

Management-Manual

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Head office: Reinach



Cernay



The English version of the management manual is for information only and is not subject to change control

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Chapter 1: Scope of application and Introduction

Scope of application

This Management-Manual represents the top level of the Management system of

Endress+Hauser Flowtec AG
Kägenstraße 7
CH – 4153 Reinach

and

the division Cernay, France
35, Rue de l'Europe
F – 68700 Cernay

The Divisions in Aurangabad (India), Greenwood (USA), Suzhou (China) and Itatiba (Brazil) have their own Management systems, which are individually defined and documented in internal Management-Manuals. The Management system defined in this manual also includes overriding/superior processes and core instructions for the coordination of the Divisions as well as the various Management systems. These processes and core instructions are binding for the entire Endress+Hauser Flowtec AG incl. the Divisions. The coordination is handled and managed at Reinach.

The Management system of the Flowtec head office in **Reinach** and in the Division **Cernay** complies with the requirements of the **ISO 9001**, **ISO 14001** and the **OHSAS 18001**. At the parent branch in Reinach, the requirements according to ISO 50001 are also fulfilled. This Management system, as well as the Management systems in the other Divisions, however, exceed many points in the standard requirements with the objective to achieve Business-Excellence.

The other levels of the System are documented in internal documents, processes, core instructions and process descriptions. These levels can be adjusted to the specific needs of the Divisions, as long as the requirements of the ISO 9001 and ISO 14001, OHSAS 18001, ISO 50001 and the instructions and objectives of the executive board of the Endress+Hauser Flowtec AG are respected.

If necessary and defined, external bodies (e.g. Notified Bodies for EU-Directives) are being informed about major changes in our Management system.

Only the Manual in German language is subject to the Document management and control and is undersigned by the Managing Director and the Quality Manager.

Introduction

Endress+Hauser Group of Companies

Company profile

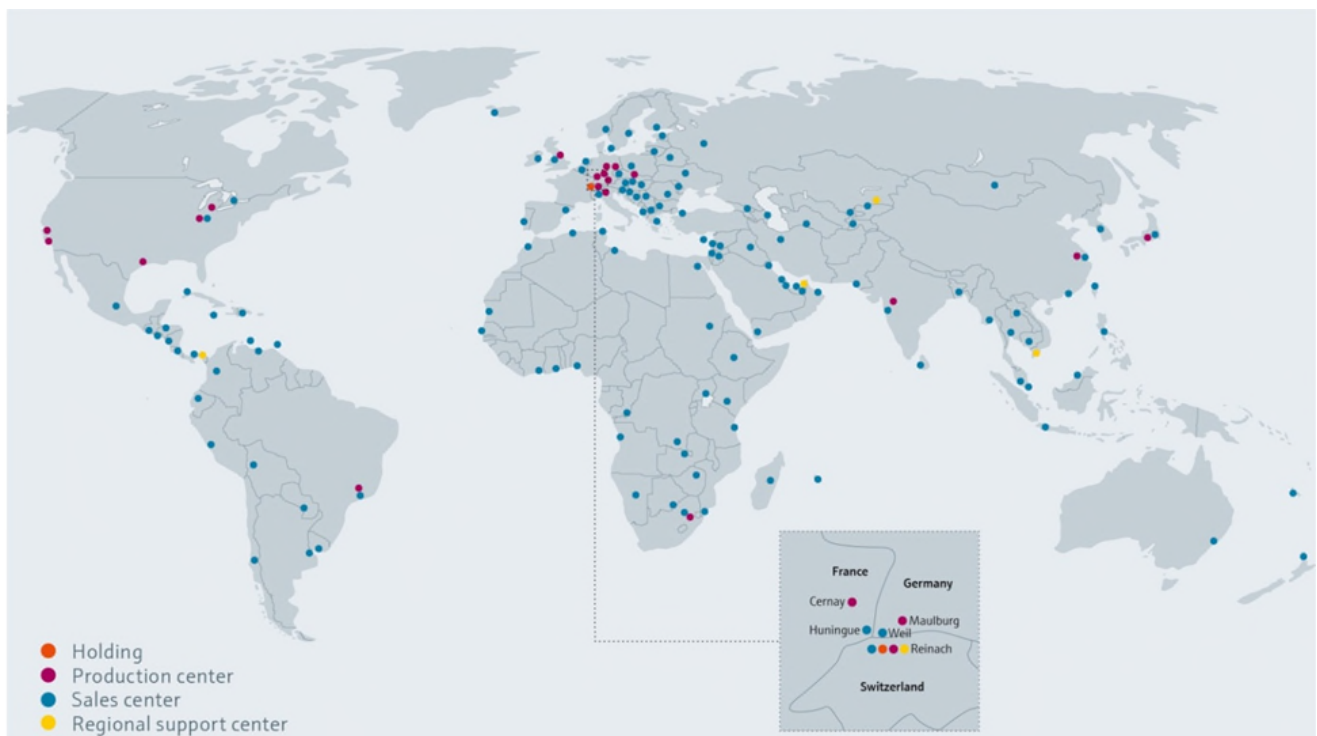
The Endress+Hauser Group is among the leading international suppliers of measuring technology, services and automation solutions for the process industry. Our range of products comprises sensors, devices, systems and services for the measurement of filling level, flow rate, pressure and temperature, as well as the medium analysis and the measurement value logging. We connect field devices with control systems and we support our customers with automation and logistical solutions. Our products are benchmarks in terms of quality and technology.

The customers of Endress+Hauser are mainly from the industrial lines Chemistry/Petrochemistry, Food and Beverage, Water/Effluent water, Life Sciences, Oil and Gas, Energy/Basic commodities, Paper and Cellulose, as well as Shipbuilding. They use our know-how and expertise to make their engineering processes reliable, economical, safe and environmental friendly.

The structure of the Group

The Group of Companies comprises 134 companies in 47 countries (Status as of end 2015), which are managed and coordinated by the Endress+Hauser Management AG with head office in Reinach/Switzerland.

The Endress+Hauser Product Centers pool the know-how in research, development, production, product marketing, quality assurance and logistics. The Endress+Hauser Sales Centers represent our company in the market and with customers all over the world. Together with freelance agents, they ensure the sales, marketing and service. Product Centers and Sales Centers are legally distinct units.



- Management AG with head office in Reinach (Switzerland)
- 26 Production sites in 12 countries
- Sales companies and representative offices in more than 125 countries
- Regional Sales Support Centers

Corporate culture, strategic, social and ethical framework

Orientation and Values

Vision, Mission, Spirit, Code of Conduct as well as the Strategy form the foundation of the trademark Endress+Hauser. The trademark values carry the corporate culture and help to achieve the strategic corporate objectives.

Our vision provides orientation

We are a successful family company. In laboratory and process automation, customers around the world trust our products, solutions and services to improve their processes, and thus their products, sustainably.

Our mission derives a mandate from our vision

We support our customers in improving their products and in manufacturing them even more efficiently.

Spirit of Endress+Hauser

The spirit of Endress+Hauser verbally embodies our company culture and determines how we think, act and present ourselves.

Key principles

- We serve our customers and learn from them
- We remain a family company
- We cultivate an atmosphere of trust
- Quality first
- Loyalty and corporate social responsibility are core values
- We communicate openly and in a constructive manner
- We learn from mistakes

People

- We are modest
- We live up to our convictions
- We never give up
- We work well together
- We are friendly to each other
- We put common interest before self-interest
- We encourage diversity

Leadership

- We lead by setting examples
- We challenge and support our employees
- We encourage individual development
- We cultivate team spirit
- We give recognition

Priorities

- Our work is important to our customers
- We behave ethically
- Evolution, not revolution
- Doing the same things the same way, and right from the beginning
- We solve problems at their source
- We trust people with responsibility
- Profit is the result of doing well and not the target

Code of Conduct

We adhere to all applicable laws and behave ethically. The Endress+Hauser Code of Conduct assists us in this. It describes what we are to do and not do. The rules defined apply to all employees.

- We respect the laws of countries in which we work and consider these laws to be the minimum standard
- We believe in a free and competition-based but socially responsible market economy
- We behave with integrity when dealing with customers, suppliers, distribution partners and official authorities
- We conduct our business in a fair manner
- We act professionally when conducting business transactions. We are vigilant to prevent misuse
- We comply with all export regulations and laws
- We support sustainable development and fulfill our responsibility towards customers, employees, shareholders, the company and our environment
- We respect the confidential character of personal information of employees, customers, suppliers and other business partners
- We handle company property with respect and care
- We avoid conflicts of interest wherever and whenever possible. We actively strive to resolve any detected conflicts of interest
- We apply the dual control principle. This means, we make sure two or more employees participate in business processes, or results of processes are checked by a second employee
- We protect the health and safety of people concerned with orders or other work related to us. We respect and try to help one another within the company. We are polite to each other, and we openly, responsibly and regularly inform each other.

Social and ethical aspects, „Responsible Supplier“

Endress+Hauser embraces its social and ethical responsibility and expresses this also in its dealings with customers. For instance the Endress+Hauser Product Centers are registered with SEDEX (Supplier Ethical Data Exchange) and are open for respective audits by independent bodies.

The Endress+Hauser Flowtec production sites in Reinach, Suzhou, Aurangabad and Itatiba have undergone a SMETA (SEDEX Members Ethical Trade Audit) four-pillar audit. The focus of the audit was:

- Labour Standards
- Health & Safety
- Additional elements of Entitlement to work, Subcontracting and homeworking, Environment (extended)
- Business Practices

Branding

The Vision is set, the Mission describes our task, the Spirit of Endress+Hauser defines our corporate culture, the Strategy and the Code of Conduct guide us.

The four Brand values Commitment, Excellence, Sustainability and Friendliness are the essence of all the above values.

Our brand values



Endress+Hauser Strategy 2020+

The strategies of the Endress+Hauser Group of companies and of the Endress+Hauser Flowtec are currently available in the Version 2020+. The strategy breaks the vision and mission down into various spheres of activity and levels, establishing firm objectives for the mid- and long-term development of the company. The core of Strategy 2020+ is made up of seven focal points.

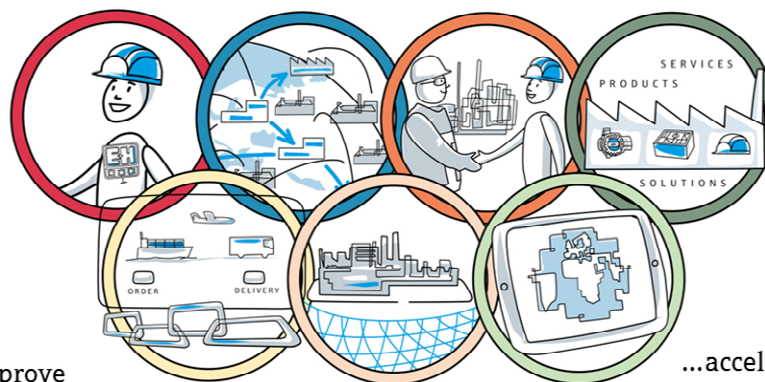
Our seven strategic focal points

Until 2020 we will...

