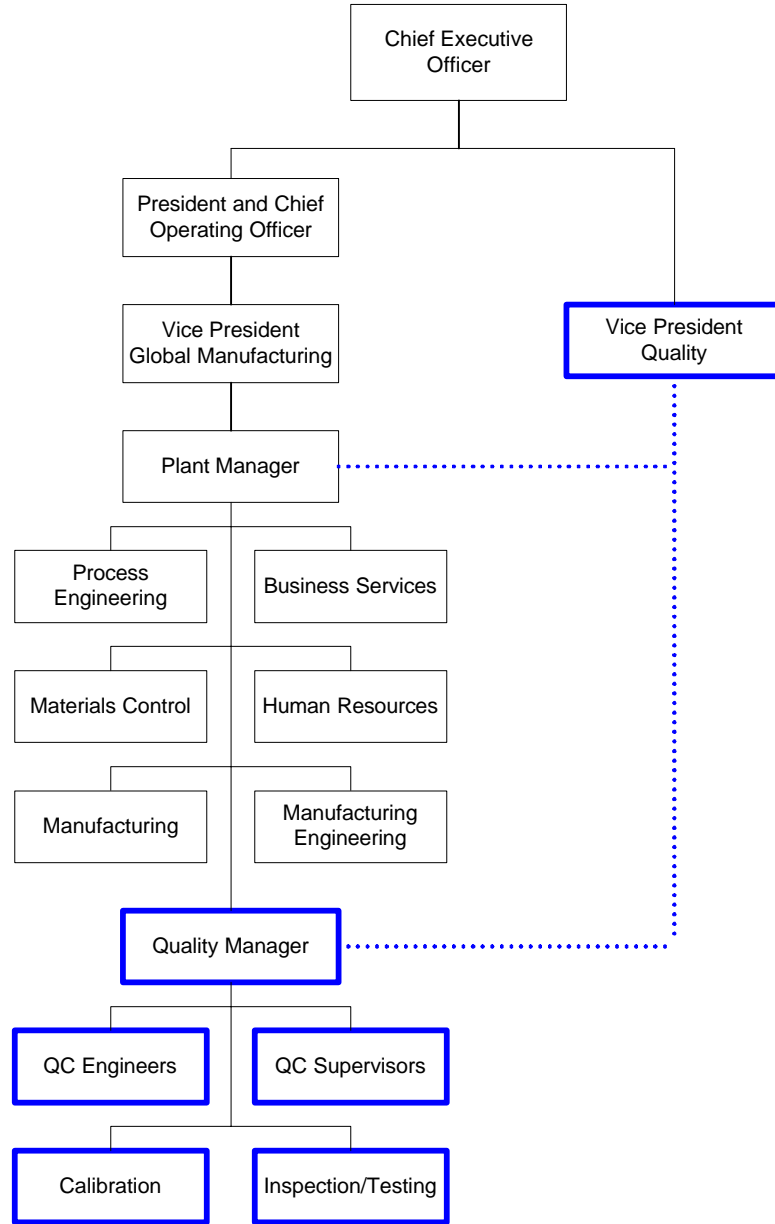


A. Organization

Quality Organization Chart



Quality Organization

The overall purpose of the JODO Quality Organization is to ensure that the quality systems are effective, and the manufacturing and business processes result in total customer satisfaction. Specific roles and responsibilities of the resources within the Quality Organization are described below.

Management Representative (ISO/TS Program Coordinator)

The Vice President (VP) Quality was appointed by the Chief Executive Officer (CEO) as the Quality System Management Representative and has the responsibility and authority to:

- ensure that processes needed for the quality system are established, implemented and maintained,
- report to top management on the performance of the quality system and any need for improvement, and
- ensure the promotion of awareness of customer requirements throughout the company.

The VP Quality (Management Representative) delegates the management the ISO/TS Program to the ISO/TS Coordinator. This function also serves as liaison with the military and with JODO's ISO /TS registrar. The Corporate ISO/TS Coordinator will notify the registrar in the event of formal disciplinary action taken by a subscribing or non-subscribing automotive customer as defined in that customer's requirements.

In addition, should there be a significant change in JODO's ISO /TS registration status or if JODO plans to change its registrar, the Corporate ISO /TS Coordinator will notify Sales who in turn, notifies customers, as appropriate.

