



QUALITY MANUAL
REFERENCE QF-1001
Issued by: D. Charlton
ISSUE 29
A LEVEL 1 DOCUMENT

20/04/2006

Issuing Function: Quality

Subject: Quality Manual

Successive Issues:

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22	07.07.03	ISO 9001;2000 standard requirements	All
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20	14/05/02	Organisation	All
19	26/04/02	Issue status	All
18	18/03/02	Update to reflect organisation amendment	6,8,9
17	20/12/01	Update to reflect new organisation	All
16	23/03/01	Transfer to & Integration with South Shields	All
15	26/9/00	Corporate Structure Changed	All
14	Aug 00	Re-Organisation	All
13	Jun 99	Amended issue in SAFT format	All
12	Oct 98	Transfer from Hampton	

Certificate Number FM30836

Scope; Design, development, manufacture or supply of primary and secondary battery technologies. Supply of spares and service where applicable

There are no exclusions

Prepared by: _____ Agreed by: _____ Approved by: _____
R Boyens R Boyens D Charlton
Director/General Manager Director/General. Manager Quality Manager

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INTRODUCTION

The purpose of this Quality Manual is to demonstrate to our customers, employees, suppliers, stakeholders, the local community and any other interested parties the commitment of SAFT Limited to attain and maintain a world class quality standard.

This manual describes the implementation of a management system compatible with reaching and maintaining this objective.

This manual is the Chief Executive's document, and provides the Quality Policy Statement; an overview of SAFT Limited; its' Quality System; its' products; and it's relationship within the global Saft Group.

The management system described herein encompasses current and anticipated customer requirements, and the quality aspirations of the Company in accordance with the guidelines provided by the SAFT group globally.

The manual details the corporate structure and company organisation required for Quality Management, and the documented systems in place to ensure compliance with BS EN ISO 9001:2000

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SAFT QUALITY POLICY

Our Mission

To provide battery solutions to civil and military customers, on time, right first time and profitably

Our Ambition

By embracing continuous improvement and best practice we will continue to be the preferred choice for the design and supply of cells and battery solutions.

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EXPORT CONTROL

COMMITMENT TO COMPLIANCE

The success of this company depends, in a large part, on the business we do overseas. Export Controls imposed by the UK Government through the Export Control Act 2002 Regulations affect a proportion of the products we sell and many of our export markets.

The purpose of the controls on export is to limit the supply of technology or strategic goods to countries proscribed, principally for reasons of arms proliferation, terrorism, human rights abuses and security.

We must understand and be aware of the controls and methods of enforcement and be quite sure that we practice good compliance. It is essential that we comply with these regulations, failure to do so will bring serious penalties for the company and for individuals concerned.

These procedures are formulated to address Export Control matters and the responsibilities placed upon departments and individuals. Each of us must be aware of our own role and ensure that no goods or technology are despatched without due consideration and compliant authorisation. The Export Control Administrator in Customer Service Department is responsible for the day-to-day maintenance and adherence of this Code of Practice.

Managers of departments concerned with these procedures, and others as necessary, will receive in-house tailored training on 'Awareness of Export Controls'. Those directly responsible for procedural actions and requirements will also receive detailed in-house tailored training regarding individual roles to ensure the continued success of adherence to our compliance programme.

These procedures are contained within our Quality Management System. You are strongly advised to review the information provided on a regular basis and raise any issues or concerns with your immediate management team member.

SIGNED.....
Richard Boyens
General Manager

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THE SAFT ORGANISATION

SAFT is the world's leading independent battery systems manufacturer, offering the widest range of electro-chemical technologies from any single supplier.

SAFT is a global organisation selling its products worldwide through its various international business Product Groups (Industrial; Rechargeable Battery Systems; Specialty Battery Groups).

SAFT sales and marketing organisations are fully supported by industrial manufacturing facilities in Europe, Asia and North America.

Within the UK, SAFT Limited supports these global activities, and provides full facilities to the sales functions co-located at the company.