...further develop our **employees**

...strengthen our international **network**

...deepen our **focus on seven industries**



...improve the alignment of our **portfolio**

...continuously improve our **order and delivery chain**

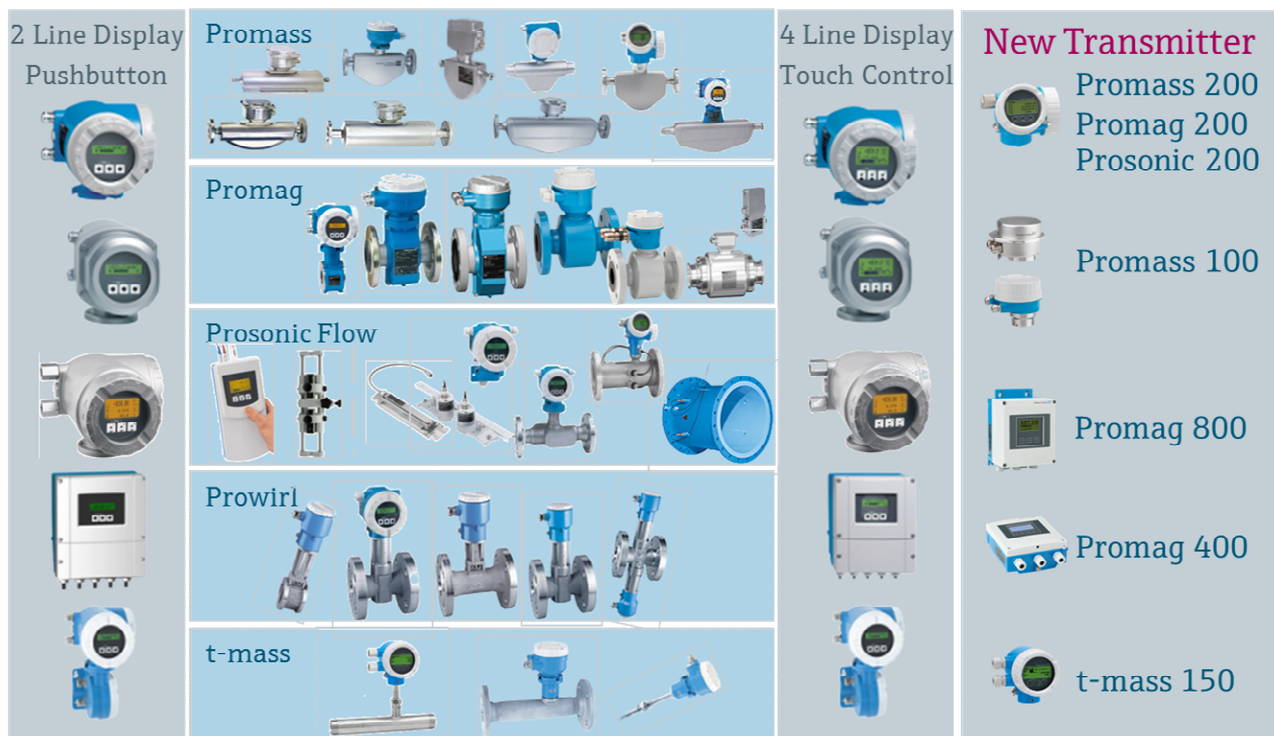
...accelerate the development of our **digital competence**

...take only manageable **risks**

Endress+Hauser Flowtec AG

At this point in time (as of July 2016), the Endress+Hauser Flowtec AG, including its Divisions, employ around 1790 personnel. The main field of activity is the development, production and calibration of flowmeters for liquids and gases with nominal diameters for the passage of 1 mm up to 2.4 m, as well as clamp-on measuring instruments (Ultrasound) that can be fixed outside on the pipe. The following measuring principles are applied:

- Electromagnetic for conductive, liquid media
- Vortex flow measurement (Vortex) for steam, gaseous and liquid media
- Coriolis Mass flow rate for liquid and gaseous media
- Ultrasound (incl. Clamp-On) for liquid and gaseous (Biogas) media
- Thermal measurements for gaseous media



The Endress+Hauser Flowtec AG consists of the company headquarters in Reinach with a Management system according to ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001, the plant in Cernay (France), which is subjected to the same Management system and which is also ISO 9001, ISO 14001 and OHSAS 18001 certified, as well as the plants in Aurangabad (India), Greenwood (USA), Suzhou (China) and Itatiba (Brazil), which all have their own certified Management systems according to ISO 9001, ISO 14001 and OHSAS 18001.

The production and calibration of Coriolis-, Ultrasound- as well as Marketing, Development, Sales, Service, Logistics/Procurement, Human Resource, Quality management and the Controlling and Financial Accounting are all located in Reinach.

The plant in Cernay produces and calibrates flowmeters according to the electromagnetic (MID), ultrasonic and Vortex principles.

The other Divisions produce and/or assemble and calibrate flowmeters for specific Sales Centers (SCs). Parts/Modules are either produced and purchased locally or as far as core components are concerned, are ordered from Reinach or Cernay.

Aurangabad delivers to the SCs: India, Singapore, Malaysia, Thailand, Australia and South Africa

Greenwood delivers to the SCs: USA, Canada, Argentina, and Mexico

Suzhou delivers to the SC: China incl. Hong Kong

Itatiba delivers to the SC: Brazil and Chile

Itatiba beliefert das SC: Brasilien und Chile

Head office: Reinach



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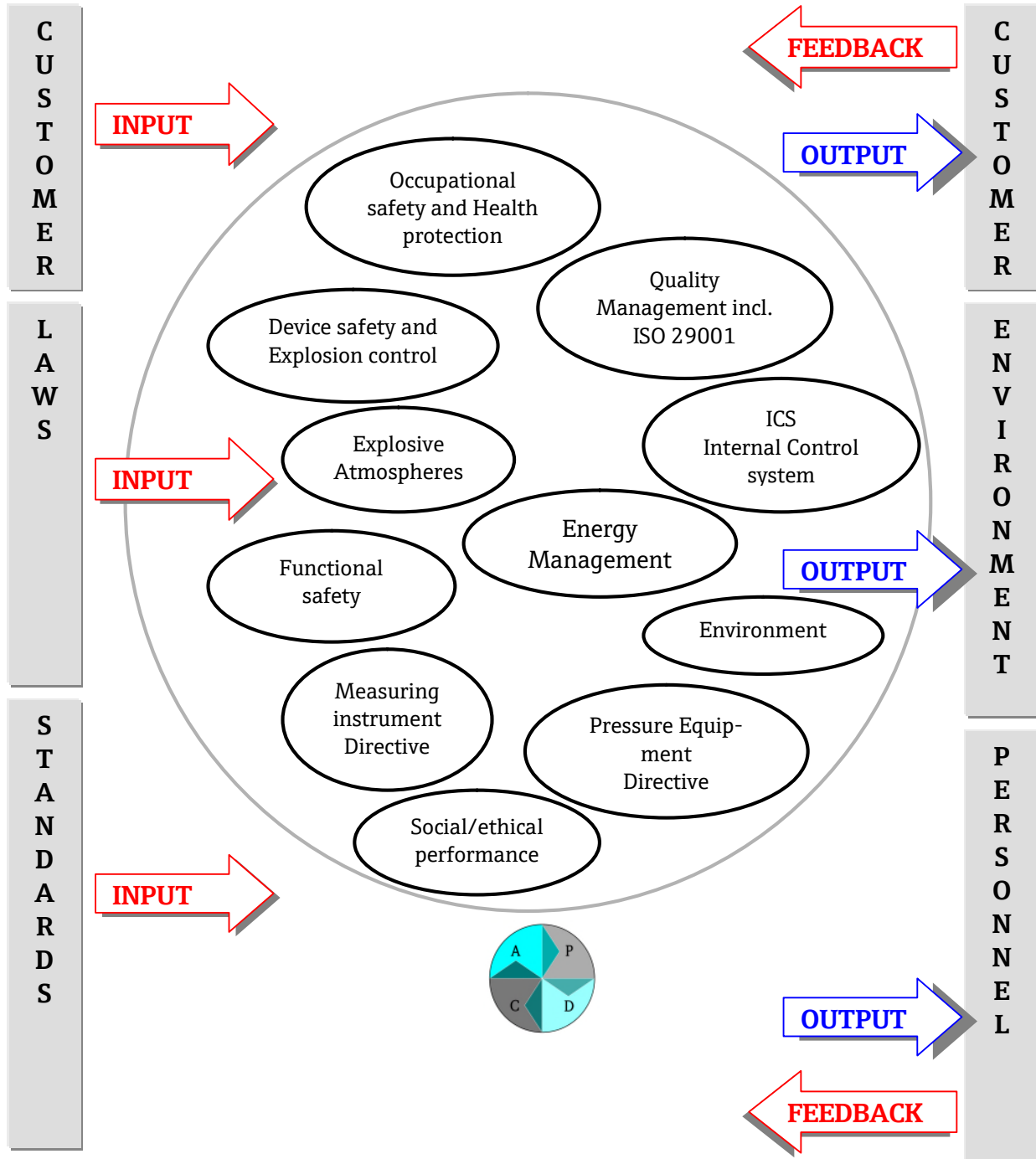
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Chapter 2: Referencing to other Management-Standards

The Management system of the Endress+Hauser Flowtec AG Reinach and of the Division Cernay integrates the following Systems:



Control loop of the CIP/
 P = Plan (Planning) / D= DO (Execution) / C = Check / A = Act (Standardization)

Process- and product-specific Laws, Standards and Directives

Laws, Standards and Directives that are relevant for the processes and products, are being observed and complied with throughout the entire process chain, from the development through the production, sales management and up until the service activities (e.g. Manual „Safety, Health and Environment“, Device safety, Explosion control and protection, Pressure Equipment Directive...).

The same applies for the regulations in certain industries (Pharmaceutical industry, Chemicals industry, processing industry, etc.). The respective requirements for the development process are found in the respective market and product specifications; as far as production processes are concerned, these requirements are defined in the form of relevant core instructions, work-, test instructions and regular training activities.

Repair and Service also have access to the relevant instructions and service information. The conformity with the European Standards and Directives is certified by EU-Conformity declarations and by the CE conformity mark for our products.

