

Maximum Customer Satisfaction

Provide the best solution for the customer

Offer prices in line with the market

Produce the expected quality

Deliver on the agreed date

Use the most effective
internal procedures

Place the least possible
burden on the environment

Products and Services



QESM Manual

ISO 9001:2008 - ISO 14001:2004

OHSAS 18001

QESM Manual

Dear colleagues, Ladies and gentlemen,

Quality has always been the highest priority in our organization. The success of our company is ultimately attributable to the quality of our products and services.

KAESER's headquarters in Coburg received certification of compliance with ISO 9001 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 can 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 indeed follow these instructions.

*Our **Quality, Environmental, and Workplace Safety Management System (QESM system)** is applied in all our locations worldwide.*

Having implemented the QESM system, we can document our compliance with the following standards:

- ISO 9001:2008 (for Mobilair: including the European Road Traffic Regulations)
- ISO 14001:2004
- OHSAS 18001 (OHSAS = Occupational Health and Safety Assessment Series)

The following instruments are used:

- a process-oriented documentation structure,
- measurable objectives in various areas,
- key performance indicators that are compared with and evaluated against the goals and indicators of previous periods, and
- CIP measures (CIP = continuous improvement process),
- regular audits,
- Trainings and Periodic Instructions.

Our **QESM** system consists of:

- a **QESM Manual** providing an overview of our QESM documentation and serving as information for customers and colleagues
- **QESM Procedures** describing our process, the
- **QESM Work Instructions** describing activities in detail, and
- **QESM Forms** for the documentation.

Work Instructions and Forms are referred to in Procedures.

Work Instructions and Forms are sorted and numbered according to functional areas.

Our **Corporate Policy** is the vehicle with which we want to explain our basic principles to our employees and customers. This policy is evaluated regularly and amended, if necessary, to reflect changing conditions.

The cover of the QESM manual clearly illustrates that the success of the organization depends on all our employees who are jointly responsible for the realization of our goals. The representation of the objectives as columns has a purpose. Only the realization of these objectives ensures that the company has a strong foundation and that its continued existence is assured.

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Corporate Policy

The primary objective of our company is to achieve maximum customer satisfaction with products and services that completely fulfill our customer's expectations.

Our capability to compete, our commercial success and continued existence are assured only by achieving customer satisfaction.

In order to fulfill the expectations of our customers, we exclusively offer high-quality products and services.

For this purpose, we provide a goal-oriented infrastructure, we design and document our procedures to be process-oriented and continuously improve and optimize them, depending on the market requirements and the analysis of problems as components of a continuous improvement process.

By training our employees and partners, at all levels we promote a sense of responsibility for quality, the environment, health and workplace safety, by demanding an unrestricted compliance with the following principles.

Compliance with laws

We comply with all relevant legal and regulatory requirements of the applicable legal system(s) in our German and international sites and subsidiaries.

We make sure that sub-contractors working in our name or performing work on KAESER products apply the same quality and environmental standards as we ourselves apply.

Occupational health and safety

We assume responsibility for the health and safety of our employees at their workplace.

We recognize hazards and identify preventive measures against accidents and occupational diseases.

Using training and instructions, we ensure that all employees are well versed in the topic of work safety.

We offer health-promoting support to our employees.

Respect for fundamental and human rights

We promote equal opportunity for and treatment of our employees, regardless their skin tone, race, nationality, social background, disability, sexual orientation, political or religious belief, gender or age.

We respect the personal dignity, private sphere and personal rights of everybody.

We do not force anybody to be employed by us or work with us.

We do not tolerate any unacceptable treatment of personnel, such as brutality, sexual and personal harassment or discrimination.

We provide fair wages and guarantee the statutory national minimum pay.

We comply with the statutory maximum working hours.

If legally possible, we recognize the right of our employees to associate and we neither give precedence to nor discriminate against members of workers' organizations or trade unions.

