

Maximum Customer Satisfaction



**Dear Colleagues,
 Ladies and Gentlemen:**

Here at Kaeser we have always spelled quality with a capital "Q". After all, the success of this company is based on the quality of our products and our services.

Kaeser's headquarters in Coburg was first certified according to ISO 9001:2000 in 1995; this is proof that:

- we employ personnel in the various divisions of our company who are trained and qualified for their positions,
- we provide the necessary operating resources,
- we have written instructions to answer all questions regarding the standard; and
- we can prove at any given time that our employees are following these instructions.

Our **Quality and Environmental Management System (QEM System)** is applied in all our locations worldwide.

KAESER KOMPRESSOREN PTE LTD was ISO 9001:2000 certified in February 1999 and ISO 14001:2004 certified in May 2000. After this, regular recertification audits will take place and during the course of these audits we will renew our certificates.

Our QEM System documents how we fulfil the requirements of the current quality standard ISO 9001:2008 (in the case of Mobilair that includes the European Highway Code) as well as all requirements of the environmental standard ISO 14001:2004

The following tools are used:

- a process-oriented documentation structure,
- measurable objectives in various areas,
- statistics that we evaluate and compare with those of prior periods, and
- measures for continuous process improvement (CPI).

Our QEM system comprises:

- **QEM Manual**, providing an overview of the QEM documentation structure and serving as information for customers and employees,
- **QEM Procedures**, describing our processes,
- **QEM Work Instructions**, describing all activities in great detail, and
- **QEM Forms**, on which all written communication is recorded.

Work Instructions and Forms are referred to in Procedural Instructions.

Work Instructions and Forms are organized and numbered according to their functional areas.

We wish to acquaint our employees and customers with the philosophy contained in our **quality and environmental policies**. These are evaluated regularly and amended, if necessary, to suit changing conditions.

The opening page of the QEM Manual highlights the fact that a company's success relies on its employees who are collectively responsible for achieving the necessary goals. These goals are consciously set out as cornerstones essential to ensure success. The company can only be strong and be assured of a prosperous and successful future if these objectives are met.

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QEM	CP	20th Nov. 2009

Quality and Environmental Policy

Our company's primary objective is to achieve maximum customer satisfaction with products and services that meet and exceed the customer's expectations.

Only through achieving customer satisfaction is our company's competitiveness, commercial success and continued existence assured.

Our products and services will fulfill the expectations and requirements of our customers only if our working methods and conditions are process-oriented, documented and continuously developed.

We define continuous development both as the ongoing adaptation to changing market demands and the elimination of causes of errors.

We believe that maintaining the quality of the environment is not just the responsibility of the government but also of every enterprise and individual. We employ appropriate measures to check, assess and monitor the current and future effects of our actions and products on the environment.

We comply with all applicable regulations and legal requirements and take necessary actions to conserve resources and to avoid negative environmental impact.

Our employees are provided with the necessary training to raise and maintain their level of environmental awareness. To continuously minimize environmental impact, we implement programs and provisions to ensure that our business associates employ the same environmental standards as ourselves.

Quality and Environmental Objectives

Continued success in the world market place can only be expected if we achieve the following **quality and environmental objectives**:

- Provide the very best solution for each customer,
- Ensure a fair market price,
- Deliver excellent quality,
- Provide timely delivery,
- Work in the most efficient manner, and
- Ensure minimal impact on the environment.

These success factors are interdependent. The most important factor, however, is quality as this cannot be compensated for by the other factors.

Our goal to "ensure as minimal an impact on the environment as possible" requires that our products are both efficient and environmentally friendly. This objective not only means delivering "more air for less energy", but it also requires us to minimize the use of natural resources during the production, sales and service of those products.