Reference to essential product-specific Laws, Standards and Directives:

AD 2000 HPO	General principles for the Design, Manufacture and the relevant Testing (AD 2000 Set of Standards)
IECEX 02	IECEX Certified Equipment Scheme covering equipment for use in explosive atmospheres; Rules of Procedure
ISO 3834-2:2006	Quality requirements for Welding
ISO/IEC 17025:2005	General requirements for the competency of Test- and Calibration laboratories
IEC 61508:2010	Functional safety
EHEDG/FDA/3-A	Hygiene regulations for food processing machines
IEC 61010-1:2010	Safety regulations for electrical measuring-, control-, regulating- and laboratory equipment; Part 1: General Requirements
ISO 29001:2010	Supplement to ISO 9001:2008 – Petroleum, petrochemical and natural gas industry
ISO/IEC 80079-34:2011	Explosion-prone Zones – Application of Quality management systems for the manufacture of devices
Directive 2011/65/EU	RoHs (voluntary commitment for new developments)
Directive 2014/30/EU	Directive for the electromagnetic compatibility
Directive 2014/32/EU	Directive for measuring devices (Measuring Devices Directive)
Directive 2014/35/EU	Directive for electrical operating resources for use within specific voltage limits (Low-voltage directive)
Directive 2014/34/EU	Directive for devices and protection systems for the normal use in explosion-prone zones (ATEX-Directive)
Directive 2014/68/EU	Directive for pressure devices (Pressure Device Directive)
Social/ethical performance	SMETA-4-pillar-Audit

The Management system of Reinach and Cernay also implements the requirements of the Directive 2014/68/EU, Module H, „Pressure Devices Directive“; Directive 2014/32/EU, „Measuring Device Directive“; ISO/IEC 80079-34:2011, „Explosion prone Zones – Application of Quality Management Systems for the manufacture of devices“, AD 2000 HP 0, „General principles for the Design, Manufacture and related Testing“ as well as ISO 3834-2:2006

„Quality requirements for Welding“. Both Divisions are audited and certified by independent bodies. Therefore, the Management system also complies with the requirements of these Directives or Standards and Sets of Standards.

Both Divisions also comply with the requirements of the ISO/IEC 17025:2005 „General requirements for the competency of Test- and Calibration laboratories and therefore have the SAS (Swiss Accreditation Service) to operate as Calibration laboratory for Flow rates.

Some Standards and Directives state the requirement that the respective laboratories (e.g. Notified Body according to the DGRL) must be informed about major changes in the QM-System and possibly also in production processes. The respective details for this are defined in the QM-System, where applicable.

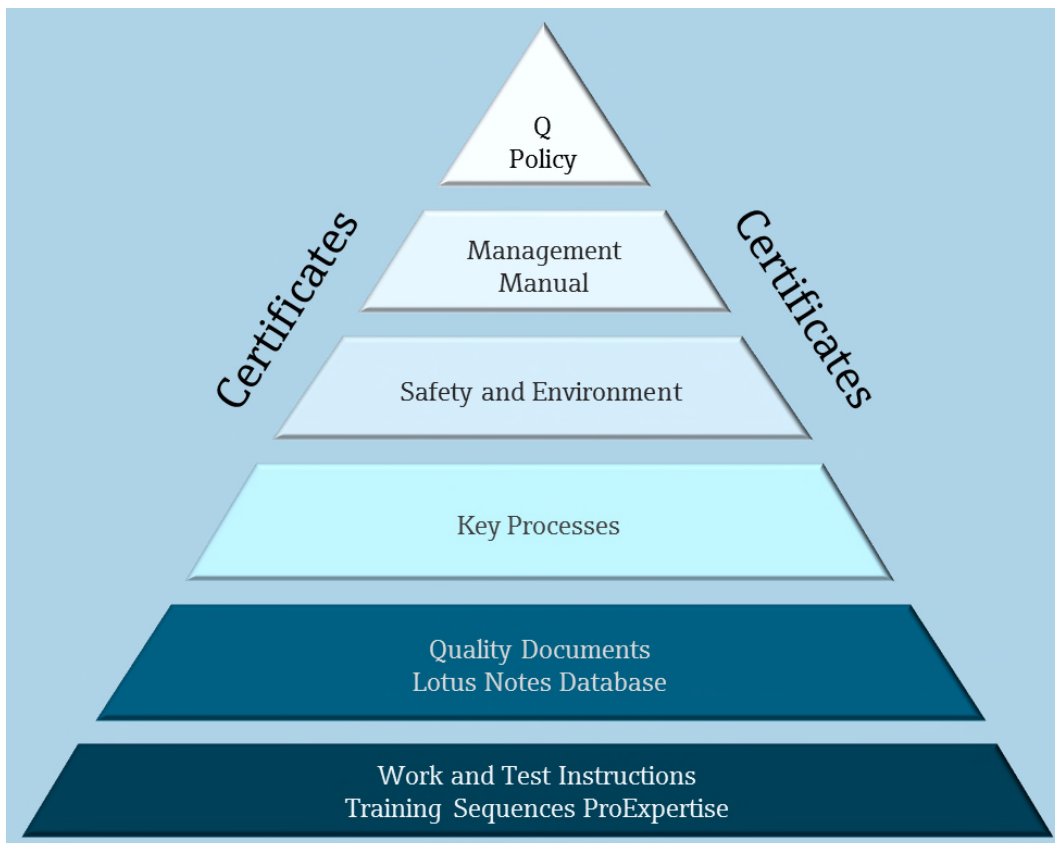
Chapter 3: Terms

We apply the terms that are used in the fundamental Standards. All other, not self-explanatory terms or abbreviations, will be explained directly in the text where they first appear.

Chapter 4: Management system and Documentation

Management system; Overview

The Management system comprises the following Systems:



Documentation

Management-Manual

The Management-Manual represents the top level of the documentation of the Management system. It provides a general overview of the scope of application, organization, strategy, policy and processes.

The respective valid version is available in the Endress+Hauser-wide Network ENGINE. Only this stored version of the Manual is valid. Versions on paper and printed copies are for information only, as they are not subject to the Updating Service. Customers can directly download the respective valid version in the Internet under www.endress.com.

The revision status of a page or a chapter is stated with date in the Footer. The electronic version of the Manual always serves as reference. There are also versions in other languages, e.g. French or English, such versions are only for information and not undersigned.

The second level of the management system is the processes in DHC Vision, which are published on the Flowtec-Intranet. These processes are not undersigned but valid and binding by their publishing in DHC Vision by the Quality Manager. If not otherwise stipulated, there is no need to examine a Quality document by a from the author independent person.

Manual Safety, Health and Environment

The Manual Safety, Health and Environment is a co-applicable document and is also published on the ENGINE. The rules and regulations as defined above apply here as well.

The printed version of the Management-Manual and the Manual Safety, Health and Environment can be handed out to customers and other stakeholders.

Manual Internal Control System (ICS)

The ICS is part of the entire Risk management. It is defined as a system for the practical and assured achievement of corporate goals and objectives in the divisions „Processes“; „Information“; „Asset protection“ and „Compliance“. The ICS contains all commonly ordered organizational methods and activities in this regard by the Top Management.

Objectives of the ICS

The ICS is meant to

- improve the Risk management through better transparency and to contribute towards the utilization of opportunities and towards the risk reduction or –prevention respectively,
- be formulated with the benefits and expenses in mind and it should be linked as best as possible to existing processes and certifications, as well as
- ensure the reliability of the financial reporting and the compliance with relevant laws and provisions in this respect.

For this reason

- the major risks for the E+H – Group and for the Flowtec are analyzed and evaluated in a Top-Down-Approach,
- the ICS has been introduced for the major risks and their relevant processes and, if necessary, improvements are being introduced,
- drawn conclusions from the ICS should be incorporated in the continuous improvement of the business processes.

Other applicable documents are the Manual Internal Control System (ICS) of the Group of Companies and the ICS-Manual of the Flowtec.

Process descriptions

The respective valid descriptions of the core- and other important processes are also available on the Endress+Hauser Network ENGINE. They represent the business processes of the Endress+Hauser Flowtec AG and therefore contain Group-specific know-how. Process descriptions can be viewed in our company only with a good reason. The handing out of a printed copy of a Process description requires the prior approval of the Division Manager Quality Management.

Paper versions and printed copies of Process descriptions in the ENGINE are for information only and are not subject to the Updating Service.

A process and the belonging stored documents become valid and binding with the entry and publication in the Process Database; other releases are not required.

Flowtec Guidelines

Flowtec Guidelines are issued and controlled centrally by the Flowtec Reinach; a decentralized change is not authorized.

Core instructions

Core instructions are division-wide documents, which are created centrally, e.g. as part of a development project. Core instructions contain product- and process parameters, work- and test steps, acceptance criteria, etc., but they do not contain details about the implementation and execution, operating resources, etc. They are the foundation for the generation of Division-specific Work- and Test instructions.

Work- and Test instructions as well as regular Training sessions

Work- and test instructions as well as regular Training sessions are detailed descriptions of procedures for a work- or test station or for a work- or test process. Test instructions and regular Training sessions need not be provided in the form of a process description. This is a provision made to safeguard existing standards. Work- and Test instructions as well as regular Training sessions can be defined individually by the Divisions (e.g. deduced from a core instruction).

The Checklists, Templates, Forms etc....that are necessary for carrying out a process and/or for the process documentation or its verification can be downloaded to a large extent directly from the respective Processes. They are subject to a Version update. In order to always guarantee the latest version, the respective Checklists, Templates or Forms should be downloaded immediately prior to their use.

Delivery instructions

Delivery instructions contain production- and quality details and they regulate quality-assuring activities at the interface between the Endress+Hauser Flowtec AG and the Supplier with the aim to guarantee the quality and reliability of the procured products. It is also possible to define instructions pertaining to the environment and the occupational safety in the Delivery instructions.

As far as Ex-Parts are concerned, routine check tests can be agreed with the Supplier, which commit him to a 100%-routine check test of certain characteristics and their verification.

Management Process Organization

The K-Circle (Top Management, Division Managers, Managing Directors of the Divisions) of the Endress+Hauser Flowtec AG have defined a „Management Process Organization“ with the following contents:

- Main Business Processes + SUP Tasks (SUP = Strategic-Implementation-Process)
- Key Performance Indicators
- Strategy Work/ Business Planning
- Operative Management – Networking
- Operative Management – Projects, Project teams

Every „Main Business Process“ is accompanied by a SUP-Team. The SUP-Teams are tasked to monitor these processes, to prioritize operative tasks in these processes and to optimize the processes.

Every SUP-Team is supported and looked after by a member of the Top Management. The SUP-Teams also ensure that the corporate strategy and –objectives are observed and supported in these processes. The operative target-setting and implementation takes place in the various departments.

Main business processes and SUP-Teams

- | | |
|---|-------|
| ▪ Strategy development | SUP 0 |
| ▪ Innovation process | SUP 1 |
| ▪ „Human Resources“, Personnel and Culture | SUP 2 |
| ▪ Realization processes I (Reinach, Cernay) and II (plus other Divisions) | SUP 3 |
| ▪ Information Management | SUP 4 |
| ▪ Sales Support/Service Support | SUP 5 |

Strategy, Strategy- and Business planning, Goal setting

In order to execute superior plannings and goal setting, regular meetings are being convened, which are attended by the entire Top Management, the Division Managers and the Managing Directors of the Divisions. These meetings are:

Strategy Meeting:

In March

Working out, discussing and review of the strategy and functional strategies, regular analyses of the strengths and weaknesses, comparison and discussion of the strategy of the main competitors.