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Protection of the Environment

We believe that maintaining the quality of the environment is not just the responsibility of the state but also that of every enterprise and individual.

We employ appropriate measures to verify and assess in respect to statutory and international standards, the current and future effects of our actions and products on the environment.

On the basis of this empirical knowledge, we determine the measures required for a sustainable operation, including the saving of energy, reducing the consumption of natural resources and lowering or avoiding emissions of harmful substances.

Prohibition of corruption and bribery

We do not tolerate or condone any form of corruption or bribery, including any illegal offer of payment or similar gifts intended to influence a decision.

Prohibition of forced and child labor

We do not hire employees below a minimum age of 15 years.

In countries subject to the exemption for developing countries per ILO Convention 138, the minimum age may be reduced to 14 years.

This corporate policy creates obligations only between the responsible parties. Any possible claims by third parties based on these responsibilities are null and legally inadmissible.

Corporate Objectives

We can successfully compete in a global market place only, if we attain the following corporate objectives:

- provide the best solution for each customer,
- at prices in line with market conditions,
- in the required quality,
- in the time agreed,
- in the most efficient manner, and
- with minimal environmental impact.

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

The objective of "minimum impact on the environment" means to us that our products not only work very economically and environmentally friendly by delivering **"more compressed air with less energy"** but also that we use natural resources as little as possible in production, sales and service.

Thomas Kaeser
Management Board: Chairman
KAESER KOMPRESSOREN SE

Tina-Maria Vlantoussi-Kaeser
Management Board
KAESER KOMPRESSOREN SE

Frank Müller
President
KAESER COMPRESSORS, Inc.

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The quality and environmental and health & safety management system of KAESER KOMPRESSOREN SE is applied:

- in Coburg,
- in our German locations
- in all of the international subsidiaries of KAESER KOMPRESSOREN SE working with SAP.

KAESER COMPRESSORS, Inc.

511 Sigma Drive
Fredericksburg, Virginia 22408

Branch locations in the USA:

11105 Dana Circle
Cypress, California 90630-5133

46771 Fremont Boulevard,
Fremont, California 94538

4665 Paris Street, Unit C350
Denver, Colorado 80239

1750 Enterprise Way, Suite 112
Marietta, Georgia 30067

8334 Melrose Drive
Lenexa, Kansas 66214

3600 Commerce Drive, Suite 613,
Baltimore, Maryland 21227, USA

40 Norfolk Avenue
South Easton, Massachusetts 02375

4446 Malone Road
Memphis, Tennessee 38118-7303

W134N5355 Campbell Drive
Menomonee Falls, Wisconsin 53051

7144 Weddington Road Northwest
Suites 130 & 140
Concord, North Carolina 28027

1775 Westbelt Drive
Columbus, Ohio 43228

1625 Crescent Circle, Suite 215
Carrollton, Texas 75006-3600

16720 Hedgcroft Drive, Suite 200
Houston, Texas 77060-3643

511 Sigma Drive
Fredericksburg, VA 22408

5670 Shepherdsville Road
Louisville, KY 40228



Our management system is applied in all our foreign subsidiaries.

This QESM Manual explains the structure of our documentation, although the development processes apply only to Coburg (Germany), Gera (Germany), Fredericksburg (USA) and Linz (Austria).

For clarity, various requirements of the ISO 9001:2008 and ISO 14001:2004 standards are shown in italics in the text.

QESM procedures are classified into four process categories.

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

Part-processes describe the sequence in which the required quality-assuring activities are carried out by the corresponding employee as well as the documents and other auxiliary means used.

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Our processes are divided into four categories:

1 ■ Management processes – Responsibilities of the Top Management

The management processes demonstrate how the corporate management of KAESER KOMPRESSOREN SE controls and manages the company, how personnel resources are planned and the conformity with existing laws is assured. For this purpose, the developed **QESM system** has been implemented and is continuously improved. Its effectiveness is assured by the provision of the required resources.

