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| Alloy Toll Management Sdn Bhd | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| Quality Manual 4. Context Of The Organisation | Effective Date : 30/08/2021 |
| | Page : 1 of 7 |

4. CONTEXT OF THE ORGANISATION

ALLOY TOLL MANAGEMENT SDN. BHD. was certified to ISO 9002:1994 in September 2000 and undertakes to continue its effort and commitment in improving quality. Therefore, ALLOY TOLL MANAGEMENT SDN. BHD. is committed to enhance its Quality Systems to meet the latest requirements of ISO 9001:2015.

4.1 Understanding the external and internal issues

ATMSB is committed in defining the position in the market place to provide the highest level of service in maintaining highways to ensure client and road users satisfaction and understanding on how relevant factor arising from legal, technological, competitive, culture, social and economic environment issues influence the strategic direction and the organization context.

ATMSB identifies, analyses, monitors and reviews factors that may affect its ability to satisfy the customers and stakeholders as well as factors that may adversely affect the stability of the process or the management systems' integrity.

To ensure that ATMSB QMS is aligned with the company strategy, whilst taking account of relevant internal and external factors, ATMSB initially collate and analyses pertinent information in order to determine potential impact on context and subsequent business strategy.

ATMSB monitors and reviews the information to ensure that a continual understanding of each group's requirements is derived and maintained. To facilitate the understanding of context, ATMSB regularly consider issues that influence the context during management review meetings and convey via minutes and business planning documents. The output from this activity is evidence as opportunities, and the actions that ATMSB take to address them.

| ITEM | INTERNAL ISSUES | EXTERNAL ISSUES |
|-----------------------------------|---|---|
| 1. Management Review (MR) meeting | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Lack of understanding of the review inputs requirements for MR 2. Time to compile all data for MR meeting taking longer time <p><u>Positive Issue:</u></p> <ol style="list-style-type: none"> 1. Issues arise been discussed and resolved among the team members during the MR meeting. 2. Well established Management Review procedure 3. Full commitment by the MR committee members. | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Unresolved issues during the MR Meeting due to external factors (politician & authority) and involved cost. <p><u>Positive Issue:</u></p> <p>Sharing and exchanging ideas during the MR Meeting such as new technology, new system and etc.</p> |

| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd Quality Manual 4. Context Of The Organisation | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| | Effective Date : 30/08/2021 |
| | Page : 2 of 7 |

| ITEM | INTERNAL ISSUES | EXTERNAL ISSUES |
|------------------------------|--|--|
| 2. Toll Operations | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Traffic & Revenue data repeatedly have discrepancies 2. Limitation of IT software & hardware technical team skills in resolving data issues & major toll equipment defect. 3. Certain corrective action is dependent on the budget allocation, unless involve critical equipment, hence, will push to next budget. 4. Old and obsolete toll equipment and support equipment that may affect the transaction and data processing where replacement may requires heavy short term investment. Short term investment is because new toll payment method is being introduced and implemented in the near future <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. Key person has more than 10 years of experience in toll experiences hence most issues could be resolved internally. 2. High supports by the management in ensuring toll plazas are well maintained and operating smoothly. | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Lack of third-party support from system integrator (SI). 2. New payment method (RFID) still not stable, hence the execution at toll plazas has caused a lot of issues. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. SI capabilities to resolve traffic & revenue data issues. 2. New technology and toll payment methods are already in the pipeline as introduced by the government. |
| 3. IT Corrective Maintenance | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Unavailability of certain spare parts in stock will affect the rectification works. 2. Insufficient of manpower to attend lane breakdown when breakdown occur simultaneously in different locations. 3. Critical breakdown issues require high technical/troubleshooting skills and longer time to resolve. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. IT Internal team established and located in few sections has reduced time taken to reach toll plazas. 2. Implementation of ITCC as a centre of communication has eliminated miss communication between toll plaza and IT Technician. | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Major spare parts e.g. AVC were not keep in stock due manufacturing warranty, hence corrective action take longer time. 2. Running two different TCS requires more variation of spare parts to be kept in stock. 3. Fast development/changing on OS and equipment expose to obsolete issues. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. Good support from approved subcontractor for rectification works. 2. Establish standard of rate (S.O.R) to expedite the procurement process. 3. Wide sources of spare-part via online purchase. |

| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd Quality Manual 4. Context Of The Organisation | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| | Effective Date : 30/08/2021 |
| | Page : 3 of 7 |