Strategy Review Meeting:

In June, July

Review and decision-making of the functional strategies,

Review of the status of the strategic activities: Barriers, Loopholes, Coordination problems,

Influence of the strategy of the main competitors on our strategic activities,

Review/Input for the operative planning, new product planning for the next year, and Regional planning for the next year.

Networking Meeting:

In October

Coordination of the targets and projects of all departments and divisions, planning for the Budget process,

Adoption/Introduction of strategic activities in the operative planning,

Presentation of the medium-term project planning, review of the regional planning, and possible corrective interventions.

SIP 3 Planning Workshop:

In September

In preparation for the Networking Meeting and the Budget planning, the SIP 3 Planning Workshop is convened in September with the attendance of the Production Managers of all Divisions under the leadership of the Operations Manager. Other participants are T, CI, FE, TI, QM/TQ.

Operative Management meetings:

Operative Management meetings are being held monthly. They are

K(Cadre) – Meeting Top Management, Division Managers, Division Managers (video conf.)

M – Meeting Director Marketing, Division Manager Main division M

O – Meeting Director Operations, Division Managers and other participants from O and T

T – Meeting-Leadership Director Technology, Division Managers and other participants from T, M and O

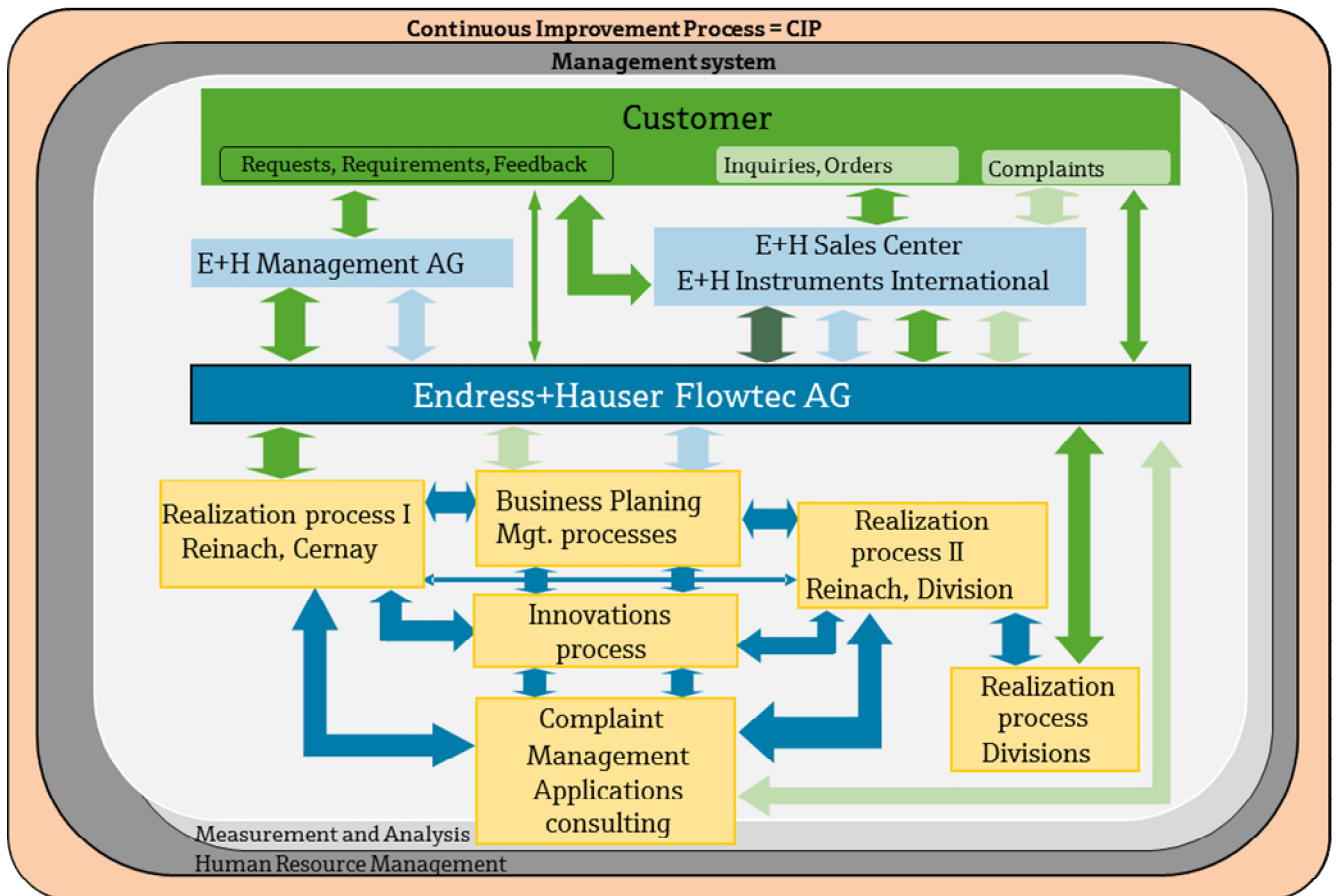
In order to convey important information directly to the Management, the Top Management convenes so-called GK-Meetings in irregular intervals and as and when necessary, and invites all Managers to this meeting. These GK-Meetings ensure the direct information and discussion of the Top Management with all Managers.

Flow-Markets:

Normally once in a quarter there is a „Flow-Market“ to which all employees are invited. During these markets there is information from the managing, person celebration of jubilees and always also a get-together or another social program.

Process model

The illustration below provides an overview of the core processes of the Endress+Hauser Flowtec AG. These processes are particularly important for the achievement and improvement of the customer satisfaction and the success of the company. It also explains the specific structure of the group of companies, which significantly influences the communication with the customers. This structure essentially ensures the direct contact with customers via the Sales Centers (SCs) (Customer ↔ SC ↔ PC ↔ SC ⇒ Customer).



Chapter 5: Management Responsibility

The Top Management is responsible for working out, determining and implementing the corporate goals. These goals are reflected, for example, in the strategy, quality-, environment-, occupational safety policies as well as in other codes of conduct of the Endress+Hauser Flowtec AG. They are based, among others, on the targets and goals of the E+H-Group and on the results of Management evaluations.

The Top Management is responsible to ensure that the company’s targets and policies, as well as the meaning of fulfilling customer requests and –requirements, the relevant laws and standards are known and understood in all departments/divisions and on all levels. The goals of the individual organizational units are derived from the corporate goals and are agreed upon with the units.

The Top Management ensures that the Management system is planned, introduced and practiced in such a way, that the predefined targets are achieved. In order to achieve and safeguard this, the Top Management also conducts Management evaluations. It also ensures the compliance with all relevant and applicable laws, standards and directives, as well as the requirements that are derived therefrom.

The Managing Director is primarily responsible for the safety, the healthcare and the environment protection. He signs the declarations of conformity for our flowmeters, the declarations of conformity for production resources that are built by us and the safety declarations concerning our company.

The Managing Director appoints a Safety officer, an Environment officer and an Energy officer, who are responsible to ensure that the tasks as mentioned in the Manual Safety, Healthcare and Environment are observed and that rules and regulations are being adhered to. Chapter 5: Management Responsibility

Quality assurance representative of the Top Management

The Managing Director is the representative of the Top Management according to the ISO 9001. He has delegated specific tasks to the Division Manager Quality Management.

ICS-Coordinator

The ICS-Coordinator for the Endress+Hauser Flowtec AG incl. the affiliated divisions and subsidiaries is the Director Controlling.

Safety officer

The Managing Director appoints a Safety officer , who is answerable to him and responsible for ensuring that the tasks as mentioned in the Manual Safety, Healthcare and Environment are observed and that laws, rules and regulations are being adhered to.

The Managing Director is obligated to create the conditions for the Safety officer to perform to his full potential and that he has access to all hierarchical levels. The Safety officer is a graduated Safety engineer. In his line of duty, the Safety officer is responsible for the employees with specific tasks concerning the occupational safety and health and for calling the company doctors and company hygienists.

Environment officer

The Managing Director appoints an Environment officer, who is answerable to him and responsible for ensuring that the tasks as mentioned in the Manual Safety, Healthcare and Environment are observed and that laws, rules and regulations are being adhered to.

The Managing Director is obligated to create the conditions for the Environment officer to perform to his full potential and that he has access to all hierarchical levels.

Energy commissioner

The Chief Operating Officer appoints an energy commissioner who can assure him that the tasks relating to energy mentioned in the manual on safety, health and the environment receive attention and those laws, directives and regulations are observed.

The Chief Operating Officer must create the necessary conditions for the energy commissioner that allow him to attend to the function to the full extent and have access to all hierarchical levels.

Test supervision

Test supervision ensures that non-destructive tests are conducted in compliance with relevant standards.

Welding supervision

The welding supervising staff must have the relevant general, technical and welding engineering skills required to carry out their work.

In addition, it is incumbent on the welding supervising staff to coordinate manufacturing processes for all welding engineering activities and activities related to welding.

Commission for Safety, Healthcare and the Environment (KSGU)

With the creation of the Commission Safety, Healthcare and the Environment, the Managing Director ensures the participation of the employees in matters concerning the safety, healthcare and the environment. One of the tasks of the commission is the discussion of new findings in the areas of safety, healthcare and the environment protection.

The Safety officer prepares the minutes of the meeting of the KSGU, which are co-signed by the Managing Director and the Environment officer.

Note

For more details and definitions, we refer to the also applicable Manual Safety, Healthcare and the Environment.

Management policy of the Endress+Hauser Flowtec AG

The Endress + Hauser Flowtec AG have made the conscious decision not to formulate a fully integrated Management policy. In our opinion, this allows for more precise, target-oriented formulations and accounts, facilitates the understanding for co-workers and customers, allows for faster and more flexible changes and has, in our view, no disadvantages whatsoever, except maybe a philosophical disadvantage.

Quality = Customer satisfaction

We want satisfied and loyal Customers

This is why we define Quality as Customer satisfaction and we focus on the generation of excellent customer value. We use the satisfaction to achieve loyalty and to retain our customers. This philosophy must be in the center of our mindset and our actions. With everything we do, we must also consider the viewpoint of the customer. The question must always be: Does it serve or benefit the customer, what we do or what we plan, or do we only keep ourselves occupied? Customer orientation is a focal point of our self-image.

We seek Zero-Defects in products and services

This is an absolute prerequisite for customer satisfaction and –loyalty. Every defect has an adverse effect on the customer, disturbs his routine operations and can have severe or even immeasurable consequences. Every defect costs our customers time and money, causes trouble and eventually dissatisfaction. Over time, dissatisfied customers become disloyal and take their business somewhere else. Every customer that we lose weakens us and strengthens our competitors. It is extremely difficult to get back lost customers.