Top Management shall review the organization's quality management system, at planned intervals, to ensure its continuing suitability, adequacy and effectiveness. This review shall include assessing opportunities for improvement and the need for changes to the quality management system, including the quality policy and quality objectives (5.6.1. – p. 22).

For this purpose, quality audits are performed on a regular basis. The results of these internal audits, responses and feed-back from customers, statistical evaluations, and preventive and corrective actions taken are analyzed by Top Management in regard to the:

- suitability,
- adequacy, and
- effectiveness

The result of Management Review leads to measures to improve procedures, products and more effective use of resources.

Point of contact for employees are their supervisors and department QESM representatives who are responsible for ensuring that:

- the requirements shown in the Corporate Policy are met,
- the Corporate Objectives are understood, observed on all company levels and conditions are present for them to be realized,
- processes are carried out in accordance with instructions, and
- any necessary improvements to the system are implemented.

The department QESM representatives report to the QESM Manager, who is directly responsible to corporate management.

2 ■ Support processes – Resource Management

The support processes describe the determination and provision of the required resources that are necessary for

- our internal work to be carried out as effectively as possible, and
- to offer products and services to the full satisfaction of our customers.

The Organization shall (...) ensure the availability of resources and information necessary to support the operation and monitoring of these processes (4.1. – p. 15).

Administration of Basic and Master Records: This includes procedures for recording, creating, changing and releasing bill of materials, work plans, material master records, customer master records, supplier master records, personnel master records and time studies. All data used is entered in the SAP system.

The corporate process **Administration of Documents and Records** describes the creation and change of internal documents and the acquisition and management of external documents (delivery notes certificates, etc.).



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A documented procedure shall be established to define the controls needed to approve documents for adequacy prior to issue, to review and update as necessary and reapprove documents, (...) to ensure that documents remain legible and readily identifiable, (...) (4.2.3. – p.18).

Records shall remain legible, readily identifiable and retrievable (4.2.4. – p. 19).

The organization shall determine the necessary competence for personnel performing work affecting conformity to product requirements, where applicable, provide training or take other actions to achieve the necessary competence, evaluate the effectiveness of the actions taken, (...), maintain appropriate records of education, training, skills and experience (6.2.2. – p. 24).

Human Resources Management contains the following main processes: Personnel planning, personnel development, personnel support, and recruiting.

The organization shall determine, provide and maintain the infrastructure needed to achieve conformity to product requirements. Infrastructure includes (...) buildings, workspace and associated utilities, process equipment (...), supporting devices (such as transport, communication or information systems) (6.3. – p. 25).

Preparing Infrastructure covers the main processes for the maintenance and repair of buildings, machinery and equipment as well as the processes for the provision and monitoring of inspection and testing equipment.

The organization shall ensure that purchased product conform to specified purchase requirements. The type and extent of control applied to the supplier and the purchased product shall be dependent upon the effect of the purchased product on subsequent product realization or the final product. (...) Records of the results of evaluations and any necessary actions arising from the evaluation shall be maintained (7.4.1. – p. 33).

The corporate process **Strategic Purchasing** comprises the purchasing of raw materials and components and also the selection and evaluation of suppliers.

Before products are developed and produced it must be ensured that all legal and regulatory requirements and all requirements on the product dictated by the market regarding delivery, after sales activity and intended use are fully known and analyzed.

Purchasing information shall describe the product to be purchased, including, where appropriate, requirements for approval of product, procedures, processes and equipment, requirements for qualification of personnel, and quality management system requirements (7.4.2. – p. 34).

The organization shall establish and implement the inspection or other activities necessary for ensuring that purchased product meets specified purchase requirements (7.4.3. – p. 34).

The corporate process **Marketing** comprises the main processes of market observation, determination of the product programme, pricing and distribution, market presentation, creation and publication of sales materials as well as customer contact management.



3. Core processes – Product Realization

Core processes are defined as all the end-to-end processes representing our core expertise. This includes the corporate processes product development, the gratification of the various customer requirements and customer service processes.