| ITEM | INTERNAL ISSUES | EXTERNAL ISSUES |
|------------------------------|---|--|
| 4. IT Preventive Maintenance | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Preventive maintenance can only be done during night shift at big plaza due to heavy traffic, cost increase of overtime. 2. Certain preventive maintenance for critical equipment cannot be done due to limited capabilities on technical knowledge and requires special tools. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. Increase technical skills for new IT tech during preventive maintenance activity 2. Proper preventive maintenance may detect potential equipment failure, hence spare part shall be replaced in advance to prevent toll lane breakdown. | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Increase of cost if preventive maintenance been outsource for critical equipment. 2. Toll lane closing during preventive maintenance activity will interrupt traffic especially during peak period or toll plaza with less toll lane available. <p><u>Positive Issues:</u></p> <p>NA</p> |
| 5. Recruitment | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. High turnover for toll collector in certain plazas. 2. Longer time taken to fill in vacant toll collector position. 3. Minimum qualification at SPM level for toll collector has limit the potential candidate with lower qualification to be hired. 4. Lack of on-site recruitment staff for interview process, hence it has to be conducted by ATMSB. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. Adequate budget for staff allocation 2. Capability of toll operations in conducting the non-executive position selection process has expedite the processes of recruitment. | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Competition from other Highway operators/ other industries that offers better salary and benefits. <p><u>Positive Issues:</u></p> <ol style="list-style-type: none"> 1. Lack of other job opportunities for qualified candidates in certain toll Plazas lead to ATM able to hire a staff with higher qualification or staff with better sets of skills. |
| 6. Training | <p><u>Negative Issues:</u></p> <ol style="list-style-type: none"> 1. Minimum budget allocation for training and ATMSB is not HRDF registered in order to aggressively participate in training. | <p><u>Negative Issue:</u></p> <ol style="list-style-type: none"> 1. Limited number of external training program/ training provider that related to toll industries. |

| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| Quality Manual 4. Context Of The Organisation | Effective Date : 30/08/2021 |
| | Page : 4 of 7 |

| ITEM | INTERNAL ISSUES | EXTERNAL ISSUES |
|-------------------|---|---|
| | <p>2. Accommodation and transportation cost is high to involve staff training from each of toll plaza.</p> <p>3. Number of trainee from each toll plazas is limited to attend the training due to operational needs.</p> <p><u>Positive Issues:</u></p> <p>1. ATMSB management as well as toll plaza operations are very supportive of effective training program.</p> | <p><u>Positive Issues:</u></p> <p>NA</p> |
| 7. Internal Audit | <p><u>Negative Issues:</u></p> <p>1. Lack of knowledge/ competent Internal Auditors related to new version of ISO.</p> <p>2. Low awareness of the auditee on the importance/ value of the internal audit.</p> <p>3. Time constraints due to audit checklist cover all aspects.</p> <p><u>Positive Issues:</u></p> <p>1. Continuous training program has been conducted to identify new potential auditors.</p> <p>2. Appointed internal auditors within the organisation that have adequate operation knowledge leads to good quality audit findings and recommendations</p> <p>Increase the understanding of ISO 9001:2015 content to the auditee during the audit time.</p> | <p><u>Negative Issues:</u></p> <p>1. Frequent Audit schedule that hampered operation normal routines.</p> <p>2. In adequate internal audit planning leads to failure to identify or prioritize important or high risk areas.</p> <p><u>Positive Issues:</u></p> <p>NA</p> |

| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| Quality Manual 4. Context Of The Organisation | Effective Date : 30/08/2021 |
| | Page : 5 of 7 |

4.2 Understanding the needs and expectation of interested parties

ATMSB recognizes a limited set of the respective needs and expectations are applicable to the operation or to QMS. Such needs and expectations broadly include those in the table below.

| Interested Parties | Justification | Need and expectations |
|------------------------|---|--|
| Customers | Highway Users | <i>Arahan Operasi Tol Lebuhraya Bertol Di Malaysia (LLM-GP/T33-12)</i> |
| Concessionaire | ANIH BERHAD | Amended and Restated Toll Operation Contract (2005) |
| Parent Company | MTD Group - Alloy Consolidated Sdn Bhd (ACSB) | Corporate Structure ; Vision, Mission and Shared Values |
| Employees | ATMSB staffs | Letter of Appointment; Addendum to The Employment Contract |
| External Provider | Subcontractor / supplier | MTD Group Approved Subcontractor Master List; Requisition Form; Letter of Acceptance; Purchase Order |
| Regulatory & Statutory | Ministry of Transportation; Department of Occupational Safety & Health (DOSH) | Akta Pengangkutan Jalan 1987; OSHA 1994 |

To ensure the product and services continue to meet all relevant requirements, ATMSB identify and assess the potential impact of any relevant needs and expectations that may be elicited from the interested parties.

Where appropriate, to ensure the processes are aligned to deliver the requirements of the interested parties, we convert relevant needs and expectations into requirements which become inputs to the QMS and product and services.

4.3 Determining the scope of the Quality Management System

4.3.1 Quality Management System Scope

Based on analysis of the issues and requirements identified in section 4.1 and 4.2, ATMSB has established the scope of the QMS in order to implement company quality objectives and policies that are relevant to company context, products and services and any interested parties.

4.3.2 The scope of the registration for ISO 9001:2015 certification is:

Operation, Maintenance and Collection of Toll Roads.