Zero-Defects can only be achieved if the entire lifecycle is taken into consideration and is aligned accordingly, starting with the market analysis and product definition, through the development, manufacture and finally to sales and dispatch, i.e. every employee has to play a role in this.

We want to achieve Operational Excellence

We apply the “LEAN-Culture” in our company, to strengthen the focus on “Operational Excellence” and to ultimately optimize the quality and flexibility of the products and the business processes. With our continuous improvement, we systematically recognize and remove wastage, i.e. non-value-added activities and processes. CIP/KAIZEN is our basic modus operandi. We introduce the „LEAN-Culture“ also to our main suppliers.

We manufacture products and provide services that make us proud

We develop, produce and sell products and services, which offer an excellent benefit to our customers and which, due to their Zero-Defect-Quality, have a major impact on the customer loyalty. This is why we are proud of what we do. It also means that the customer only receives the products and services, if we are convinced that they meet the customer’s requirements, are faultless and of the expected quality.

We want to establish a Defect culture that also sees defects as a learning experience and a chance to improve

Everybody makes mistakes; mistakes must be corrected and a positive learning experience must be gained from them. In our corporate culture, we do not reprimand a person because of a mistake; but: Mistakes should not be repeated. Concealing a mistake is forbidden! Mistakes must be exposed and eliminated and this is everybody’s own responsibility. Potential defects must be searched, identified and repaired preventively. We have appropriate processes and systems in place to do this.

If a customer complains because of a defect, the restoration of the customer satisfaction has top priority. Complaints, like mistakes, are chances for us to improve ourselves and to better understand the customer.

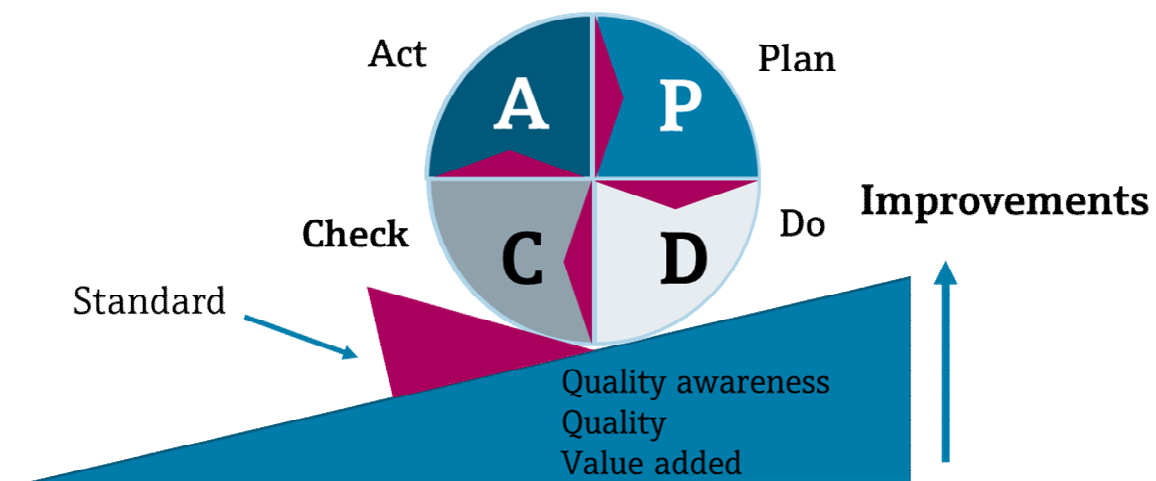
If it is not possible to restore the customer satisfaction, despite all efforts, we should take it as „Lessons learned“ and make it our essential mission to find the causes and to analyze them. We must then deduce improvements for our future handling and actions.

We are reliable

We keep to our word. This applies within the company and, more so, towards our customers. Internally, we ensure smooth operations by working closely with our colleagues. What I pass on is in perfect condition and arrives on time. We pass on information responsibly, correctly and on time. This applies all the more towards the outside and to the customer.

I AM responsible for Quality and continuous improvement

I – not all the others – am responsible for quality, continuous improvement and customer satisfaction. We must constantly improve ourselves, our processes and our management system; this, too, is MY responsibility. What is good enough today, may be inadequate tomorrow. We must not rest on our laurels, if we want to keep satisfied and loyal customers on a longtime basis. This is why CIP, the „continuous Improvement process“, plays such a pivotal role in our understanding of quality, determines our daily activities and secures our progress.



Safety, Health and Environment

Guiding principle Safety and Health

The know-how of our staff is our greatest asset. Their safety, health and well-being is very important to us.

Occupational safety protection policy, health protection policy, environment protection policy and energy policy

Active occupational safety protection, health protection and environment protection as well as the use of energy is a key issue in our company. Because we feel responsible for our employees, customers and the general public, we have in place a preventive occupational safety protection, health protection and environment protection system and we do not merely react on legal regulations. We are committed to comply with the legal provisions and further requirements received as well as to continuously improve our performances in regard to occupational safety protection, health protection and environment protection. To achieve our objectives, we are making the necessary information and resources available. We adhere to environmental regulations and even take this a step further, if it is economically reasonable. We expect a similar conduct also from our suppliers. We maintain an open dialogue with public authorities and the interested general public.

All employees are self-responsible for their engagement in matters concerning the occupational safety protection, health protection and environment protection. All Management levels support the respective responsibility of the employees. We encourage the awareness for occupational safety protection, health protection and environment protection through education, training and information. We review our engagement in occupational safety protection, health protection and environment protection regularly and we implement improvement measures, if necessary.

We provide safe and ergonomic work stations and –resources. We avoid unnecessary risks and we take every action to prevent work accidents.

We are committed to consider the environment protection during the development and manufacture of our products. Our products help to protect the environment in the conventional environment protection technologies (e.g. waste water systems, energy optimization).

During planning, replacement and new acquisition of purchases and services, we take account of safety at work, environmental and, in particular, energy-related criteria, and prefer energy-efficient solutions provided that these are economically sustainable.

We prevent operational and incident-related emissions as far as possible. By using appropriate methods, rules and suitable technologies, we look after resources and reduce emissions and their adverse effects.

Objectives of occupational safety and the environment

Our objective is the creation of accident-free business activities (non-occupational accidents with absenteeism) and to improve the accident rate of non-work-related accidents and the improvement of the key figures concerning absenteeism due to occupational accidents, non-occupational accidents and illness. We want to achieve this through education and training in the occupational safety and healthcare, by eliminating hazards and by sensitizing the employees in the investigation of hazards and accidents.

Another objective is the reduction of the environmental pollution relative to the earned turnover:
Energy consumption, Water consumption, Emissions and Waste.

The relative energy consumption at the Reinach site should be continuously reduced. The energy performance key indicators should therefore be improved annually in comparison to the energy baseline.

Manual Safety, Healthcare and the Environment/Energy Endress+Hauser Flowtec AG, Location Reinach

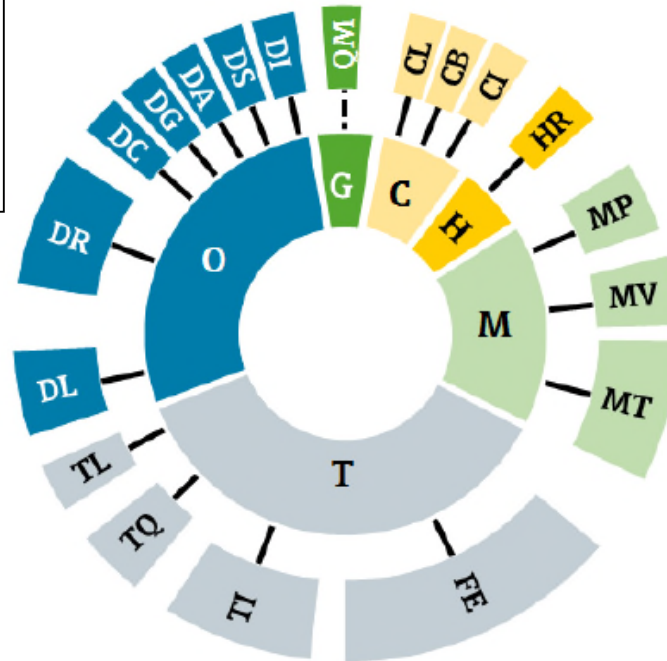


- 1. General**
- 2. Responsibilities and Organizational matters**
- 3. Processes concerning the Safety, Healthcare and the Environment protection**
- 4. Information security**
- 5. Emergency organization, Crisis management**
- 6. Education, Training, Information and Programs offered**
- 7. Hazard removal, Audits**
- 8. Accident-/Incident- and Absenteeism management**
- 9. Pollution-, Energy-, Waste- and Waste disposal management**
- 10. Administrative matters, Memberships**

Organization charts

Organization chart of the Endress+Hauser Flowtec AG, Reinach

DRC	Coriolis 1
DRE	Electronics production
DRK	Made-to-Order production
DRM	Coriolis 2
DRO	Order Center
DR-S	Safety
DR-Q	Quality assurance



Freigabe: 01.05.2015 - G/B.-J. Schäfer

Public

TDS

Endress+Hauser 
People for Process Automation

G Managing Director
QM Quality Management

C Management Controlling

CL Facility Services
CB Corporate- & Finance management
CI Informatics

H Human Resource Management

HR Human Resource Management

M Marketing Management

MP Projects, Solutions & Sales Operations
MV Sales & Business Development
MT Product management

T Technology Management

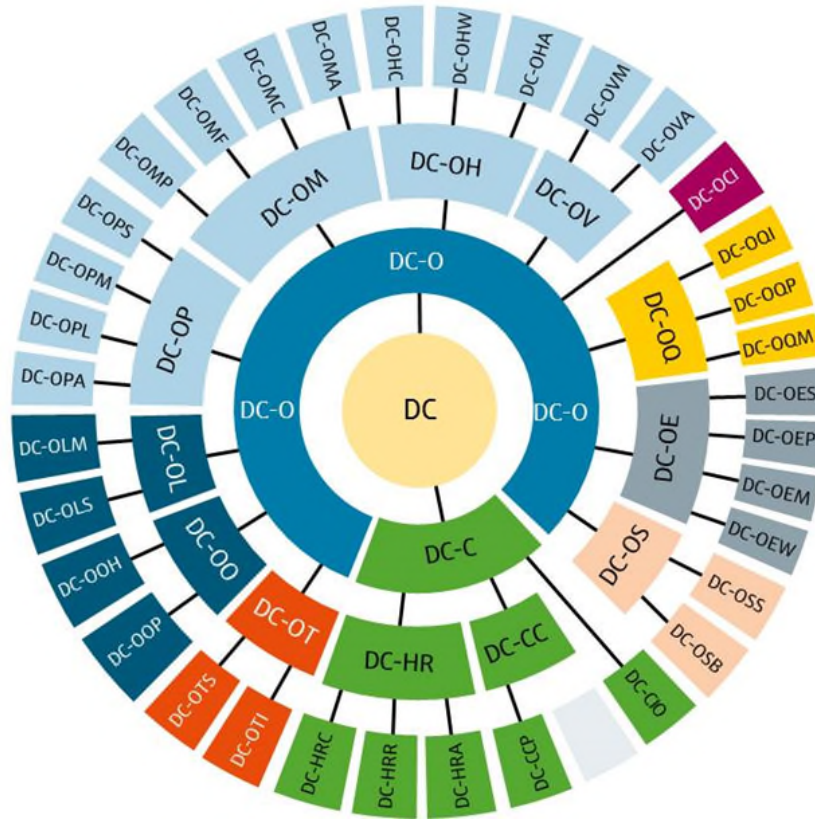
FE Research & Development
TI Industrial Engineering
TQ Quality management Reinach