SAFT LTD - COMPANY HISTORY

SAFT Ltd. is a British Company with roots reaching back to the original Leclanche dry cell and Edison's rechargeable accumulator. The SAFT base in the United Kingdom was initiated in 1946 when Cadmium Nickel Batteries, (CNB) of Park Royal began as Agent of SAFT France.

In 1969 the Company moved to new premises at Hampton and a year later SAFT (UK) was formed from this company and re-organised in line with the French parent company. In 1971 the Silver Zinc technology was added to the SAFT (UK) capability by the acquisition of Venner Accumulators Ltd., facilitating the supply and manufacture of Primary and Secondary Silver Zinc batteries to Ministry of Defence Standards.

Le Carbone traditional dry batteries were added to the range of products in 1976, in 1987 SAFT (UK) acquired Alcad Ltd., a company manufacturing industrial, vented Ni-Cd batteries, based at Redditch and on 1 July 1991, the company acquired the share of Nife Power Systems Ltd. thus expanding the range of batteries available for sale and adding a range of Power Electronic Products. The Power Systems portfolio was expanded further in August 1995 with the acquisition of Harmer + Simmons Ltd., a specialist manufacturer of chargers for Telecommunications and Motive Power applications, located at Hainault, Essex. The changing requirements of the market have necessitated several rationalisation / reorganisations of the company, the name of which changed to SAFT Limited from 03/02/1998 (known as SAFT Nife Ltd., from 1991 to 1998).

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The company was located at Hainault, Essex and comprised sales, marketing, and application engineering for 3 of the main SAFT product groups (Industrial, Portable and Lithium) as well as full development, design, test and manufacturing facilities for the Lithium and Portable product groups.

After the acquisition of Hawker Eternacell at South Shields in Jan 2001 where three different types of lithium cells were being manufactured, all design, assembly and technical activities of SAFT Ltd's battery business at Hainault were transferred to the South Shields site from where all battery operations of SAFT Ltd in the UK are now carried out.

FACILITIES AND PRODUCTS

SAFT Limited actively seeks stakeholder (customer, employee, and supplier) participation in order to ensure that any battery system solution is tailored to satisfy the customers' needs (explicit or implicit) whether within or outside of existing battery solution designs.

Full resources are available to customer projects during all phases of design, development, pre-production build, and qualification approval, in-service trials and series manufacture. These will include where appropriate product identification and traceability.

Facilities are maintained on site for a wide range of electrical and environmental testing for design and qualification approval purposes.

This manual only relates to the design, development and manufacturing requirements of the Lithium and Rechargeable Battery System Groups' products and associated sales, marketing and support functions within SAFT Limited.

- **Lithium Batteries**

Through its' long standing research and development activities, SAFT has been at the forefront of lithium anode research. This has resulted in SAFT being among the world leaders in lithium based electro-chemistry and the development and mass production of a variety of primary (non-rechargeable) and secondary (rechargeable) lithium cell technologies.

Due to the high operating voltages, high energy densities, long shelf life and wide operating temperature ranges of lithium systems, each of SAFT's systems exhibit individual and distinctive performance characteristics.

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Recent developments include rechargeable Lithium Ion technology, which is increasingly used in telecommunications, computer and military applications. SAFT is committed to continue the pursuit of these new technologies to remain at the forefront of battery technology.

- **Rechargeable Battery Systems**

SAFTs' background in sealed rechargeable Nickel based cell technologies goes back many years, and the company has gained extensive expertise in the design, development and production of both Nickel Cadmium or Nickel Hydride electrochemistries. SAFT remains Europe's' largest manufacturer of these technologies. Cells are available in a range of formats and sizes.

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APPROVALS

System Approvals

Customers and Third Parties on SAFT
BSI 9001
Under Writers Labs (UL) UL1642
Ministry of Defence
Marconi (M.A.S.D.)
Thales Defence

Product Approvals

Product approvals are held over a wide range of cells and batteries, manufactured and tested by the Company for Military, Civil and Commercial applications.

