material*

TrolleyBasket Plastic Company Ltd Quality Procedure Declaration

The mission of TrolleyBasket Plastic Company Ltd, a subsidiary of Superbasket AS Norway, is to provide rolling shopping baskets of exceptional quality and safety while improving our standards in manufacturing and employee well-being. TrolleyBasket markets its products in Europe, North America and Australia and we have adapted values and standards consistent with our geographical markets.

TrolleyBasket recognizes that providing a product that meets or exceeds our customer's specifications and expectations is our highest priority. In addition, we will continue to refine our procedures and products to reduce the environmental impact of our own, and our clients', business operations. This document sets forth the standards, procedures and specifications that guide our work.

TrolleyBasket Quality Policy

Since our inception, our highest priority has been on providing products of exceptional quality. Implementing a wide-ranging quality assurance plan, we are committed to providing products and services that not only meet but often exceed customer expectations. Our continuous focus on quality results in ongoing production improvement, customer satisfaction and company growth.

Organizational Quality Policy

We understand that in order to meet our high standards for quality, we must adhere to rigorous quality policies. These include capital investments, maintaining a strong team of highly skilled and trained associates, a stringent quality system, quality control criteria, quality assurance programs, safe and healthy work environments and exact, timely manufacturing and delivery.

TrolleyBasket Quality System

Our manufacturing plants have been registered to the ISO 9000:9001 standards for quality. These are internationally recognized standards for quality developed to set industry standards and adoptive criteria. In order to maintain ISO 9000:9001 Standards status, our manufacturing units are required to undergo yearly Quality Assessment Audits. To ensure we meet requirements every time, TrolleyBasket maintains a Quality Management System that provides:

- i) First Articles
- ii) Production Part Approval Process capabilities
- iii) Full documented inspections
- iv) Statistical process control (SPC)
- v) Process capability information
- vi) Design of Experiments

In addition to the quality certifications of our manufacturing units, the TrolleyBasket has also received a Norwegian Health, Safety and Environment (HSE) certification. TrolleyBasket is actively pursuing additional environmental certifications for our final products.

Organizational Quality Objectives

In order to achieve company growth and maintain an excellent customer satisfaction rate, TrolleyBasket follows the following quality objectives:

- i) Focusing primarily on our customer's needs and expectations.
- ii) Utilizing internal resources and capabilities of our vendor/ partners in meeting our objectives.
- iii) Maintaining company and customer assets in top operational condition.
- iv) Monitoring all production elements necessary to quality products.
- v) Actively seeking new materials and methods to continuously improve quality and delivery.
- vi) Training our employees on our processes, procedures and customer requirements.

Quality Control

To ensure the integrity of our quality evaluations, TrolleyBasket has a dedicated Quality Division that uses established inspection methods, procedures, and measuring equipment.

Each completed unit must pass several quality inspections before it is shipped, providing our customers with the attention to detail and quality control measures that guarantee a product of highest quality.

All our products are backed up by a 12-month warranty, demonstrating our commitment to quality and to our customers confidence and satisfaction.

Quality of Products

TrolleyBasket thoroughly traces and inspects raw materials, manufactured parts and the final product throughout the production process.

To guarantee high quality, TrolleyBasket audits the production process supported by SPC documentation, product and material certifications and qualification/inspection documentation.

The dedicated Quality Control inspection unit is equipped with necessary inspection equipment and tooling, including MICRO-VU, surface plates, gage blocks, gage pins, indicators, micrometers and other related accessories. All inspection gages and measuring devices are calibrated annually. Our inspection unit is also equipped with supporting software to provide for record maintenance, and accurate and repeatable measurements.

Quality control of the production procedures ensures conformance to specifications and other relevant documents

A) *Production Process*

- i) Materials & components are tested and the quality approved before the injection molding process
- ii) The injection molding machine is tuned for the specified product
- iii) The injection molding settings are verified
- iv) The injection molding process is initiated (automated machine process)
- v) Manual inspection of each plastic component produced by injection molding
- vi) Material flexibility control on essential components (i.e., handles)

B) *Assembly Process and Inspection*

- i) Basket assembly from manufactured and supplied parts
- ii) Visual inspection
- iii) Functionality test
- iv) Completed article cleaning & packing
- v) Package inspection
- vi) Pre-shipment final inspection

C) *Correction and reinspection procedures*

Basket, handle and wheels not meeting criteria will be disposed and recycled.

Assembled products rejected based on non-conforming handles or wheels will be fitted with new parts followed by a complete functionality test and inspection. If replacement with conforming parts is not possible, the assembly is disposed and recycled.