During the design and development planning, the organization shall determine the design and development stages, the review, verification and validation that are appropriate to each design and development stage, and the responsibilities and authorities for design and development (7.3.1. – p. 29).

Product development defines the processes required for the development of new products and the modification of existing designs. It includes the planning and controlling of the development of a specific product, determination and

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documentation of product requirements, preparation, analysis with subsequent comparison of results with the design specification and, finally, the evaluation of a product's suitability for the specified application or employment.

The organization shall review the requirements related to the product. This review shall be conducted prior to the organization's commitment to supply a product to the customer (e.g. submission of tenders, acceptance of contracts or orders, acceptance of changes to contracts or orders) (...) (7.2.2. – p. 27).

The corporate processes **Sales, Logistics** and **Product Processing** describe how we realize the different customer needs. We accomplish this, by determining the customer requirements, submitting quotations, reviewing and documenting incoming orders, tracking schedules, customizing products to specific needs, planning and providing materials, planning and controlling the manufacture of components and final products, retrofitting products, managing supplied products; and, last but not least, planning, sales, packaging and shipping of the finished products.



The organization shall validate any processes for production and service provision where the resulting output cannot be verified by subsequent monitoring or measurement and, as a consequence, deficiencies become apparent only after the product is in use or the service has been delivered. Validation shall demonstrate the ability of these processes to achieve planned results (7.5.2. – p. 35, 36).

The corporate process of **Customer Service** describes how our service department works. It explains, how we proceed in troubleshooting performed by our service technicians, in maintenance, complaint management, service agreement management and in disposal and replacement processes via our replacement parts catalogue and replacement parts shop.

4. Measurement, Analysis and Improvement

The measuring, analysis, and improvement process category describes corporate processes by which we check product and process quality with the objective of measuring and raising the level of customer satisfaction.

The organization shall determine the monitoring and measurement to be undertaken and the monitoring and measuring equipment needed to provide evidence of conformity of product to determined requirements. The organization shall establish processes to ensure that monitoring and measurement can be carried out in a manner that is consistent with the monitoring and measurement requirements (7.6. – p. 37, 38).

We ensure **Product Quality** by planning the necessary inspections according to defined criteria, by inspecting the produced components, assemblies, and complete machines in accordance with inspection instructions and, last but not least, by removing defective products from the production flow for further examination of the nonconformity.

The organization shall plan and implement the monitoring, measurement, analysis and improvement processes needed to demonstrate conformity to product requirements, to ensure conformity of the quality management system, and to continually improve the effectiveness of the quality management system (8.1. – p. 39).

We ensure **Process Quality** by statistical analysis of our data and the subsequent implementation of corrective and preventive actions.

As one of the measurements of the performance of the quality management system, the organization shall monitor information relating to customer perception as to whether the organization has met customer requirements. The methods for obtaining and using this information shall be determined (8.2.1. – p. 40).

Finally, the corporate process **Assessment of Customer Satisfaction** explains how we review customer complaints and product observation and create and analyze 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, remote servicing (tele service), heat recovery systems, air utility systems, air demand analysis (ADA) and customer-specific compressed air solutions.

With worldwide more than 100 subsidiaries and sales partners ensure that the international KAESER group is present in all major industrialized countries. The economic areas of Europe, North America and Asia Pacific play key roles.

KAESER's worldwide reputation is due to the high efficiency and reliability of its products and the quality of its services. Our trend-setting range of services has been placed at the forefront of our business activities in recent years.

The continuous, above average growth of our company can be attributed to our innovative spirit, our high quality standards and our very dedicated work force. The majority of our employees have received their training at KAESER and they take advantage of the continuing training opportunities to maintain most current levels of proficiency. Global marketing activities in recent years have created and ensured jobs both at home and abroad.

Founded in 1919, the company is today managed by Mr. Thomas Kaeser and his wife Tina-Maria Vlantoussi-Kaeser.

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