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| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| Quality Manual 4. Context Of The Organisation | Effective Date : 30/08/2021 |
| | Page : 6 of 7 |

4.4 Quality Management System and Its Processes

The purpose of the management system is to operate a professional/efficient business and to foster an environment for continuous improvement. This is achieved through providing a framework for both preventive and corrective action. The system enables preventive action by describing appropriate work practices to minimize errors and mistakes and to create opportunities for improvement.

Underpinning the management system is the attitude of every member and their approach to job responsibilities. The success of the organization depends on staff; the management system supports staff by enabling them to perform their roles more effectively.

ALLOY TOLL MANAGEMENT SDN. BHD utilizes the Microsoft Office Application to help administer to manage the system of documented information. By providing records relating to many aspects of the organization's activities, the computerized system aims to reduce problems related to human error.

ALLOY TOLL MANAGEMENT SDN. BHD has identified the following processes which are inter-related and complimentary to each other as needed for the QMS and its' application throughout the organization:

1. Toll Collection Process
2. Maintenance Process
3. Monitoring of Internal Control Process

Reference: *Appendix 6 Primary Process Flowchart*
Appendix 7 Secondary Process Flowchart
Appendix 8 Proses Kutipan Tol Flowchart
Appendix 9 Maintenance Flowchart
Appendix 10 Monitoring of Internal Control Process Flowchart
Appendix 13 Process Map- Toll Collection Operation and Management System

These processes are governed by a set of comprehensive procedures, work instructions (*Arahan Kerja*) and special instructions (refer to the respective Procedures and work instruction), which will ensure that both the operation and control of these processes are effective. (*Refer to the respective procedures*).

All processes will be managed accordingly to the requirement of ISO 9001:2015 including the implementation of control over outsourced process to ensure conformity to requirements such as:

- a) Contract Review
- b) Measurement of Performance
- c) Penalty
- d) Deduction of Payment

It is the policy of ALLOY TOLL MANAGEMENT SDN. BHD. to provide adequate resources for all aspects of the company's quality system from management, quality activities to process tasks. All staff is trained in quality, skills and work functions required by their job descriptions to ensure skilled process operation, verifications, testing and process monitoring are maintained.

The respective staff member of ALLOY TOLL MANAGEMENT SDN BHD are responsible for ensuring that adequate resources are assigned to all aspects of the QMS relating to their units. Resources are monitored regularly as part of day-to-day operations and at formal staff meeting.

The performance of these processes is monitored where assessment and analysis are made in measuring the outcome of the QMS adopted by ALLOY TOLL MANAGEMENT SDN. BHD.

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| | |
|--|------------------------------------|
| Alloy Toll Management Sdn Bhd | Doc. No. : QM 01–Clause 4 |
| | Version No. : 3.5 |
| Quality Manual 4. Context Of The Organisation | Effective Date : 30/08/2021 |
| | Page : 7 of 7 |

Measurable objectives are set in determining the effectiveness and suitability of the system implemented where these objectives are consistently monitored and measured through the execution of Corrective Actions Procedure, Internal Quality Audit, Management Review as well as the Process Performance Analysis.

External provider is assigned to the maintenance of toll equipment and other support equipment. Control over these outsourced processes is governed by related procedures in the QMS.

4.4.1 Measurement, Analysis and Improvement

The Quality Systems adopted by ALLOY TOLL MANAGEMENT SDN. BHD., assure that services provided are reviewed/inspected by the respective staff member assigned. Products and services or outputs are inspected and the amounts verified in order to ensure its conformity in terms of:

1. Measurement of quality objectives
2. Non-conformances are promptly identified, investigated and;
3. Corrective and preventive actions taken for further and continual improvements.

All appropriate forms, reports and other relevant documents pertaining to the products and services, and its conformity are inspected and verified by appropriate personnel as defined in the QMS and properly maintained as evidence, of the inspections conformance or non-conformance to the established acceptance criteria and, the personnel responsible for the verification.

Reference: *PM 13 Prosedur Kerja Penyelia*
 PM 15 Prosedur Kerja Toll Monitoring
 PM 16 Prosedur Cash In Transit
 PM 18 Prosedur Pengiraan Wang Kutipan Oleh Ejen Pengiraan
 PM 29 Pengiraan Stok Kad Touch n Go dan OBU SmartTag

4.4.2 Monitoring and Measurement of Processes

ALLOY TOLL MANAGEMENT SDN. BHD. has developed documented information and implemented a QMS that ensures that all audits are planned and conducted in a consistent and comprehensive manner by internal auditors as well as external auditors from Malaysian Highway Authority (MHA), ANIH Berhad the authorized certification body and also appointed external audit firm.

The outcome from these audits are reviewed where any non-conformance identified, re-examined and appropriate corrective and preventive actions are to be taken. Besides auditing, monitoring and measurement functions are also made available through Management Review as well as other procedural controls established by ALLOY TOLL MANAGEMENT SDN. BHD.

ALLOY TOLL MANAGEMENT SDN. BHD. also collects appropriate data to enable the measurement and analysis of identified activities or processes in achieving the measurable objectives consistent with the Quality Policy.