They vary from advanced technology lithium (all electro-chemical couples), to sealed Nickel Cadmium and Nickel Metal Hydride batteries.

In addition SAFT Group holds many product type approvals against international standards for its cell ranges.

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HEALTH AND SAFETY AND THE ENVIRONMENT

All Health and Safety regulations are met in full and the Company additionally ensures up-to-date information is available for the protection of the environment. A total advisory service is provided for the safe disposal of life expired batteries, including organisation for re-cycling Nickel Cadmium products at either group or associated facilities.

Local Authorities and other Bodies are consulted in an effort to ensure the total protection of the Environment, with every effort made to recycle rather than dispose of all waste.

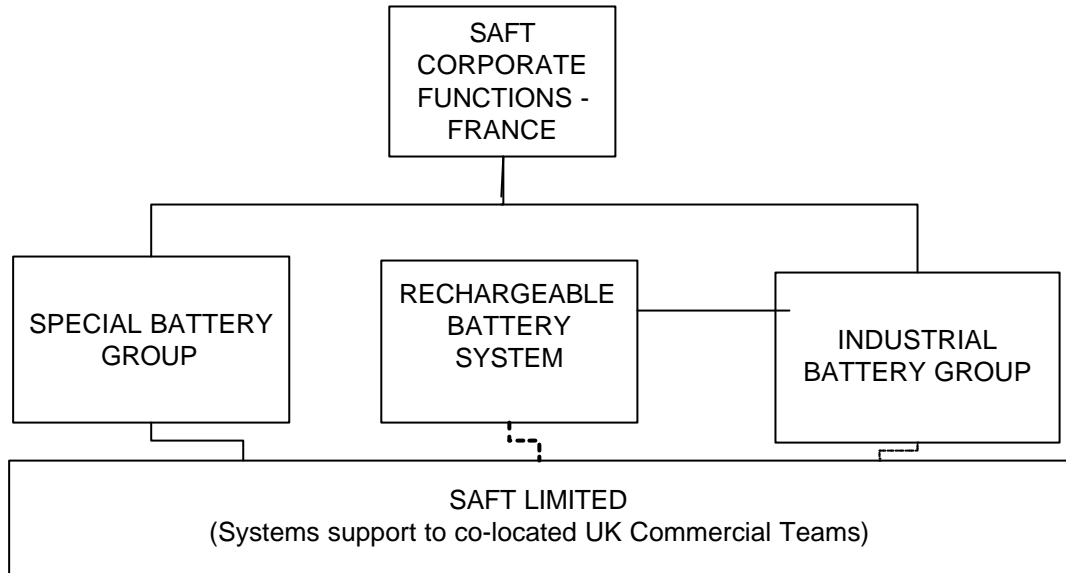
The Company is aware of its legal obligations for controlling substances hazardous to health and is well organised to meet the six primary obligations summarised as follows:-

1. An assessment is made of the health risks of any work activity involving hazardous substances.
2. Exposure of employees to any hazardous substance is strictly controlled.
3. Monitoring of the work place is carried out to quantify any problems.
4. Maintenance, examination and testing of control systems e.g. extraction equipment is carried out, using a competent person to perform both the examination and testing of control systems.
5. Information, instruction and training are provided for employees on the nature and degree of risk and control measures taken.
6. Health surveillance and records are maintained for all employees exposed to hazardous substances.

As an integral philosophy of the Company Management responsibility, regular reviews are held to ensure that current International, European, National or Local Authority legislation regarding Health and Safety and/or the environment are being adhered to as appropriate, and that the impact of future, anticipated, legislation is made aware to the Company ahead of its' implementation where possible.

The company will use external resources where appropriate to ensure that conformance with / adherence to such legislation is achieved and maintained.