Ordering, Delivery and Service

Delivering defect-free products consistently and on time is key to our success. Our performances in quality and delivery have earned us a recognition and trust that set us apart from other providers. The following distinguishes the TrolleyBasket manufacturing plants and organizational structure:

- i) A Quality Management System that is registered to ISO 9000:9001.
- ii) Our quality engineering expertise focuses on prevention-based quality activities.
- iii) TrolleyBasket recognizes the value of transparency and oversight and provides access to all facilities when requested.

The following steps constitute the Order Procedure Quality Assurance ensuring that all orders are verified, correct and rapidly entered into production:

- i) Order is reviewed by Superbasket AS
- ii) Article, colour, order volume & materials for logo printing are verified
- iii) Plant material status is checked vs the material supply-process
- iv) The delivery schedule is verified
- v) The order confirmation is transmitted to the distributor
- vi) Material supply-process and production is initiated

Established shipping through multiple shipping ports using several reliable carriers that have proven to meet delivery times and transport quality. When appropriate, we employ multimodal transport solutions to reduce delivery times and reduce the environmental impact of our supply-chain operations.

Continuation plan & risk management: Manufacturing in 3 factories with multiple injection molding machines and molds. Local availability of inventory at distributors.

Quality Assurance

TrolleyBasket ensures the quality of all molded parts from production to the final product. We use a multi-tiered product quality system: extensive prototyping and materials testing, a first article inspection on new products, process capability studies and product inspection throughout the process.

The Quality Control process includes post-delivery quality monitoring that documents all reported deficiencies. All quality concerns are logged locally in each country with copies sent to the Norwegian corporate office ensuring consistent data recording, assessment and documentation integrity.

Central analysis continuously integrate quality concerns from all countries is to identify any emerging problem, and actions are taken to resolve identified concerns immediately to reduce the potential impact on our clients. With design reviews, process capability studies, preventative maintenance and training, TrolleyBasket typically prevents problems before they arise. Feedback from the user/customer is often used to review designs.

Any complaints received from the customers are addressed within a timely manner. Major clients are immediately notified of any product changes. The product quality is our main focus and our noted advantage over our competitors.

Team Quality

The TrolleyBasket team is firmly committed to ongoing improvement. The Quality Division and the Audit Process identifies possible areas of improvements. We are continuously assessing and evaluating opportunities for improving the quality management system. We achieve this by:

- i) Recognizing that our employees are our most important resource.
- ii) Promoting employee involvement in teamwork and decision-making.
- iii) Providing adequate training to employees so that each may excel in the job performance.
- iv) Assuring that the proper materials, equipment and tools are available to do every job well.
- v) Implementing our organizational values throughout our business operations.
- vi) Maintaining a clean, safe and efficient workplace to accomplish all tasks.

Employee Training

Achieving our quality standards for requires significant training. We prioritize our training programs and employees at all levels are provided with an array of training opportunities and gains production knowledge.

Safety is a crucial part of our training program. Scheduled meetings are held concerning hazardous materials, personal protective equipment, fire extinguisher procedures and emergency action plans.

TrolleyBasket operates consistent with European regulations and standards and has put special emphasis on implementing these core procedures at all operations levels.

Social Quality and Responsibility

Superbasket AS work after European organizational values. All factory processes were developed with the health, safety and environment in mind and we are continuously making improvement to the manufacturing process as such opportunities are identified.

Health & Safety: TrolleyBasket Plastic Factory places considerable demand on the health and safety procedures employed in the manufacturing units. Several precautions are made to avoid work accidents, and to take care of the employee's health and well-being. This is achieved by the following procedures:

- i) No work is performed by children. Guarantees of no child work are required for all suppliers.
- ii) Limited working hours
- iii) Mandated resting time and fixed meal times
- v) Working task rotation
- vi) Special safety check process for various tasks
- vii) Required personal safety equipment/outfit for potentially dangerous tasks
- viii) Required education for dedicated working tasks

Manufacturing Environment

The TrolleyBasket manufacturing plants maintains ISO 9000:9001 standard quality system to ensure that all operations are performed in a controlled and reproducible manner that effectively meets customer requirements.

Our injection molding and secondary assembly processes are performed in suitable production environments.

Our tools are run in both automated and operator-assisted modes. Products are then moved through the final stages of processing.

Any product that does not pass inspection is controlled by procedures for handling non-conforming product that exist at several different levels of production and inspection.

Final inspection validates the effectiveness of cleaning and manufacturing processes as a last stage before shipment.

Documentation and Analysis

We confirm our performance with documentation of many types, ranging from process capability studies to on-time delivery percentages.

Records are kept to ensure that only product that has passed our inspections and tests is released for shipment. Statistics are used to analyze data and to identify emerging concerns or point of improvements.

Lot tracking is maintained on all raw materials through the process. Raw material lots are linked to our finished goods lots for research should there be a problem or concern with a shipment.