TDS TrueDyne Sensors

O Operations Management

DL Division Logistics & Purchasing
DR Division Reinach
DC Division Cernay
DG Division Greenwood
DA Division Aurangabad
DS Division Suzhou
DI Division Itatiba

Organization chart of the Endress+Hauser Flowtec AG, Cernay



DC Management Cernay

DC-O Operation

- DC-OT Special Products
- DC-OS Safety + Facility Service
- DC-OP Pre-Production
- DC-OM Promag W/P/S/L/D Production
- DC-OH Promag H Production
- DC-OV Vortex Production
- DC-OQ Quality
- DC-OE Industrial Engineering
- DC-OL Logistics
- DC-OO Order Centre
- DC-OT Special Products (TSP)
- DC-OS Safety + Facility Services
- DC-OCI Customer Inspection

DC-C Controlling

- DC-HR HR Management
- DC-CC Controlling department

Chapter 6: Continuous Improvement process (CIP)

The continuous improvement process is an important part of the Flowtec-Culture, it is a main component of our operative business. At Flowtec, the continuous improvement process is called „CIP“.

We have reinforced this culture since 2004 and we have made CIP a part of our daily actions. The Managing Director and the entire Management have expressed their intention to establish CIP in the company and to commit the Managers and Staff to make the continuous improvement an integral part of our activities and actions at Flowtec.

It is our objective that every employee is responsible to actively eliminate any form of wastage (MUDA) and to set his mind to improvement. Active engagement means that the employee implements or conducts the improvement on his own, whenever this is possible

CIP is also used to improve the occupational safety, the environment protection, the energy consumption, the ergonomics, etc.

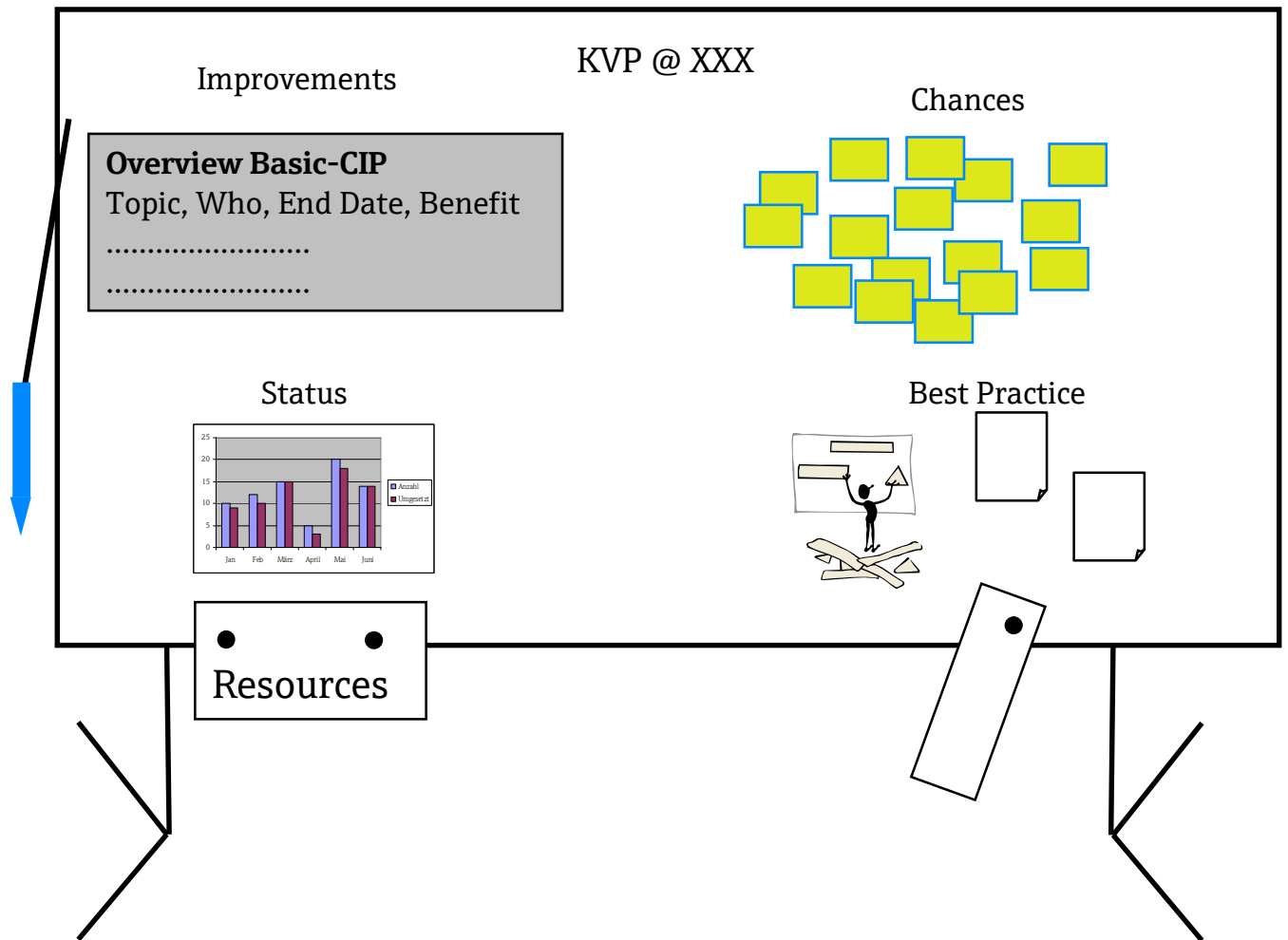
CIP-Goals are corporate goals and as such, are firmly established in the Balanced Score Card.

Basic-CIP

Every employee does this on his own at his workplace or in his working environment. He can ask colleagues to assist with the implementation. To see, to realize an improvement also means the immediate elimination, or at least to initiate the elimination. Basic-CIP also means that even the tiniest improvement is worth to be analyzed, to be noticed and to be implemented. There is no down-line limit, improvement is always worthwhile. In our opinion, this is the only approach to achieve a widely supported CIP-Culture that everybody practices. The same cannot be achieved with improvements only on a “large-scale”.

Basic – CIP - Table

The concept of the Basic-CIP-Tables was introduced for the purpose of creating a fast, simple, yet effective control-, information- and visualization system, which can be easily incorporated in the department, in meetings, etc. The use of the CIP-Tables is not binding and there are departments, which control THEIR CIP on Databases, etc. We expect, however, a minimum visualization, which outlines the points Status, i.e. Target-ACTUAL-Portrayal, as well as an overview of implemented or pending suggestions.



Chapter 7: Personnel, Resource Management

Provision of resources

The Management provides the necessary resources as part of the strategic corporate planning, to achieve the goals as defined in the Strategy and Policy. The necessary resources comprise adequately qualified personnel, advanced training opportunities and the necessary technical equipment. As part of its executive function, the Top Management creates the conditions for a functional Management system, its upkeep and continuous improvement.

Qualification, Awareness and Training

The qualification of our staff is achieved job-oriented and is furthered and constantly developed through selective internal and external education- and career development programs. The basis for the systematic recording, planning and execution are performance reviews as well as technological, organizational and functional job requirements for the staff qualification. During the familiarization period, new staff members receive optimum on-the-job training, which is planned, coordinated and ensured by the respective Superior in charge. New staff member attend an Introduction seminar, where they are familiarized with the company, its culture and structure. In these Introduction seminars, as well as in subsequent training sessions, the Quality-, the Environment-, the Energy management and the Safety officer assume the following tasks:

- To create and to continuously improve a Customer-, Quality-, Environment- and Safety awareness
- To instill and expand the responsibility of all staff for Quality, Environment and Safety
- To impart the Management system and its duty.

Infrastructure

The type and extent of the infrastructure, equipment, tools, Hard- and Software, support services, etc., that are necessary to ensure the optimum progress of processes, faultless and accident-free, as well as environmentally sound performances, are defined during the budgeting process. The basis for this is, among others, the results of the Management review and the Process Key Indicators. The infrastructure is provided on time and is adjusted to changing situations, if necessary.

Work environment

We provide the respective work environment that is needed for the achievement of the product- and customer requirements. We also comply with all legal, safety-related and environmental laws, requirements and directives. Likewise and as part of our continuous improvement, we constantly review and improve the work environment as well as safety-related and environmental issues. If there is a need for special work- and environmental conditions (e.g. clean rooms, ESD-safe Zones....), they will be established and monitored.

Personnel

We want motivated and dedicated employees, who are able to do their jobs more or less independently and who are creative. For this, we involve the staff in our decision-making in an appropriate manner and according to their level of qualification and we communicate information voluntarily and responsibly.

The places where this information can be obtained are, for instance, the Division- and Department Info-Talks, Flow-Markets, to which all employees are invited, GK-Meetings, which involves all managerial staff, as well as the „Fireside chats“, to which the Top Management invites all managers to report about the past and the new financial year, to hold discussions and to work out ideas and solutions about important corporate topics in Workshops.

Personnel Healthcare

Prevention of occupational accidents

The company does everything in its power to provide its staff an accident-free and non-hazardous work environment. The Managing Director has appointed a Safety officer for this purpose, who is tasked with recognizing any potential risks, who evaluates such risks and who takes the necessary action together with the managers and the staff. Relevant training is mandatory. More details are described in the Manual Safety, Healthcare and the Environment.

Healthcare and the prevention of non-work-related accidents

The prevention of non-work-related accidents during free time and at home, as well as the general well-being of our staff is just as important as the prevention of occupational accidents.

For this reason, the Flowtec engages in special training and exercises at the workplace, which the staff can perform during their working time and which were developed and taught by external professionals. The company has also purchased the relevant exercise equipment, which is available to the staff.

We also offer training sessions and programs to help prevent free time- and domestic accidents.

For social or psychological problems at the workplace or in the private environment, the employee is entitled to visit a social counseling anonymously and during working hours; the company pays for such visits.

The efficacy of these activities is reviewed in the reports from the Safety officer and changes or corrections are being made as and when necessary, in order to improve the efficiency.

Employee satisfaction

The job satisfaction of our employees is extremely important to us. This is why we conduct an employee survey every 2 years, during which employees can comment on important topics in this matter. From 2013 this employee satisfaction survey will be performed by an external organization.