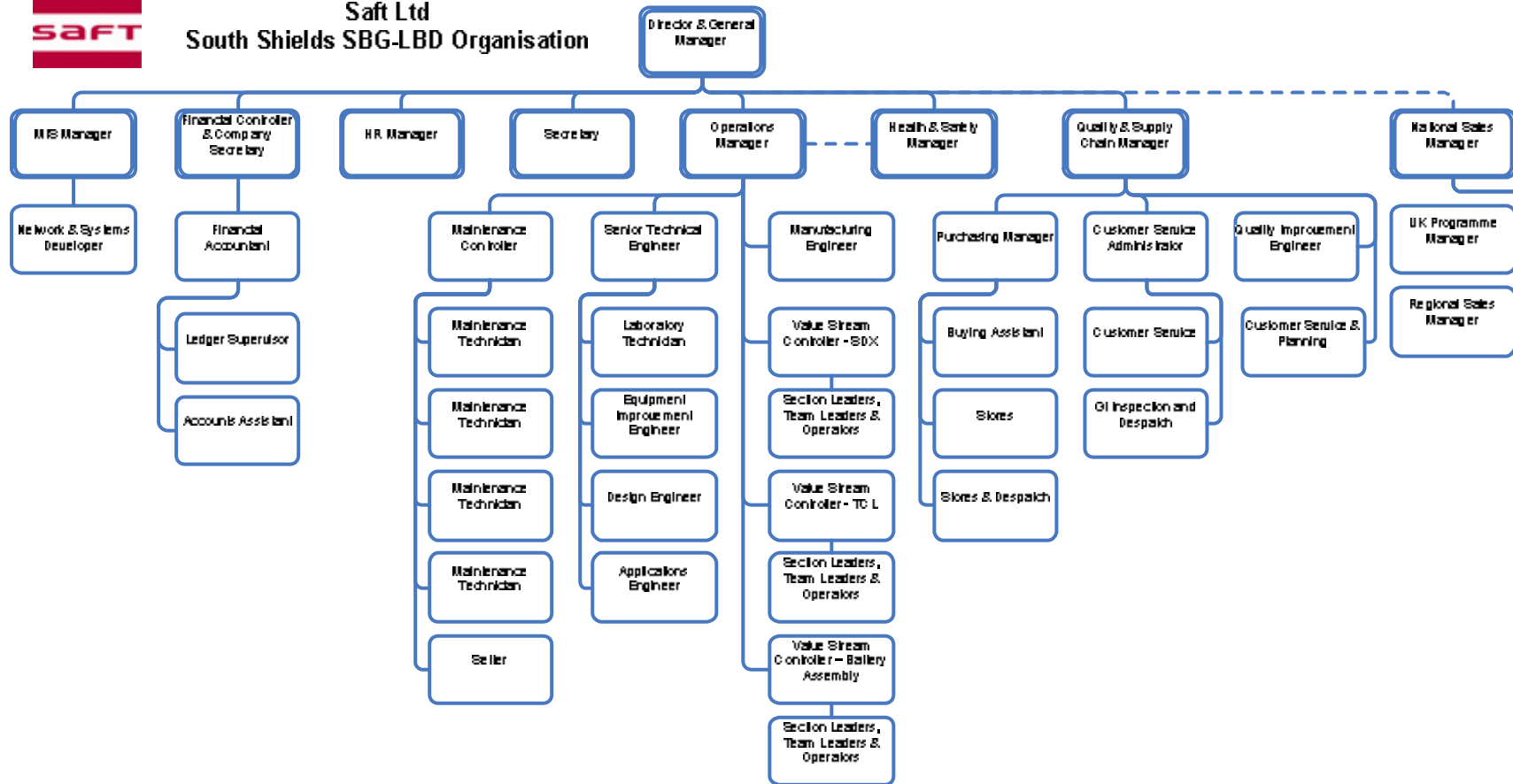
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CORPORATE STRUCTURE