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#### Risk Management Reviews

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Risk Management Reviews are held quarterly to review quality aspects of business goals and strategies and provide ongoing leadership and support for JODO quality initiatives . During these reviews, the President and Chief Operating Officer, VP Quality, VP Product Management and Marketing, VP Global Sales, and VP Global Manufacturing examine the effectiveness of corporate-wide quality goals and strategies and review, as needed, issues escalated from the Quality Policy Committee and Internal Audit Program results to ensure the ongoing suitability and effectiveness of JODO's Quality System .

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#### Customer Representative

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Corporate Quality Document "002: Business Processes" describes the key Business Processes utilized by JODO to ensure customer satisfaction and financial success of the company. Business Process Owners are identified for each key process. JODO's Chief Executive Officer (CEO) designated the Business Process Owners with responsibility and authority to ensure that customer requirements are addressed.

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#### Quality Policy Committee

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The Quality Policy Committee (QPC) focuses on managing the overall JODO Quality System ensuring that customer expectations are met. QPC members meet periodically to address various quality topics, assign projects to improve quality systems and documentation, and plan deployment of changes to existing systems. Committee membership includes the VP Quality and representatives from the Headquarters and Plant Quality organizations for both business units.

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#### Corporate Quality Assurance

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The Corporate Quality Assurance group is responsible for the following quality support activities:

- Corporate Quality System interpretation, development, and documentation
- Internal Audit Program
- Quality training/consulting
- PPAP (Production Part Approval Process) submissions to customers
- Customer quality audits, questionnaires, and reports

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#### Manufacturing Plant Quality

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Each JODO manufacturing facility has a quality function which monitors the quality of products and processes; performs corrective actions; and provides quality engineering services. As defined by plant documents, Manufacturing Plant Quality's responsibilities include implementation, improvement, and verification of the following quality system activities:

- Raw Material Receipt and Verification (where applicable)
- Process Control and Improvement
- In Process-Verification and Final Inspections
- Calibration
- Measurement Systems Analysis
- Customer Communication
- Design and Change Control
- Document Control

Product Quality Assurance and Reliability

Reliability testing on finished product is conducted by the Quality Assurance and Reliability Laboratory in Guizhou, China .

**B. Quality Focus**

JODO strives to continuously improve quality systems, product quality, delivery, value to customers, internal systems, equipment design and performance, process development, and most importantly, the training and support of employees. JODO strives to reduce cycle time, eliminate waste, and increase productivity. Every individual, every team, every department, and every facility plays a vital role in exceeding the requirements of both internal and external customers.

**JODO QUALITY SYSTEM**

**A. Quality System and Management Leadership**

JODO's Quality System is based on the requirements of the ISO 9001 Standard, incorporating customer and military needs, as required. The process for Automotive Customer Specific Requirements is described in Corporate Quality Document QOD-502A. In addition, the AIAG reference manuals, Advanced Product Quality Planning (APQP), Potential Failure Mode and Effects Analysis (FMEA), Measurement Systems Analysis (MSA), Production Part Approval Process PPAP, and Statistical Process Control (SPC) are used as guidelines for system development.