The result of this employee survey is presented in the Cadre-Meeting and also on Division- and Department-level, as well as in a GK-Meeting. Any necessary corrective action is deduced from this survey and is implemented based on the hierarchy level. This is supported and implemented by the Human Resource department. We make a comparison with other companies through our respective external contacts.

Messenger-Team

Since 2004, the Flowtec has a Messenger-Team, in which every department should be represented by at least one personnel. The Messenger-Team has assigned itself the following tasks:

- Contact point of employees to the Credo
- Assurance of the Feedback-Loop between Employees and Top Management
- Trend indicator of the employees for the Top Management

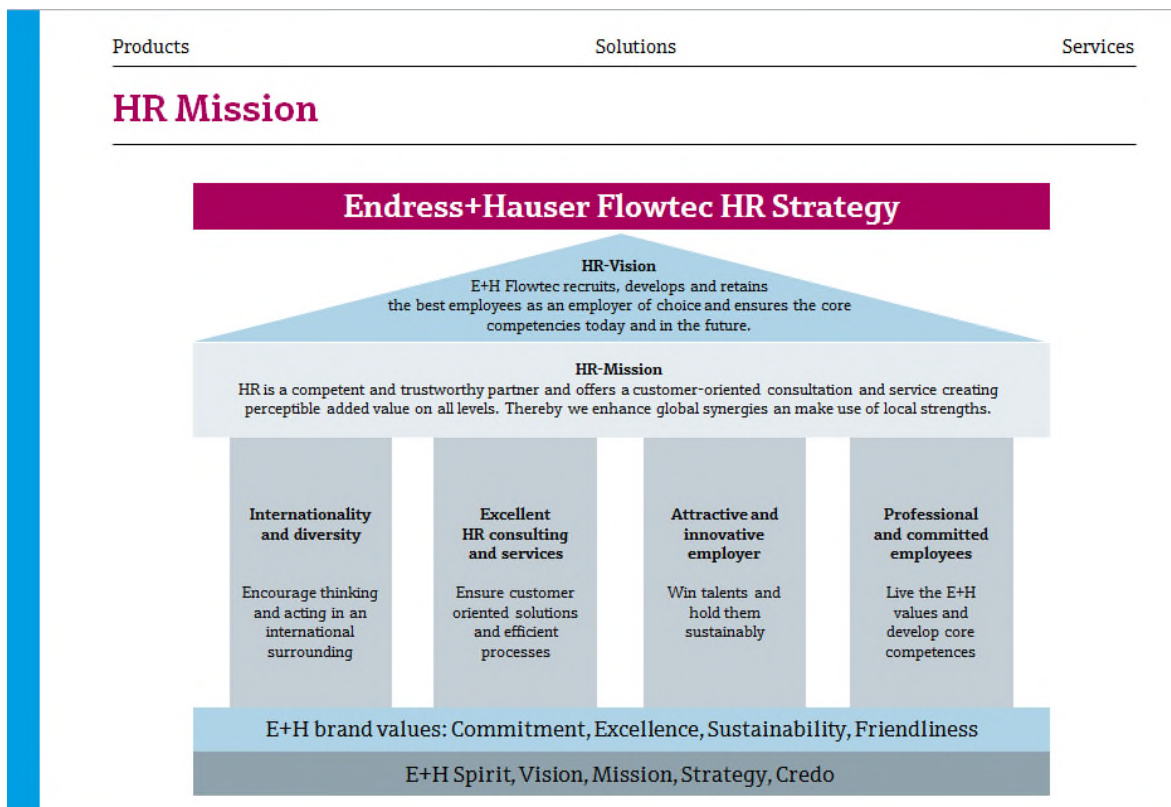
Every employee can make confidential contact with the Messenger-Team at any time via Mail, in-house Mailing service, by phone and personally. The Messenger-Team can approach the Top Management at any time.

Top-Down feedback and Development discussion

Other activities to further develop and motivate our staff are a structured top-down feedback, where the manager and the employee explore a target agreement of the personal performance targets and the determination of a suitable job location by means of a Checklist that was prepared by the entire management with the assistance of external coaches. The target achievement is determined during the next top-down feedback.

In order to conduct the top-down feedback level-conform, the checklist is available in different versions for employees, engineering specialists and managerial staff.

A top-down feedback – development discussion is conducted for the purpose of discussing meaningful and necessary personal or professional career development opportunities with the employee.



Slide 4

Chapter 8: Product realization

General

As examples for core processes, we would like to focus in this document on the Innovation process and the Realization process because they are very essential processes.

Innovation process

The objective of the Innovation process is the development of marketable and environment-friendly products under the following premises and boundary conditions:

- To demonstrate recognizable and relevant quality characteristics for the customer
- Support for the achievement of the best solution in regard to
 - Quality
 - Time
 - Costs
 - Offer compliance with safety-, environmental-, energy and other relevant laws, regulations and directives
 - Product ecology (Manufacture, Transport, Utilization by the customer, Disposal)
- To make the project flow as efficient and smooth running as possible
- To deliver characteristic variables
- To detect risks, to evaluate and eliminate or to communicate these risks
- To encourage the Project manager and the –team to entrepreneurial thinking and dedicated action
- To create the necessary design flexibility

In all this, it is absolutely necessary to adhere to the requirements as laid down in the Manual Safety, Healthcare and the Environment.

Although our products are not subject to the EU-Directive 2002/95/EEC, RoHS, the company is committed to comply with this EU-Directive for the development of new products, whenever possible.

Organization

Development projects are highly complex and cross-linked. Until an idea or a strategic target turns into a product that can be manufactured globally, many complex process steps and processes must be run through in a coordinated manner, a variety of personnel from different divisions and departments must be incorporated and must participate and this also includes suppliers and affiliated companies. These requirements become evident also in the main sector T, which incorporates all areas of responsibility that are needed to develop a product in all its facets and to bring it to the stage of industrial application.

Besides the actual Development departments (Research and Development incl. Basic research and Advance development), this also includes, for example, the Project management, the Technology- and Innovation management, the Technical documentation, the Product management Market, which is represented by the Subdivision Manager Market and which represents the interests of the market and the customers, as well as the subject matters Product data management and Platforms, the entire Industrial Engineering, as well as a Procurement Engineering, which takes care of the incorporation of the right supplier technologies and suppliers already in the very early stages of the development.

The ideas and strategic targets for Development and Innovation come from the sector „Product Management (MT)“, which is part of the main sector M (Marketing) and whose job is to record the requirements of customers and the market and to convert these data into internal core instructions.

Control, Communication, Coordination, Decision-making

For the continued assurance that in the Innovation process and in compliance with the corporate strategy the development is market-conform, the information and communication continues to be conducted transparently both vertically and horizontally, the projects are coordinated and prioritized and the necessary decisions are made at and by the right bodies, we have established a respective system which, besides the processes, is controlled and coordinated by the following steering committees.

SUP 1 (Strategic Environment process 1)

Strategic orientation, strategic decision-making customers for projects, approval of market-relevant deviations from the requirements.

PSR Products

Review and coaching of the Innovation projects, guiding the Project teams, release of Milestones, alignment of the project status with the requirements of the User Requirement Specification.

T-Meeting

Steering the project-portfolio, Project management process (selection of the Project manager, Project-Management-Methods...), implementation of the Project kick-off.

Status Key Projects

Operational meeting (weekly) for short-term project control and for higher-order agreements.

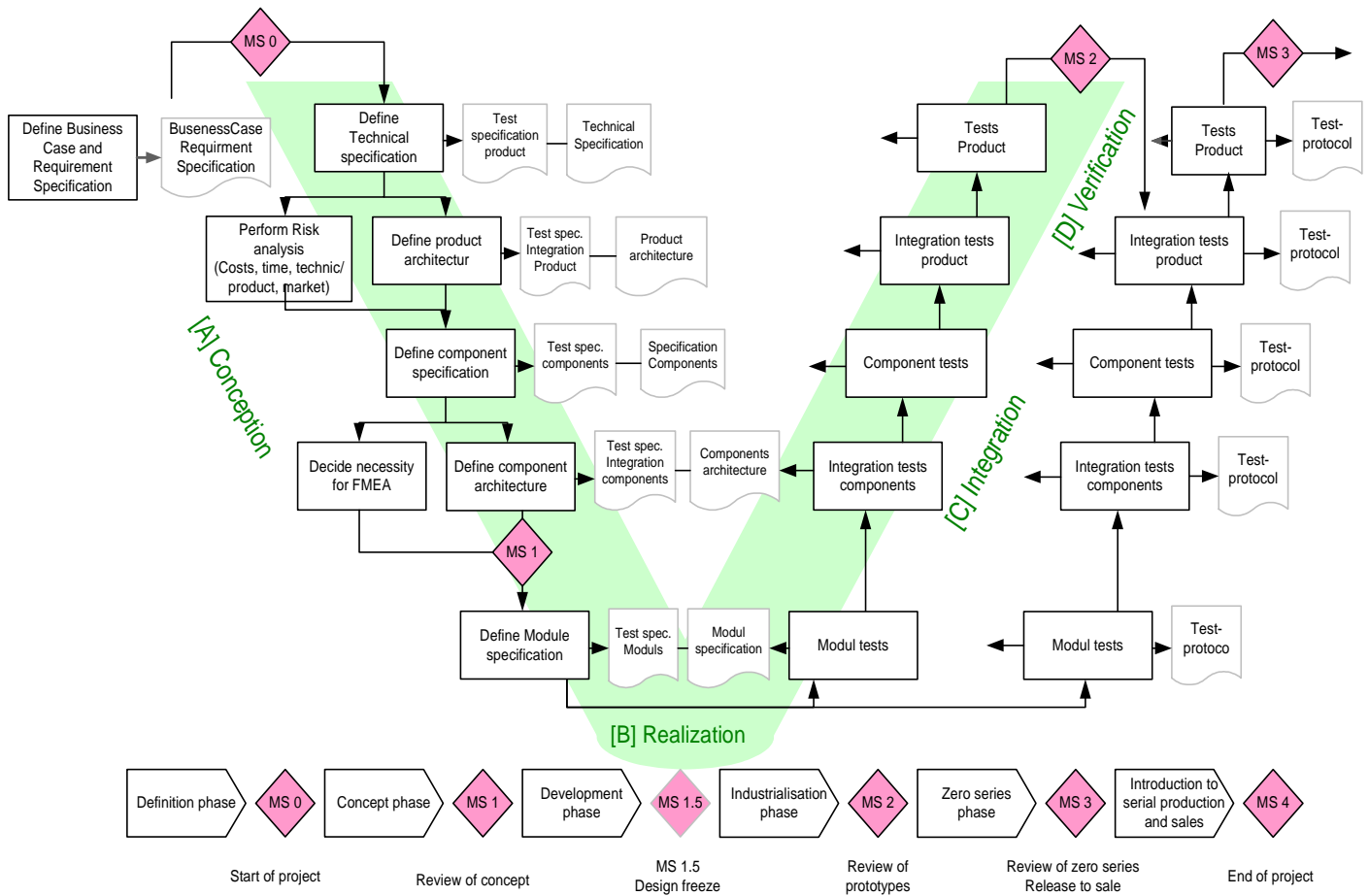
Development process model

To fulfill this goal as best as possible, our Innovation process is based on the Development process model in form of an Iteration model (Stage-Gate-Model), whereby the maturity of the product is increased in stages to finally reach the Sales release and the release for the industrial production.