Coburg, September 10th, 2009



Dr. Stefan Bachmeier
Managing Director



Dipl.-Wirtsch.-Ing. Thomas Kaeser

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The quality and environmental management system of KAESER KOMPRESSOREN GmbH is applied:

- in Coburg,
- in our German locations
- in all international branch offices of KAESER KOMPRESSOREN GmbH

In Singapore the QEM system is used in the following location:

KAESER KOMPRESSOREN PTE LTD
No. 81, Tech Park Crescent,
Tuas Tech Park,
Singapore 638067.

In this QEM manual we will explain how our documentation is structured - the processes describing development however, are only applicable at our sites in Coburg (D), Gera (D), Fredericksburg (USA) and Linz (A).

For clarity, various requirements of ISO 9001:2008 and ISO 14001:2004 are emphasized in italics.

The QEM procedures are divided into four process categories.

Each **process category** contains **corporate processes** that are made up of **main processes**, which in turn are sub-divided into **part-processes**.

Part-processes, as well as documents and other applicable resources, describe the sequence in which the necessary quality activities are implemented by the executing employee.

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Our processes are divided into four categories:

1 Management Processes – Responsibility of Upper Management

The management processes describe how the management at KAESER KOMPRESSOREN GmbH controls and manages the company, how required personnel levels are projected and how conformity with the law is guaranteed. All of this is achieved by implementing the **QEM system**, constantly improving the system, and ensuring the system's effectiveness through the availability of the necessary resources.

Regular checks must be implemented to ensure that work is being carried out in accordance with the written work instructions and that quality and environmental objectives have been reached.

Internal quality audits are performed on a regular basis. The results of internal audits, responses and feedback from customers, statistical evaluations, and preventative and corrective actions taken are evaluated by management in regard to:

- suitability
- adequacy, and
- effectiveness

The results of the Management Review lead to measures to improve procedures and products and to minimize the use of natural resources.

Points of contact for employees are departmental managers and appointed QEM representatives who are responsible for ensuring that:

- the stipulations of the Quality and Environment Policy are applied,
- the quality and environmental objectives are understood, observed and implemented at all company levels by providing the necessary conditions,
- processes are carried out in accordance with instructions, and
- that all necessary improvements to the system are implemented.

The individual departments report to the QEM Manager who is independent of any department and who is directly responsible to corporate management.



2 Support Processes – Resource Management

The support processes describe how necessary resources are determined and provided, in order to:

- carry out our work as effectively as possible and
- ensure that our products and services provide maximum customer satisfaction.

All data used in the company must be continually updated.

Administration of basic and master records: This includes procedures for recording, creating, changing and releasing parts lists, work plans, material master records, customer master records, personnel master records and time studies. All data used are entered into the SAP system.

All documents must be checked prior to release and made available to all departments involved. Records of the results of the checks must be kept. All records must be legible, easy to identify and retrievable at any time.

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The process of **Administration of documents and records** defines how to create/change internal documents and describes how to acquire and administrate external documents (delivery notes, certificates).

In order to ensure that our employees are qualified to carry out their work and meet the current requirements, we must assess education and training needs and provide education accordingly.

Human resources management comprises the following main processes: personnel planning, recruitment, and development.

In order to verify that the actual quality of our products is as indicated by inspection procedures, we must carry out regular periodic checks of our inspection equipment, and repair or replace it as necessary.

Processes pertaining to the maintenance and repair of buildings, machinery and various equipment, as well as to the preparation, monitoring and inspection of measuring equipment can be found in '**Preparing infrastructure**'.

Purchased goods must satisfy specified quality requirements with respect to type, material, design, grade, etc. The quality of all parts, partly finished and finished products passing through our company must be assured at all times.

The corporate process of **strategic purchasing** includes the procurement of raw materials and parts, selection and evaluation of suppliers/vendors.

Before products are developed and produced, it must be ensured that all legal and official requirements and regulations are fully evaluated; this includes product requirements dictated by the market regarding delivery, after sales activity and intended use.

The business process of **Marketing** includes the main processes of market observation, determination of product range, pricing and distribution, market presentation, creation and publication of sales material and maintaining customer contacts.