Saft Ltd South Shields SBG-LBD Organisation



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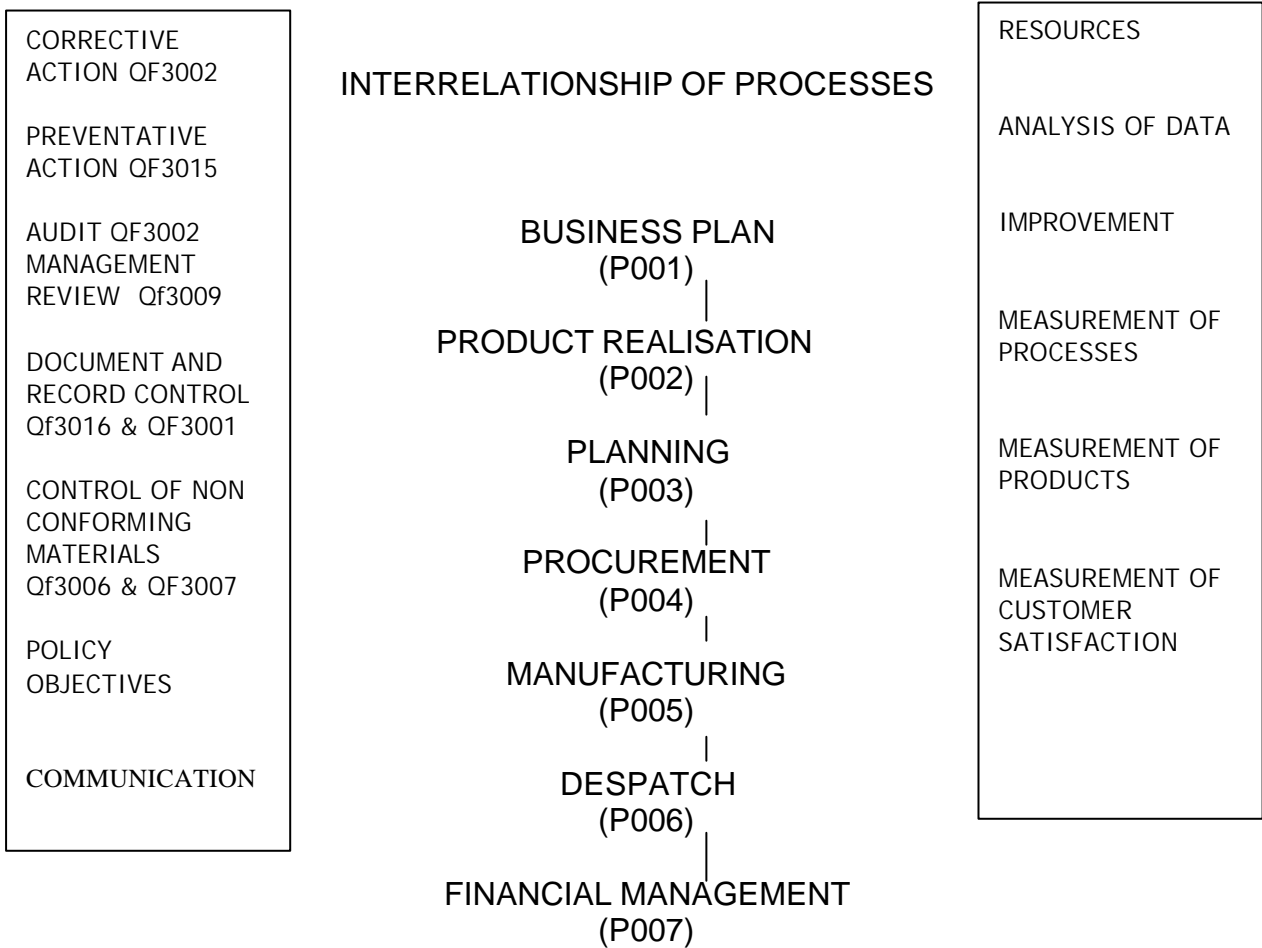
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SAFT QUALITY PROCEDURES/ISO 9001 REQUIREMENTS

The following process flow detail how the company satisfies the requirements of BS EN ISO 9001 2000 to which it is fully committed.



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