This iteration- or stage-gate-model is cross-linked with and controlled by a V-Model, which is meant to fulfill the requirements for the functional safety and the regulated sectors (Pharma, Food, Life Sciences...). The V-Model defines the sequences of the creation of technical specifications and the co-applying test- and inspection plans (in the form of core instructions) and validates the mandatory and defined tests after they have been performed (Validations).

Each stage is planned and is finalized with a review. In order to proceed to the next stage, these reviews must first be approved by a Steering committee, the Review-Team. Checklists are prepared for the assessment of the results in the various stages.

Risk assessments (Project) and FMEAs (Product, Process) are conducted in certain stages of the project for the risk protection and defect prevention; an FMEDA is conducted for products that are subject to the rules of the functional safety (SIL).



Validation

A department that is independent from the Development and the Project management and which is part of the Quality assurance management conducts validations tests for each development project, which focus specifically on the ease of application and the customer needs. These validations also include stress tests, limit tolerance tests, borderline and abnormal parameter combinations, as well as tests which deliberately cause the test object to fail. The results are documented in a Validation report, which is part of the release procedures.

The Validation department also reminds of lessons learned from complaints, repairs, etc., which are noted in the development projects and in FMEAs, it advises the project manager during the preparation of the Test planning for the development project and, in this process, also includes experiences and knowledge gained from earlier projects. A particular focus is also the “Environment simulation”, i.e. the comprehensive analysis of variables such as temperature, humidity, vibration, corrosion, etc., as well as the applicable standards and norms that we must observe in this respect.

The Validation department also conducts tests with rival products.

Realization process

The realization process is comprised of, besides the Innovation process, all processes pertaining to the process family „Delivery“. Products developed in Reinach will be manufactured in Reinach and Cernay as well as in other Divisions in order to deliver these products to specific, defined segments of the world market. A product can be launched by the parent company (the entire product is initially developed and produced in Reinach or Cernay, until it is ready for the start of production and is then transferred to the Division), but it can also be launched directly, together with a product that was developed for a certain market or a Division; in the latter case, the product is exclusively, or at least initially produced in a Division. With this concept, it goes without saying that the communication- and information processes are important; they are mainly the Configuration management, Division-Review and the Technical Support in case of internal and external complaints.

The importance to coordinate and to improve this network is also highlighted by the fact that the sector O has a separate department, which attends to the Divisions and where each Division has its own handler/advisor/ coordinator. The Divisions also support substantially our "Global Sourcing activities".

The department Customer order processing checks the feasibility of customer orders and forwards them in form of Production orders to the Production. Whenever made-to-order solutions cannot be processed with the standard range of materials, tools and equipment, Special orders will be initiated.

Production

The Production begins a preproduction with the manufacture of assemblies from purchased parts, which are then assembled to complete devices with other purchased parts and modules in the final assembly, followed by the respective testing.

At the end of the production process, each device is generally calibrated for the measurement variable flow rate in an accredited calibration laboratory. This calibration not only assures the functionality of the device, but also verifies its measurement accuracy.

A strong and stable transport packaging ensures that the customer receives the devices in good condition.

Our Production practices CIP as a routine part of the daily work. This starts with small improvements right up to complex projects that involve the entire production structure (One Piece Flow, Milk Run Logistic, Kanban, Shop Floor Management, Engineering Hours, and QRQC in Cernay...).

A sampling test is conducted at the end of the production and with the ready delivery consignment; this test examines the delivery from the customer's viewpoint, so-to-say. The inspector takes on the role of the customer, who receives and unpacks the consignment. A key performance indicator is deduced from this inspection, which plays a very important role and whose target value is firmly established in the BSC.

The environment and the occupational safety, together with the quality assurance, are of utmost importance especially in the Production. This is why a Safety engineer is working in the Production. Furthermore, with the Quality coordinators for each department and the Quality assurance representative for the production, the Production has an internal structure, which supports, facilitates and improves the operative quality assurance.

Besides the Management system ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001, the Production also has the official approval to manufacture devices according to the Pressure Equipment Directive 2014/68/EU as well as AD 2000 (AD 2000 HP0); ATEX, ISO/IEC (Explosion protection); 3-A (Hygiene applications); on top of that, we also comply with the quality requirements for welding works, ISO 3834-2:2006. Our calibration rigs, on which the final function test of each device is performed, are certified by the SAS according to the ISO/IEC 17025:2005.

Supply chain management and Procurement

In order to meet our high demands in regard to quality, the environment and the occupational safety, we conduct comprehensive vendor qualifications. Since our company is represented in the whole world, we procure both locally and globally.

The basic principles for this are laid down in the „E+H Flowtec Sourcing Strategy“ and the „Global Local Concept“ . In the Global Sourcing, our Divisions play a major role, as they serve as so-called Sourcing Hubs in the various continents/markets and therefore have a major share in the operative responsibility.

Vendors are always qualified in Vendor audits, which are conducted according to the same criteria worldwide (not mandatory for catalogue-, normative- and standard parts). The initial sample testing is an essential requirement for drawing identifier sections.

A vendor appraisal is conducted for the further assessment and improvement. The result is communicated to key vendors monthly and to other vendors annually.

In addition, we have begun to initialize and support a CIP process for selected key suppliers.

Outsourced Processes

If we subcontract processes, partial processes, production steps, etc., i.e. if these processes are no longer processed in-house, the department or sector that handles the outsourcing is responsible to ensure that the outsourced products or parts also meet our demands for quality, the environment and the occupational safety.

If this outsourcing involves activities that are subject to additional regulations in form of laws, external directives, sets of standards (e.g. Pressure Equipment Directive, AD 2000, Explosion protection...), the parts in question must comply with the applicable parts of these regulations without compromise also in these production sites.

For the proper implementation of this requirement, the respective departments or sectors in charge seek the assistance of other technical departments and technical experts.

Companies and Organizations, which handle the outsourced processes etc. for us, are audited and qualified, as well as regularly assessed as agreed upon with the Managers of Quality management and Logistics.

Chapter 9: Measurement, Analysis and Improvement

General

It is our priority objective to improve the satisfaction of our customers and thus achieving and expanding their loyalty and commitment to our company. The building blocks for this are our „Zero-Defect-Policy“, our Error culture and the strategy of the continuous improvement. In order to achieve this goal, we have developed and established adequate methods and procedures for the measurement, analysis and improvement. The continuous improvement process, which applies for the entire Management system, also includes these methods and procedures and ensures their continual monitoring and improvement.

Monitoring and Measuring

Customer satisfaction

The main success indicators of our company are the customer satisfaction and –commitment. These indicators are determined in regular intervals through respective analyses and customer feedback. For this purpose, we collaborate with an external Market research institute, which carries out and analyses these customer analyses for us. The results are also analyzed and evaluated on Holding level and appropriate activities are derived from them. The surveys are conducted worldwide.

The result provide us with important and direct data about the customer loyalty and –satisfaction, as well as the respective reasons that are broken down into more than 70 influencing factors and their meaning for the customers. This system can be broken down to the level of customer groups, industries and product groups.

Another indicator is our Complaints management system, which informs us about problems and complaints and which provides relevant indices.

Internal satisfaction

The same institute also conducts an internal satisfaction analysis using similar procedures and methods, with which the satisfaction of the Sales companies (SCs) with the product Centers (PCs) is determined.

Complaints management, Application counseling and extended investigations

Complaints management

Complaints and Complaints management is an important indicator for quality and customer loyalty. The ultimate objective must be the avoidance of complaints. We work on this goal along our entire process chain. In case of complaint, a fast, competent complaint processing that involves the customer, is vital.

Our Quality management has a separate department for the Complaints management, which records, coordinates, rectifies (immediate action and corrective action), reports and communicates complaints.

To ensure a fast and comprehensive complaint processing and to involve and comprehensively communicate with the Production, we convene a weekly „Complaint-Circle“ with the production personnel in charge of the quality. If a complaint involves Development departments, the respective Complaint Manager in charge will contact the responsible developers directly. Collaboration with production sites in complaint management will be supported by the use of video conferences.

From our customer surveys and –analyses we know that a well handled complaint processing with the involvement of/communication with the customer can immensely improve the customer loyalty and –satisfaction. A badly handled complaint processing, on the other hand, can severely damage the customer loyalty.

In-house, we apply the system of the 8D-Reports, to ensure a transparent and traceable complaints processing.

So-called Briefings or Short reports are used for the external communication which, besides the defect description, includes the following information:

- Cause of the defect
- External immediate action
- Internal immediate action

With this method, the complaining party receives a relatively fast feedback that the complaint has arrived and the necessary immediate actions have been taken.

Application counseling

A department with product- and application experts is available to customers and sales organizations to assist with any form of application questions and –problems. The experts can be approached ahead of a purchase order or during a project, but also if the customer encounters a problem that is probably caused by an application. There is a regular communication and exchange between the Application counseling and the Complaints management, which ensures a mutual transfer of knowledge.

Extended investigations

We also conduct extended investigations at the request from the customer or Sales organizations. Besides a detailed analysis of the device by the developer, this also includes a comprehensive investigation report. The Development records the results of these extended investigations and reports them regularly.

Internal Measurement, Analysis and Improvement

The implementation of corrective and improving action is not confined to products and services alone, but also involves all relevant business processes of the company in regard to all aspects of the Management system.

We have developed a system of Process Key Performance Indicators, which provide us with information about the status and development of our processes and which form the basis for their improvement. These Key Performance Indicators can be viewed ‘online’ on the Flowtec Management Portal.

The recording and reporting of internal malpractices gives us a quick overview of the quality of our products and shows the potentials for correction and improvement, which are then passed on to and processed by the respective fields of work or lead to CIP-Activities.

Internal audits help to improve the Management system as a whole, but also individual processes and procedures and they also help in the formulation and implementation of preventive action. We have additionally implemented a system of Short audits, where specific topics, production- or production steps are being audited very target-oriented and compact.

The entire aspect of improvement and prevention is driven and supported by our structured and organized CIP.

Other applicable documents

All DHC-Vision Process descriptions
All valid Core instructions, Flowtec-Directives, Work- and Test instructions, Training programs as well as Delivery instructions of the Flowtec
Flowtec Strategy
Flowtec Functional Strategies
Manual Safety, Healthcare and the Environment
ICS Manual Flowtec
ICS Manual Group
Management Process Organization Flowtec
Respective valid Strategy of the E+H-Group
Standards of the E+H-Group
Validation Master Plan Group