3. Core Processes – Product Realization

Our definition of core processes refers to all end-to-end processes that represent our core competence. These business processes include product development, fulfilment of various customer requirements, and customer service procedures.

The design of new products and further development of existing parts or machines must be performed according to a specified development schedule. Each step must be documented and results must be verified. All employees concerned must be informed regarding the latest version.

Product development specifies the process for developing new products and modifying existing designs. It includes processes for the planning and controlling of product development, determination and documentation of product requirements, preparation, evaluation and comparison of results with specifications, and finally evaluation regarding whether a product is suitable for a specified application or need.

Before submitting a quotation or accepting an order we must be sure that we are in the position to fulfill all contractual obligations involved. Work procedures and inspections in manufacturing and assembly must be planned and established so that production is always carried out under controlled conditions.

In the business processes of Marketing, Logistics and Product Handling we describe how we meet the various customer requirements. The processes contained therein detail how we determine the customer's needs, present quotations, check and enter incoming orders, monitor deadlines, modify product designs to suit customer's special



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wishes, schedule and prepare materials, plan and control the manufacturing of stationary and portable compressors, convert machines, control products provided by the customer and plan selection, packing and shipping of products.

The services we provide must comply with the requirements of the standard and lead to full customer satisfaction. We must keep records of the services in the same way that we keep records of our products.

The business process of **Customer Service** describes how our service department works. It explains how our service technicians respond to, and rectify, malfunctions and how we proceed during maintenance requirements. It describes warranty processing, the handling of service contracts, product disposal and spare parts processing via our spare parts catalogue and spare parts shop.

4. Measurement, Analysis and Improvement

The “**Measurement, Analysis and Improvement**” category includes corporate processes that describe how we inspect product quality and how we ensure and continuously improve the quality of our in-house procedures. Finally, it describes marketing activities with the objective of measuring and raising the level of customer satisfaction.

All inspection procedures for incoming goods, during production and during final acceptance must be carried out in accordance with written and current instructions in order to ensure that products meet all quality requirements. The status of products (inspected, released or rejected) is indicated by the use of suitable labels. Defective parts must be dealt with in a way that prevents inadvertent forwarding.

We **ensure product quality** by planning the necessary checks according to predetermined criteria, by inspecting produced parts, assemblies, and complete systems in accordance with inspection instructions and, last but not least, by removing non-conforming products from the production line and correcting them and the causes of the non-conformities.

To prevent the repetition of errors, they must not simply be treated individually, but the cause(s) must be detected and rectified to prevent recurrence.

We **ensure process quality** through statistical analysis of our data and implementation of corrective and preventive actions.

Methods must be determined by which a company can verify whether or not it has fulfilled the customer's requirements.

Finally, in the business process of **assess customer satisfaction**, we assess customer complaints and implement and evaluate customer surveys.



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Our product range includes:



Rotary screw and reciprocating compressors for compressed air and vacuum applications, blowers, dental compressors, portable compressors, compressed air dryers and filters, condensate drains, condensate separators, air receivers, compressor controllers and energy management systems, heat recovery systems, Air Utility Systems, and customer-specific compressed air solutions.

The Kaeser group is represented by 44 subsidiaries and 65 sales partners throughout the world in all key industrialized nations. Within this context, the European, North American and Asia-Pacific economic areas play key roles.

KAESER's worldwide reputation is due to the high efficiency and reliability of its products and the quality of its services. In recent years Kaeser has placed its industry-leading range of services at the forefront of its business activities.

The continuous, above average growth and expansion of our company can be attributed to a large degree to the innovative spirit, high-quality standards, and the dedicated involvement of our employees. Our success is also attributed to our in-house education of employees, who benefit from ongoing training opportunities that help maintain and expand their levels of expertise. The development of important global markets in recent years has created and ensured jobs both at home and abroad.

Our company was founded in 1919 and is managed by Dipl.-Wirtsch.-Ing. Thomas Kaeser

KAESER KOMPRESSOREN stands out as a world leader in growth, innovation and financial independence.