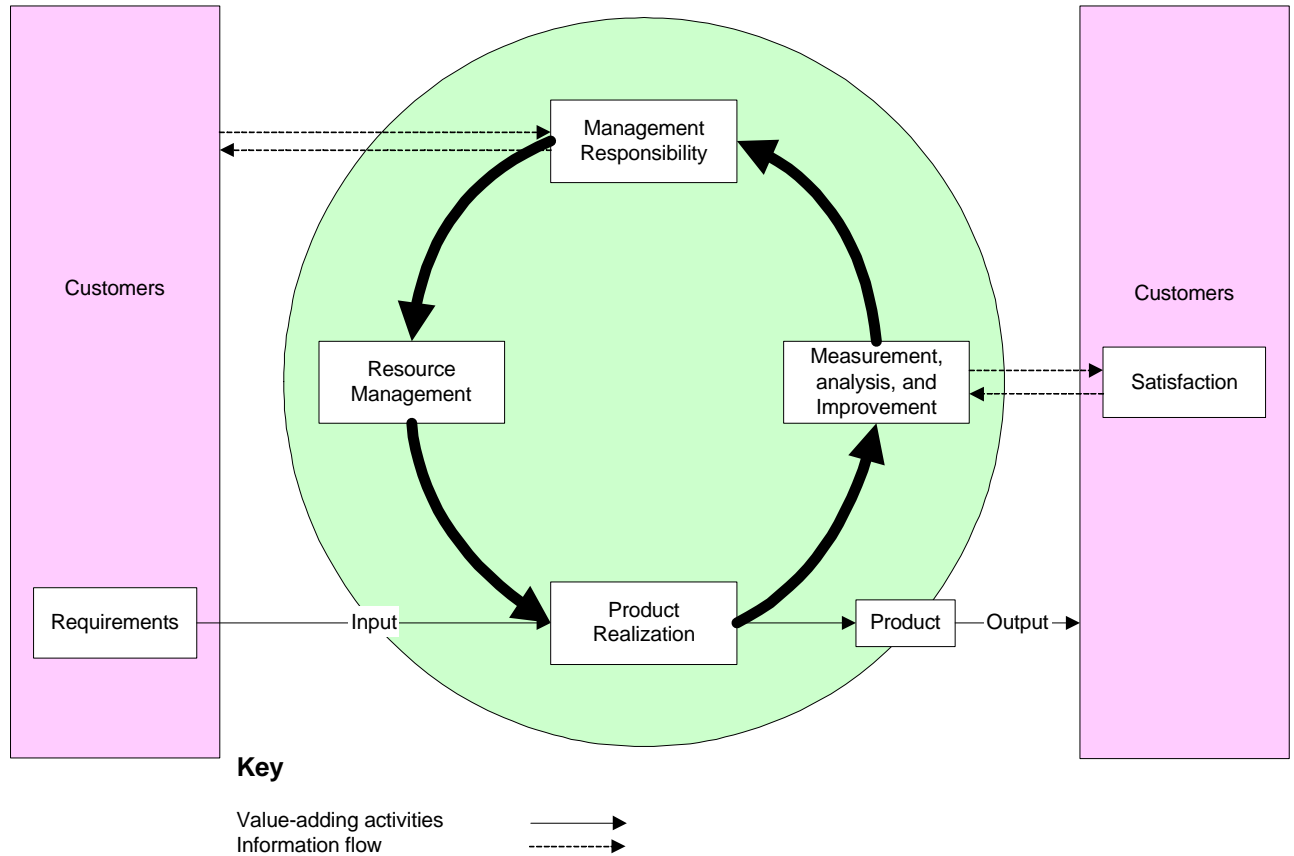
JODO utilizes the following business processes to ensure customer satisfaction and financial success of the company:

- Strategic Business Planning
- Financial Management
- Quality System Management
- Market Research and New Business Identification
- Design and Development (including Verification and Validation)
- Procurement
- Contract Management
- Order Fulfillment
- Manufacturing
- Delivery
- Facilities and Equipment
- Training
- Internal Auditing
- Management Review
- Customer Satisfaction

JODO Business Processes are described in Corporate Quality Document "002 Business Processes". Flowcharts and diagrams describe the interaction between these processes and define the process flow, performance indicators, key related processes, and other essential information for each individual process.

JODO's process-based Quality System enables these processes to work together to meet and exceed customers' expectations. Continuous improvement of products and processes is integral to the Quality System as illustrated in the following diagram:

# Continual Improvement of the Quality System



This system is maintained, documented, and evaluated on a regular basis to ensure the products and processes conform to requirements and are continuously improved.

## Strategic Business Planning

The chief responsibility of JODO senior management is strategic planning for each of the main businesses: Tantalum and Ceramic. The Strategic Business Planning process includes the following:

- the JODO Strategic Plan (KSP) defining long-term business strategies
- the Annual Business Budget (ABB) defining short-term goals and annual business objectives
- annual Product Line Reviews during which specific strategies, goals, and quality objectives are set for each business unit

## Management Review

Management Review at JODO is accomplished through :

- Senior Managers' Meetings
- Risk Management Reviews
- Plant and Business Unit QOS (Quality Operating System) Meetings

This multilevel process ensures that all aspects of the individual business and the quality system are evaluated on a regular basis for performance to goal, as well as allowing opportunity to identify improvement needs and to track progress towards existing improvement goals. Management review activities are directly supported by JODO's QOS, a reporting tool used by each manufacturing process and business unit to track key measures and company-level data. QOS data is regularly reviewed by plant, business, and senior management to ensure progress to goal, effective allocation of resources, and balance of priorities.